

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2010



**CAPITOL REGION EDUCATION COUNCIL
Hartford, Connecticut**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010**



Capitol Region Education Council

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*Prepared by:
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**CAPITOL REGION EDUCATION COUNCIL
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

JUNE 30, 2010

TABLE OF CONTENTS

		<u>Page</u>
<u>INTRODUCTORY SECTION</u>		
	Organizational Chart	i
	Mission Statement	ii
	Council Members	iii
	Certificate of Achievement for Excellence in Financial Reporting	iv
	Letter of Transmittal	v-xiii
<u>FINANCIAL SECTION</u>		
	Independent Auditors' Report	1-2
	Management's Discussion and Analysis	3-10
<u>Exhibit</u>		
	Basic Financial Statements:	
	Government-Wide Financial Statements:	
I	Statement of Net Assets	11
II	Statement of Activities	12
	Fund Financial Statements:	
	Governmental Funds:	
III	Balance Sheet	13-14
IV	Statement of Revenues, Expenditures and Changes in Fund Balances	15-16
	Proprietary Funds:	
V	Statement of Net Assets	17
VI	Statement of Revenues, Expenses and Changes in Fund Net Assets	18
VII	Statement of Cash Flows	19
	Fiduciary Funds:	
VIII	Statement of Fiduciary Net Assets	20
	Notes to Financial Statements	21-41
	Required Supplementary Information:	
	General Fund and Major Special Revenue Fund:	
RSI-1	Schedule of Revenues and Expenditures - Budget and Actual	42
	Combining and Individual Fund Statements and Schedules:	
	General Fund:	
A-1	Balance Sheet - By Program	43-48
A-2	Schedule of Revenues, Expenditures and Changes in Fund Balances - By Program	49-54
A-3	Schedule of Revenues and Expenditures - Budget and Actual	55-56

Exhibit**Page**

Combining and Individual Fund Statements and Schedules (continued):

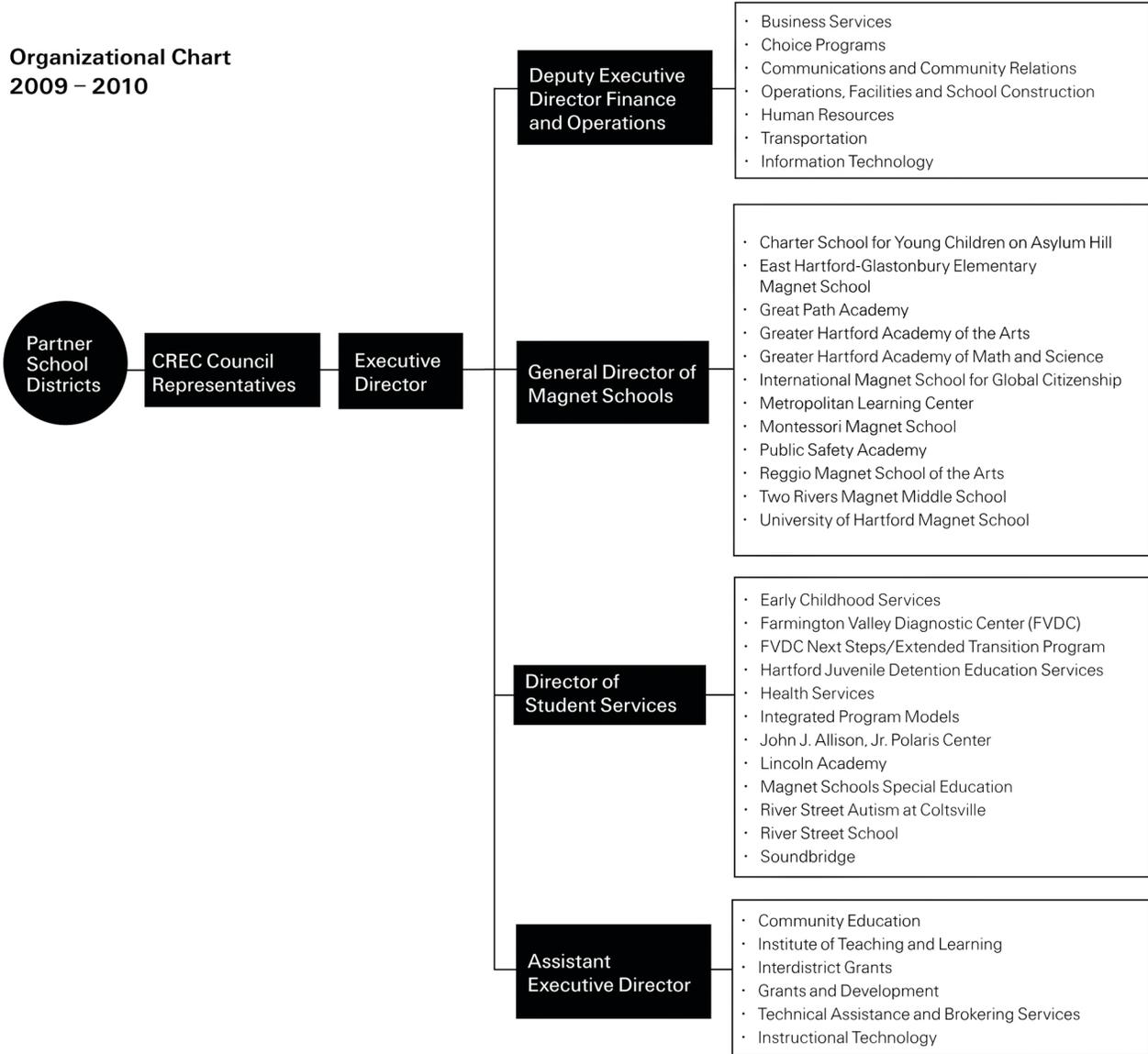
	Special Revenue Fund:	
B-1	Balance Sheet - By Program	57-60
B-2	Schedule of Revenues, Expenditures and Changes in Fund Balances - By Program	61-64
B-3	Schedules of Revenues and Expenditures - Budget and Actual	65-70
	Nonmajor Governmental Funds:	
C-1	Combining Balance Sheet	71-72
C-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	73-74
	Nonmajor Enterprise Funds:	
D-1	Combining Statement of Net Assets	75-76
D-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	77-78
D-3	Combining Statement of Cash Flows	79-80
	Internal Service Funds:	
E-1	Combining Statement of Net Assets	81
E-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	82
E-3	Combining Statement of Cash Flows	83
	Fiduciary Funds:	
	Agency Funds:	
F-1	Combining Balance Sheet	84-85
F-2	Combining Statement of Changes in Assets and Liabilities	86-87
	Capital Assets Used in the Operation of Governmental Funds:	
G-1	Comparative Schedule by Source	88
G-2	Schedule by Function and Activity	89
G-3	Schedule of Changes by Function and Activity	90

STATISTICAL SECTION**Table**

	Financial Trends:	
1	Net Assets by Component - Last Eight Fiscal Years	91
2	Changes in Net Assets - Last Eight Fiscal Years	92
3	Fund Balances, Governmental Funds - Last Ten Fiscal Years	93
4	Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	94
	Revenue Capacity:	
5	Revenue by Source - All Fund Types	95
6	Principal Revenue Payers - 2010 and 2001	96
7	Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	97
	Demographic and Economic Statistics:	
8	CREC Member Data	98
9	Per Pupil Expense	99
10	Total Population by Town - Fiscal Years 2000 to 2009	100
	Operating Information:	
11	CREC Member Towns Average Daily Membership (ADM) - Public School Pupils - Fiscal Years 2001 to 2010	101
12	Program Enrollment Summary	102-119
13	Tuition Rates Per Student	120
14	Employees by Job Category	121
15	Capital Assets Used in Operation of Governmental Funds	122

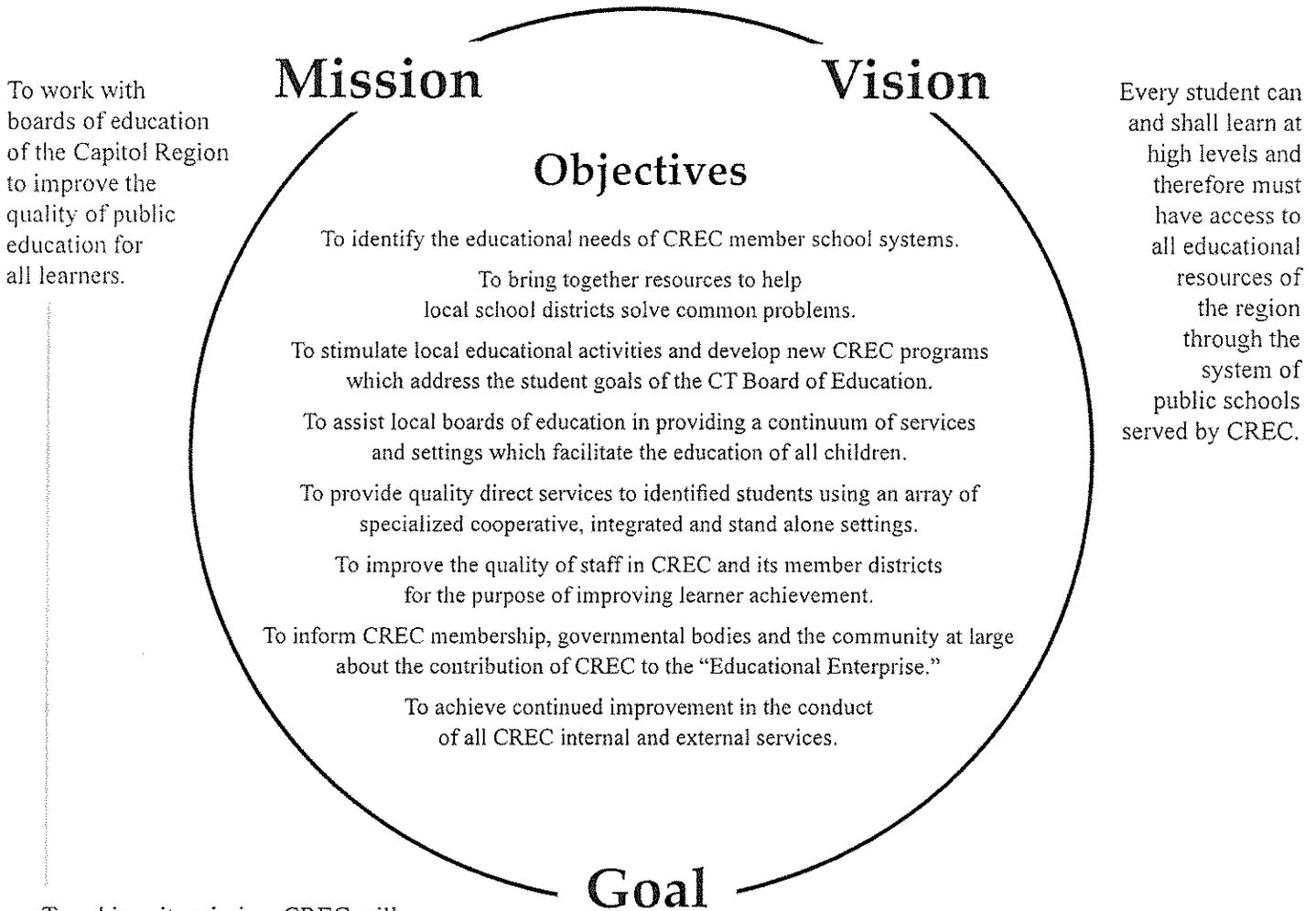
Introductory Section

**Organizational Chart
2009 – 2010**





Connecting People and Resources for Quality Education



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

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

Mission

Vision

Objectives

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

Goal

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.
- 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 the third grade, 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.

Member Districts:

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

2009-2010 Governance

<p>Board of Directors Bloomfield – Shirley Thompson, Chair Bolton – Dr. John Hambrook, Sec/Treasurer East Granby – Jeff Clark Enfield – Joyce Hall, Vice Chair Hartford – David MacDonald Portland – Chris Phelps Rocky Hill – Dilip Desai Southington – Jill Notar-Francesco Suffield – Lauren Life Windsor Locks – Brenda Ives</p> <p>Council Representatives Avon – Barbara Zuras Berlin - TBD Bloomfield - Shirley Thompson Bolton – Dr. John Hambrook Bristol - Christopher C. Wilson Canton – Leslee Hill Cromwell - Shirley Banic East Granby – Jeff Clark East Hartford – Jeffrey Currey East Windsor – John Pica-Sneeden Ellington – Kristen Picard-Wambolt Enfield - Joyce P. Hall Farmington – Mary Grace Reed Glastonbury – Jeremy Grieveson Granby - Cal Heminway Hartford – David MacDonald Hartland - Amy Bourque Manchester – Mary-Jane Pazda New Britain – Sharon Beloin-Saavedra New Hartford - TBD Newington – Sharon Braverman Plainville - Becky Tyrrell Portland – Chris Phelps Region 10 - Beth Duffy Rocky Hill – Dilip Desai Simsbury - Lydia Tedone Somers - Joan Formeister Southington – Jill Notar-Francesco South Windsor – Sheila Appleton Suffield - Lauren Life Vernon - TBD West Hartford - Terry Schmitt Wethersfield – Tristan Stanziale Windsor Locks - Brenda Ives Windsor – Paul Panos</p>	<p>CREC Administration Bruce E. Douglas, Ph.D., <i>Executive Director</i></p> <p>Sarah J. Barzee, Ph.D., <i>Assistant Executive Director</i></p> <p>Donald P. Walsh, <i>Deputy Executive Director, Finance & Operations</i></p> <p>Denise Gallucci, <i>General Director, Magnet Schools</i></p> <p>Sandy Cruz-Serrano <i>Director, Operations</i></p> <p>Regina Terrell, <i>Director, Human Resources</i></p> <p>George Dowaliby, <i>Director, Student Services</i></p> <p>Andrew Tyskiewicz, <i>Director, Community Education</i></p> <p>Aura Alvarado <i>Director, Community Relations</i></p> <p>Roger LaFleur, <i>Director, School Construction</i></p> <p>Dina Crowl, <i>Director, Institute of Teaching & Learning</i></p> <p>Douglas Casey, <i>Director, Technology Services</i></p>
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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Capitol Region
Education Council
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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.



A handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

President

A handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

Executive Director

December 7, 2010

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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, 2010. The purpose of this report is to provide citizens, member boards of education, funders, grantor agencies and other interested parties with reliable financial information about CREC. CREC's Business Services Division is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. We believe that the data presented in this annual report is accurate in all material aspects; it is presented in a manner designed to fairly set forth the financial position and results of operations of CREC, as measured by the financial activity of its funds. The report contains all disclosures necessary to enable the reader to gain an understanding of CREC's financial affairs.

Management's discussion and analysis (MD&A) immediately follows the independent 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 primary 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 information provided in the CAFR includes all CREC funds.

ECONOMIC CONDITION AND OUTLOOK

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

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

FUTURE PLANS

Quality and Integrated Education:

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

CREC has long held quality, integrated education as its primary focus. As a leader in promoting diversity, the application of CREC's core beliefs, mission, goals and objectives has resulted in tangible progress toward achieving this goal in our region. We expect that our magnet school enrollment, the Choice program, Interdistrict grants and other funding will continue to increase through 2011 and beyond, as the State responds to racial and ethnic isolation in the Capitol Region through the 2008 Settlement Agreement in *Sheff v. O'Neill*.

CREC's Magnet Schools Division enrollment continues to grow. In 2010-2011, we are operating the Metropolitan Learning Center magnet school in Bloomfield; the East Hartford/Glastonbury Elementary Magnet School in East Hartford; the Greater Hartford Academy of the Arts in Hartford; the Greater Hartford Academy of Math and Science in Hartford; the Montessori Magnet School 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 Simsbury; the CREC Public Safety Academy in Enfield, and the Medical Professions and Teacher Preparation Academy in Windsor. Our magnet school enrollment has grown to over 5,000 students in 2010-2011 and our magnet school budgets total \$70,609,851. The Magnet Schools Division should continue to grow and attract students by allowing those students to focus on specific talents or interests while studying a challenging core curriculum of language arts, mathematics, science, social studies and languages in a diverse environment.

The CREC Magnet Schools Division has been awarded a three-year Federal Magnet School Assistance Program grant for \$11.5 million in 2010-2011 in support of magnet school development, recruitment and expansion in the region.

The Capitol Region Choice program currently enables approximately 1,344 Hartford students to attend 133 schools in 29 CREC districts during the current 2010-2011 school year. CREC plans to continue to manage and to expand the Choice Program in future years, through increased counseling and academic support, thereby increasing the funding for highly effective Interdistrict programs, along with improved and enhanced Choice and magnet school transportation services provided on a regional basis. CREC also operates an after-school academic remediation program targeting underperforming Choice students who attend schools in the Greater Hartford suburbs. The goal of the program is to assist our Choice students in the development of academic skills to perform at or above level on CMT 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 13 awarded grants in 2010-2011 totaling \$1,591,379.

Community Education Division:

The Community Education Division addresses the needs of adults and families in the Capitol Region through many community-based programs and by leading several statewide professional development initiatives. Direct service programs include pre-vocational and literacy training, English as a Second Language classes, family literacy, continuing education and youth development initiatives. The division also delivers comprehensive training and technical assistance for adult educators, K-12 personnel and after school program staff. The division is the statewide professional development coordinator for Connecticut's 1,500 Adult Education teachers, the statewide coordinator for 21st Century after school programs, and the organizer of Career and Technical Education professional development. The work of the division extends throughout the region, the state, and beyond Connecticut's borders with a diverse clientele from both the public and private sectors.

Student Services Division:

The Student Services Division continues its effort to better serve a diverse population of students and their families. While much of that effort has continued to ensure the quality of existing programs within Student Services, there has also been significant expansion of programming and services over the past school year.

River Street School provides day and extended day and year services to students with autism and significant developmental delays, with a strong emphasis on applied behavioral analysis and a variety of support services designed based on individual student need. River Street's annex building, the Marcia Yulo Howard Center for Autism, houses classrooms for younger students transitioning to River Street School, the PASC (Program for the Assessment of Special Children), the Children's Therapy Services Clinic for children with sensory issues, and also contains the administrative offices for River Street's Autism Outreach program and the Integrated Program Models (IPM).

The Farmington Valley Diagnostic Center (FVDC) is enhancing its transitional services for students and is providing additional opportunities for community internships and work experiences. In conjunction with the FVDC Advisory Committee, the Center continues to explore the feasibility of the expansion of services for students with social, emotional and behavioral concerns. The most recent expansion included a summer school program that was initiated this summer.

The John J. Allison Jr. Polaris Center, in an effort to provide services to a broader population, has recently expanded its clinical staff at the Mental Health Outpatient Clinic and is in the last step of the process to be licensed by the Department of Health. This will allow the Clinic to expand serves to students ages 18-21, and to provide services to adults. The Polaris School continues to provide high quality educational and therapeutic services for students with social, emotional and behavioral concerns. The Lincoln Academy, located on the Polaris campus as a new program last year, is in full swing with a growing enrollment. All of the programs under the John J. Allison Jr. Polaris Center umbrella have developed a stronger focus on transition and job related services.

CREC continues to provide the educational program for the Hartford Juvenile Detention Center. CREC has expanded its program by including the "Street Starts to Business Smarts" program. This program provides a stronger focus on classroom-based skills development in preparation for employment, and real job internships once the students have left detention. CREC has also increased its emphasis on partnering with the Hartford Public Schools in an effort to re-engage students in the public school educational program when they leave detention.

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

The Birth to Three and Parent Aid Programs continue to provide direct service to families and children in the Hartford area. Parent Aid sponsors parent education through instructional sessions and support groups. Birth to Three continues to provide direct service to infants and toddlers with special needs. The staff works closely with families as partners in the upbringing of young children who may face multiple challenges.

Institute of Teaching and Learning:

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

Teaching and Learning consultants facilitate regional and content specific curriculum councils. District leaders and department heads in the disciplines of science, math, and language arts meet monthly at CREC to network, share and deepen their knowledge of best practices, identify mutual needs and share resources.

The Institute's education specialists provide ongoing services to multiple districts in Greater Hartford and to districts outside the Hartford area. Requests for services have included presentations for scheduled professional development days, program evaluations, on-site coaching and modeling for instructional strategies in the areas of literacy, numeracy, science, and social studies, and working with school leaders to enhance their awareness of best practice in differentiating instruction.

The Institute of Teaching and Learning continues to enjoy a dynamic partnership with the Connecticut State Department of Education (CT SDE) School Improvement Unit and the RESC Alliance. The partnership provides direct professional development and technical support to schools and districts that have been designated as needing improvement. As a result of the recently submitted applications for services from these schools, the Institute will provide over 200 days of direct service to Hartford, East Hartford, Suffield, Windsor, Vernon, and Manchester. The services requested include: data team training and facilitation, support for using protocols to examine student work, implementing effective teaching strategies, and curriculum development. Teaching and Learning will continue to partner with the state on CALI training in Coaching Effective Teaching Strategies, ELL, and Data for Instructional Leaders.

The Common Assessment Consortium (CAC) was established in response to the needs of regional districts to develop standards-driven assessments. The overarching goal is to provide common tools for measuring progress toward standards that are grade level appropriate, so that all students can achieve at high levels. The K-2 Assessment Consortium completed its first year with the addition of the K-2 website. The CREC-housed K-2 website was introduced at the CT SDE Assessment Symposium.

School Construction Services:

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 services, which now provide project management and related construction services to districts throughout Connecticut. Our school construction staff serves surrounding districts that are either contemplating or actively engaged in school construction projects. To date, we have been the sole project manager/owner's representative on 18 projects, comprising over \$300 million.

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 provide for verification of compliance with the educational program, financial reporting to the State Department of Education, project closeout and final audit. 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.

The Soundbridge addition and renovation project is now complete. We continue our work as owner's representative for the \$28 million Carmen Arace Middle School renovation project in Bloomfield, the Metacomet and Laurel school projects in Bloomfield, and the Winthrop and Nathan Hale magnet school projects in New London.

We continue to assist Goodwin College in the construction of the Connecticut River Academy for Earth and Space Science within its Riverside Drive campus in East Hartford. We are also assisting Goodwin College in the project management of the Academy of Advanced Design and Technology and their Early Childhood School.

We have successfully completed renovations of both the start-up and expansion of facilities for a new charter school and four new magnet schools, two of which are early childhood schools. The third is a public safety-themed magnet school and the fourth is a medical professions and teacher preparation themed school. The magnet schools have been placed in East Hartford, Avon, Enfield and Windsor, respectively. The charter school is in Hartford's west end. We are in the process of managing the SDE grants for the construction of permanent facilities and are identifying suitable locations for them.

Technology Services Division:

The Technology Services Division has expanded its delivery of new services in response to evolving district needs. The division has led the development of an instructional technology consortium that will help enable schools maintain support and professional development services despite district budget cuts. Both directly and through the consortium, CREC specialists worked with district leaders to integrate 21st Century skills into new and existing curriculum. The division also launched an online learning initiative, providing free hosting and training in the development of virtual courses to support increased graduation and accountability requirements.

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, Pearson and ProTraxx - 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 through staff outsourcing and consulting in the areas of business continuity, monitoring, security, and network/server administration.

Technical Assistance and Brokering Services Division (TABS):

The Technical Assistance and Brokering Services Division 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 Special Services Support Team (SSST) is in its fifth year of offering Connecticut's Advanced Alternate Route to Certification Program in Special Education and is approved by the State Department of Education to operate through 2014. This exciting, innovative course of study provides training and practical experiences for certified teachers in order to earn a cross endorsement in special education. This program has been very successful, graduating approximately 25-30 teachers each year, with over 34 students this year.

Districts that are interested in obtaining an independent review of their programs and services, such as special education, RTI (Response to Intervention), secondary transition, early intervention, student achievement, and related services (i.e. speech and language) have sought assistance from CREC's TABS division. SSST is currently conducting a special education program review for a district in Connecticut at the request of the Connecticut State Department of Education.

SSST continues to work with the State Department of Education to provide leadership in the state in the training of RESC, SDE and district staff on the COMPASS paraprofessional training curriculum. Four new modules that we will be offering are: *Reading for Secondary Level*, *Math Strategies*, *Health and Wellness*, and *Scientific Research-Based Interventions*. Since the participants became certified trainers in October 2008, over 1500 paraprofessionals across the state have been trained in the COMPASS modules. This year, TABS has provided certification training to three additional districts in the state. SSST has been approved by Charter Oak State College to offer five paraprofessional courses for college credit, and we will be collaborating with the college to provide an online paraprofessional course of study nationally, effective January 2011. The COMPASS modules have sold nationally and internationally, with the Netherlands now included as a customer.

This year, SSST has provided an Assistive Technology Consortium to Connecticut districts and organizations. Membership in the consortium allows the 10 districts currently enrolled to send three staff to six professional development training sessions, receive a quarterly newsletter, and be connected to online discussion groups. AT Consortium members also are entitled to borrow assistive technology equipment from the lending library.

As part of an initiative to assist districts in designing and implementing positive school climate, SSST is providing training to 15 schools and over 50 staff on Positive Behavior Intervention Supports (PBIS). PBIS provides a framework for schools to use that reinforces positive student behavior through changes in school structure and staff behaviors.

TABS' REACT (Regional Assessment and Consultation Team) service continues to provide highly qualified, certified professionals to help public schools, private schools and special educational agencies meet their staffing needs. Currently, TABS provides 10 districts and agencies with over 40 full and part-time paraprofessionals, associate instructors and speech language pathology assistants. Seventeen interim administrators, paraprofessionals, transition coordinators, occupational and physical therapists, tutors, behavior specialists, literacy coaches, and speech language pathologists are working for TABS in educational organizations across the state.

In addition to interim services, TABS continues to provide student evaluations in a number of related service areas. For the current school year (2010-11), TABS has contracts to conduct 30 evaluations in areas such as: assistive technology (AT) or augmentative alternative communication (AAC), vocational, occupational, bilingual speech language, bilingual psycho-educational or psychological assessments.

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

CREC's Office of Grants and Development, which is new to the TABS division in 2010-11, continues its longstanding experience serving school districts and organizations in their efforts to secure funding for a wide variety of programs. This year we continue to develop a cadre of grant writers and "vetters" who work on proposals for both CREC and districts across the state. CREC's relationships with corporate and private funders began in 2008 and it continues to grow through the work of the CREC Foundation. The Grants and Development Office seeks private funding for programs which include: after school programs, science technology, engineering, and math (STEM) projects, Family Resource Centers, Community Involvement in Student learning, Transition to Work or Post Secondary Education, School Climate, and 21st Century Learning Activities.

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

Office of Early Childhood:

The Office of Early Childhood provides services to districts, community care providers and programs. Professional development, technical assistance and coaching are offered in the following areas: The Cycle of Intentional Teaching, Training Wheels, Early Childhood SRBI, Challenging Behaviors in the Early Childhood Classroom, Early Literacy, Early Childhood Outcomes, and other topics as requested.

The K-2 Common Assessment Consortium is in its second year of operation. This consortium offers participant districts a bank of vetted math and science authentic assessment tasks to use in the classroom as a standard measure of student proficiency in these content areas. A second level of membership also allows for district participants to become active members in the K-2 Common Assessment Task Force. Members have a dynamic role in research and development, piloting, and vetting of newly created assessment tasks in both math and science.

The Office of Early Childhood also provides direct service and consultation to public schools and community-based programs; the Open Choice Early Beginnings program is one example. This program supports early literacy and numeracy in CHOICE districts who educate Hartford kindergarten students. A Literacy Facilitator (CREC certified teacher) is assigned to provide early literacy support in the classrooms where the Hartford students attend both kindergarten and extended day programs. The Open Choice Early Beginnings program also supports a seamless transition from Hartford to the suburban districts through a resource specialist who works closely to support families and districts. Services consist of coordination and facilitation among the CHOICE district participants. We also offer CHOICE districts participation in the Professional Book Club.

The Hartford Association for the Education of Young Children (HAEYC) continues to be a collaborator with the Office of Early Childhood. HAEYC, through its Accreditation Facilitation Project, assists schools and programs in receiving National Association for the Education of Young Children (NAEYC) accreditation. HAEYC also provides professional development to community care programs throughout the Hartford region.

The Early Learning Center on Asylum Hill (ELC-AH) is another initiative of the Office of Early Childhood. The Early Learning Center provides both infant/toddler care and a full day pre-school program in a nurturing environment. Located at the Asylum Hill Congressional Church on Asylum Avenue in Hartford, the ELC-AH offers 12 month, full day- full year care and education to children ages 3 months-5 years of age. The ELC-AH utilizes Creative Curriculum for Infants and Toddlers and Opening the World of Language and state standards for pre-school planning and instruction.

Business Services Division:

CREC's Cooperative Purchasing effort continues to offer districts a three-part program to save money and time. 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. Finally, 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 continues to provide special education students from participating districts with transportation to their out-of-district placement destinations.

Human Resources Division:

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

FINANCIAL INFORMATION

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

Single Audit:

As a recipient of federal and state 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 auditors' reports on the internal control structure, and our compliance with applicable laws and regulations, is issued under separate cover and is not included in this report.

As part of CREC's single audit described above, tests are conducted to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that CREC has complied with applicable laws and regulations. The results of CREC's single audit for the fiscal year ended June 30, 2010 provided no instances of material weakness in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls:

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

Awards and Acknowledgements:

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Capitol Region Education Council for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. This was the seventeenth consecutive year that CREC has received this award. In order to be awarded a Certificate of Achievement, CREC must publish an easily readable and efficiently organized CAFR that satisfies both accounting principles generally accepted in the United States and applicable legal requirements.

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

The preparation of this report would not have been possible without the dedicated service of the entire 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 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



Accounting | Tax | Business Consulting

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Capitol Region Education Council as of and for the year ended June 30, 2010, which collectively comprise the Capitol Region Education Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Capitol Region Education Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Capitol Region Education Council as of June 30, 2010 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 7, 2010 on our consideration of the Capitol Region Education Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 3 through 10, and the budgetary comparison information on page 42 are not required parts 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 7, 2010

**CAPITOL REGION EDUCATION COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

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, 2010. 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 CREC's programs was \$141 million.
- The General Fund reported a fund balance this year of \$11.0 million, down from \$11.4 million last year.
- During the year, CREC's governmental revenues of \$138.7 million were \$520 thousand greater than expenses for governmental activities (before transfers).
- CREC's net assets increased by \$658 thousand as a result of this year's operations. While net assets of our business-type activities increased by \$307 thousand, net assets of our governmental activities increased by nearly \$351 thousand.
- Overall, the growth in CREC's net assets reflected an increased demand by school districts for CREC's special education services, other specialized services which include new programs, and increased student enrollment.

OVERVIEW OF THE FINANCIAL STATEMENTS

The CAFR contains general introductory information, 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

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

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

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

Fund Financial Statements

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

- *Governmental Funds (Exhibits III and IV)* - Most of CREC's basic programs and services are reported in governmental funds, and the exhibits focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. A fund represents a group of related accounts 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 75 governmental programs. The individual programs are described and their fund accounts are detailed in the Combining and Individual Fund Statements and Schedules section.

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

CREC's combined net assets increased \$658 thousand, or 0.9%, to \$73.2 million. This was due to greater demand for CREC services, which resulted in increased billing and thus larger receivable balances, as well as increased investment in capital assets. Current assets were also partially funded by an increase in current liabilities.

TABLE 1
NET ASSETS
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current assets	\$ 29,236	\$ 25,505	\$ 1,704	\$ 1,420	\$ 30,940	\$ 26,925
Capital assets, net of accumulated depreciation	59,369	59,178	12	8	59,381	59,186
Total assets	<u>88,605</u>	<u>84,683</u>	<u>1,716</u>	<u>1,428</u>	<u>90,321</u>	<u>86,111</u>
Current liabilities	10,116	6,464	2,160	2,179	12,276	8,643
Long-term liabilities outstanding	4,833	4,914			4,833	4,914
Total liabilities	<u>14,949</u>	<u>11,378</u>	<u>2,160</u>	<u>2,179</u>	<u>17,109</u>	<u>13,557</u>
Net Assets:						
Invested in capital assets, net of related debt	56,113	55,600	12	8	56,125	55,608
Restricted for:						
Trust purposes:						
Nonexpendable	17	17			17	17
Unrestricted	<u>17,526</u>	<u>17,688</u>	<u>(456)</u>	<u>(759)</u>	<u>17,070</u>	<u>16,929</u>
Total Net Assets	<u>\$ 73,656</u>	<u>\$ 73,305</u>	<u>\$ (444)</u>	<u>\$ (751)</u>	<u>\$ 73,212</u>	<u>\$ 72,554</u>

Net assets of CREC's governmental activities increased 0.5%, which reflected an increase in net assets invested in capital assets net of related debt due in large part from leasehold improvement in the magnet schools and the completion of the Soundbridge renovation project. Net assets of governmental activities without the capital assets actually decreased \$162 thousand primarily due to start-up costs in the magnet schools, lower budgeted student enrollment and the write off of construction costs at the Charter School.

With regard to the financial position of the business-type activities, net assets increased by 40.9% or \$307 thousand. This increase was primarily due to School Construction Services and the Virtual High School program. Almost all the other business-type activities increased their net assets through increased revenue, except for the School Improvement Center (SIC) and Technology Training. These services, although in demand by districts, continued to have expenses which exceeded revenue.

Governmental unrestricted net assets - the portion of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased from \$17.7 million at June 30, 2009 to \$17.5 million at June 30, 2010. Increased startup costs and the need for leased space led to a decrease in unrestricted net assets in the Magnet School Division. The Student Services Division had strong growth in unrestricted net assets, due to increased enrollment and cost containment in some of its schools.

The unrestricted net assets of business-type activities increased by \$303 thousand, or 39.9%, from a deficit of \$759 thousand to a deficit of \$456 thousand. This was due primarily to decreased expenses and increased sales in professional and construction services and online training.

The adjusted revenues in governmental activities - net of both the State of Connecticut contribution for teacher's retirement, employee benefits, and capital grants - was \$130.3 million this year and \$126.7 million last year, representing an increase of 2.8%. Expenditures remained stable, and related primarily to educating and providing services for CREC students and member districts. CREC's administrative activities represented 3.7% of total costs.

TABLE 2
CHANGES IN NET ASSETS
(In Thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues:						
Program revenues:						
Charges for services	\$ 61,631	\$ 60,955	\$ 2,538	\$ 2,833	\$ 64,169	\$ 63,788
Operating grants and contributions	74,329	70,327	158	175	74,487	70,502
Capital grants and contributions	2,463	4,802			2,463	4,802
General revenues:						
Grants and contributions not restricted to specific programs	296	368			296	368
Unrestricted investment earnings	12	115			12	115
Total revenues	<u>138,731</u>	<u>136,567</u>	<u>2,696</u>	<u>3,008</u>	<u>141,427</u>	<u>139,575</u>
Program Expenses:						
Education	132,199	126,040			132,199	126,040
Facilities	736	796			736	796
Administration	5,128	5,354			5,128	5,354
Interest on debt	148	149			148	149
Montessori Training Center of New England			158	241	158	241
Learning Corridor Theatre			48	76	48	76
Cooperative purchasing			28	19	28	19
Regional fingerprinting services			95	89	95	89
BEST Services				15	-	15
Property rental			1	1	1	1
CASBO Support Services			3	6	3	6
Conference services			193	201	193	201
Technology sale of services			356	306	356	306
Technical assistance and brokering services			211	300	211	300
Community education			177	205	177	205
School facility services			564	309	564	309
School improvement center			724	839	724	839
Total program expenses	<u>138,211</u>	<u>132,339</u>	<u>2,558</u>	<u>2,607</u>	<u>140,769</u>	<u>134,946</u>
Change in net assets before transfers	520	4,228	138	401	658	4,629
Transfers	<u>(169)</u>	<u>232</u>	<u>169</u>	<u>(232)</u>	<u>-</u>	<u>-</u>
Increase in Net Assets	<u>\$ 351</u>	<u>\$ 4,460</u>	<u>\$ 307</u>	<u>\$ 169</u>	<u>\$ 658</u>	<u>\$ 4,629</u>

The most significant increases in government-wide expenditures were in salaries, which increased by \$5.6 million (7.9%) and other purchased services, which increased \$4.8 million (3.9%). These increased costs were for general wages for additional teachers and paraprofessionals in the expanding magnet school program, and transportation costs, which increased because of the expansion of the Magnet Transportation Services program.

Governmental Activities

Governmental activities revenue increased by \$2.2 million, or 1.6%. Approximately 44.4% of revenues came from charges for services and approximately 55.6% came from operating grants and contributions:

- An increase of 464 students and related tuitions fueled the increase in revenues. New programs in 2010 included the Lincoln Academy and the Magnet Transportation Services program, which together generated \$4 million in increased revenue.
- The Student Services Division (special education) was primarily responsible for the growth of fund balance and revenue in the agency. River Street School and the Juvenile Detention Center provided most of the growth in the division.

Along with the increased revenues, governmental expenditures increased by \$5.9 million, or 4.4%. 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 10.4% (\$2.7 million in 2010 compared to \$3.01 million in 2009) and expenses decreased by 1.9%. Expenses exceeded revenue by \$307 thousand (after transfers). School Construction Services and Virtual High School expansion provided for the largest increase in business-type activities. We continue efforts to increase sales and lower expenses to make all services self-sufficient.

FUNDS FINANCIAL ANALYSIS

Governmental Funds

Governmental Funds (as presented on Exhibit III, the Balance Sheet) reported a combined fund balance of \$11.5 million, which decreased from last year's \$12.5 million.

The net change in the fund balance of the General Fund was a decrease of \$320 thousand. Program charges for leadership were \$560 thousand greater than expenditures, which increased the fund balance in the General Fund. However, the Student Services Division, which operates all of CREC's special education schools and programs, had combined revenues exceeding expenditures of \$1.07 million, which provided much of the fund balance growth in the General Fund. River Street School and the Juvenile Detention Center education program provided the largest growth in fund balance in the Student Services Division. Enrollment, facility and start-up issues in the Magnet Schools, the write off of the Charter School startup renovation costs and increased transportation costs were the leading factors in the net loss of \$1.9 million in the Magnet Schools division.

The Grants and Contracts Fund had a net decrease in fund balance of \$286 thousand. Three programs in the Grant and Contracts Fund were the major contributors to the net decrease in fund balance, due to reduced grant revenue and increasing expenditures. The Choice program, Birth to Three and the Early Education program, which includes the Infant Toddler program, were the largest contributors (\$549 thousand) to the net loss for the fund. State funds were not adequate to pay for the expenditures in these programs. The losses were offset by gains in Related Services and the Special Services Support Team of \$260 thousand, which had increased district sales.

TABLE 3
GOVERNMENTAL FUND BALANCES
(In Thousands)

	Fund Balance June 30, 2010	Fund Balance June 30, 2009
General fund	\$ 11,049	\$ 11,369
Grants and contracts fund	(1,258)	(972)
Special revenue fund		1
Capital projects funds	760	1,076
Debt service funds	941	968
Permanent fund	17	17
Totals	\$ 11,509	\$ 12,459

Budget versus Actual

Cost containment of \$2.6 million at River Street accounted for the largest decrease in the budget-versus-actual amounts in the Student Services Division, and \$1.2 million of CREC's Coltsville facility's actual expenses were charged directly to the River Street School cost center. The magnet school cost center and the Greater Hartford Academy of Math and Science (which had lower enrollment than budgeted) accounted for \$2.6 million of the variance with actual.

Original Budget versus Amended Budget

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

Capital Projects

The decrease of \$316 thousand in fund balance was largely attributable to the Soundbridge program. A special education school was the most significant item in the Capital Projects Fund in fiscal 2010. The major Capital Project activity for this year was the completion of the expanded Soundbridge facility in Wethersfield and CREC's expensing of its "local share" of those construction costs. 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 \$6.6 million at the end of fiscal 2010, an increase of \$1.5 million, or 28.1%. As previously mentioned, enterprise funds increased by \$308 thousand primarily due to School Construction Services and the Virtual High School program. The School Improvement Center and Technology Sale of Services had decreases in net assets of \$24 thousand and \$14 thousand respectively due to decreased participation by districts.

TABLE 4
PROPRIETARY FUND NET ASSETS
(In Thousands)

	<u>Balance</u> <u>June 30, 2010</u>	<u>Balance</u> <u>June 30, 2009</u>
Enterprise Fund	\$ (444)	\$ (752)
Internal Service Fund	<u>7,077</u>	<u>5,929</u>
Totals	<u>\$ 6,633</u>	<u>\$ 5,177</u>

Net assets for the Internal Service Fund increased \$1.1 million, or 19.4%. This is attributable to CREC's self-insurance fund, which realized a \$1.05 million increase in net income. Budgeted charges to CREC programs for medical insurance remained flat, but due to the large increase in employees in the expanding magnet school program, revenues grew. CREC's unemployment fund net assets decreased \$154 thousand due to the seasonal school transportation services and the current economy. CREC's employee benefit fund net income increased by \$121 thousand. Most of CREC's internal service funds net assets also increased because expenses were lower than anticipated.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2010 CREC had \$59.4 million invested in a broad range of capital assets, including land, buildings, vehicles and equipment (see Table 5). Capital assets net of depreciation increased by \$195 thousand, or 0.3%. Current year additions totaled \$3.3 million, which included buildings, leasehold and building improvements, technology equipment and vehicles. Depreciation expense was \$3.0 million in 2009-2010. Leasehold improvements in the magnet schools, equipment and the addition to the Soundbridge facility were the primary causes for the increase in capital assets from the previous year.

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

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 2,225	\$ 2,225	\$	\$	\$ 2,225	\$ 2,225
Buildings and improvements	48,620	49,999			48,620	49,999
Vehicles	430	357			430	357
Furniture, fixtures and equipment	1,252	1,305	12	8	1,264	1,313
Construction in progress	<u>6,842</u>	<u>5,292</u>			<u>6,842</u>	<u>5,292</u>
Total	<u>\$ 59,369</u>	<u>\$ 59,178</u>	<u>\$ 12</u>	<u>\$ 8</u>	<u>\$ 59,381</u>	<u>\$ 59,186</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, 2010 CREC had \$1.9 million in bonds and notes outstanding versus \$2.3 million last year - a decrease of 16.9% as shown in Table 6.

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

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Bonds payable	\$ 1,860	\$ 2,240	\$	\$	\$ 1,860	\$ 2,240
Notes payable	<u>82</u>	<u>98</u>	<u></u>	<u></u>	<u>82</u>	<u>98</u>
Total	<u>\$ 1,942</u>	<u>\$ 2,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,942</u>	<u>\$ 2,338</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 in spite of increases in recent years. In past years, supplemental funds were provided by the State Department of Education (SDE) to operate the magnet schools. Parent choice legislation has helped with enrollment goals, but a stable funding formula is needed to operate magnet schools. CREC is working with state legislators, SDE and magnet school stakeholders to address these issues.

The Choice program and the Interdistrict Grants funding should continue through 2011 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.

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

REQUESTS FOR INFORMATION

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

Basic Financial Statements

CAPITOL REGION EDUCATION COUNCIL

STATEMENT OF NET ASSETS

JUNE 30, 2010

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 12,123,447	\$ 918,975	\$ 13,042,422
Investments	85,840		85,840
Receivables	16,722,319	779,593	17,501,912
Prepaid items	304,863	5,951	310,814
Noncurrent assets:			
Capital assets not being depreciated	9,066,983		9,066,983
Capital assets, net of accumulated depreciation	50,302,274	12,117	50,314,391
Total assets	<u>88,605,726</u>	<u>1,716,636</u>	<u>90,322,362</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	8,411,449	162,228	8,573,677
Internal balances	(1,578,187)	1,578,187	-
Unearned revenue	3,282,894	353,545	3,636,439
Compensated absences		66,197	66,197
Noncurrent liabilities:			
Due within one year	1,763,743		1,763,743
Due in more than one year	3,069,418		3,069,418
Total liabilities	<u>14,949,317</u>	<u>2,160,157</u>	<u>17,109,474</u>
Net Assets:			
Invested in capital assets, net of related debt	56,113,291	12,117	56,125,408
Restricted for trust purposes:			
Nonexpendable	17,000		17,000
Unrestricted	17,526,118	(455,638)	17,070,480
Total Net Assets	<u>\$ 73,656,409</u>	<u>\$ (443,521)</u>	<u>\$ 73,212,888</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, 2010**

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	\$ 132,199,053	\$ 61,537,857	\$ 74,296,640	\$ 2,463,328	\$ 6,098,772	\$ -	\$ 6,098,772
Facilities	736,055	30,017	215		(705,823)		(705,823)
Administration	5,128,442	63,373			(5,065,069)		(5,065,069)
Interest expense	147,976		32,105		(115,871)		(115,871)
Total governmental activities	<u>138,211,526</u>	<u>61,631,247</u>	<u>74,328,960</u>	<u>2,463,328</u>	<u>212,009</u>	<u>-</u>	<u>212,009</u>
Business-type activities:							
Montessori Training Center of New England	158,293	197,498				39,205	39,205
Learning Corridor Theater	48,296	85,126				36,830	36,830
Cooperative Purchasing	27,487	41,005				13,518	13,518
Regional Fingerprinting Services	94,666	115,462				20,796	20,796
Property Rental	977					(977)	(977)
CASBO Support Services	2,962	7,314				4,352	4,352
Conference Services	193,171	81,123				(112,048)	(112,048)
Technology Sale of Services	356,044	118,085	157,985			(79,974)	(79,974)
Technical Assistance Brokering Service	211,188	279,907				68,719	68,719
Community Education	176,584	184,096				7,512	7,512
School Facility Services	564,251	704,166				139,915	139,915
School Improvement Center	723,343	724,973				1,630	1,630
Total business-type activities	<u>2,557,262</u>	<u>2,538,755</u>	<u>157,985</u>	<u>-</u>	<u>-</u>	<u>139,478</u>	<u>139,478</u>
Total	<u>\$ 140,768,788</u>	<u>\$ 64,170,002</u>	<u>\$ 74,486,945</u>	<u>\$ 2,463,328</u>	<u>212,009</u>	<u>139,478</u>	<u>351,487</u>
General revenues:							
Grants and contributions not restricted to specific programs					295,599		295,599
Unrestricted investment earnings					11,811		11,811
Transfers					(168,571)	168,571	-
Total general revenues and transfers					<u>138,839</u>	<u>168,571</u>	<u>307,410</u>
Change in net assets					350,848	308,049	658,897
Net Assets at Beginning of Year					<u>73,305,561</u>	<u>(751,570)</u>	<u>72,553,991</u>
Net Assets at End of Year					<u>\$ 73,656,409</u>	<u>\$ (443,521)</u>	<u>\$ 73,212,888</u>

The accompanying notes are an integral part of the financial statements

CAPITOL REGION EDUCATION COUNCIL
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>General Fund</u>	<u>Grants and Contracts Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 5,919,042	\$ 775,639	\$ 2,162,025	\$ 8,856,706
Investments	64,778		21,062	85,840
Accounts receivable	14,144,731	2,054,529	264,656	16,463,916
Due from other funds	389,319			389,319
Prepaid items	150,743	3,633		154,376
	<u>20,668,613</u>	<u>2,833,801</u>	<u>2,447,743</u>	<u>25,950,157</u>
Total Assets	\$ <u>20,668,613</u>	\$ <u>2,833,801</u>	\$ <u>2,447,743</u>	\$ <u>25,950,157</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 6,191,101	\$ 1,241,132	\$ 68,366	\$ 7,500,599
Due to other funds		2,426,863	661,295	3,088,158
Deferred revenue	3,428,064	423,785		3,851,849
	<u>9,619,165</u>	<u>4,091,780</u>	<u>729,661</u>	<u>14,440,606</u>
Total liabilities	<u>9,619,165</u>	<u>4,091,780</u>	<u>729,661</u>	<u>14,440,606</u>
Fund Balances:				
Reserved	34,384		957,916	992,300
Unreserved, reported in:				
General Fund	11,015,064			11,015,064
Special Revenue		(1,257,979)	395	(1,257,584)
Capital Projects			759,771	759,771
	<u>11,049,448</u>	<u>(1,257,979)</u>	<u>1,718,082</u>	<u>11,509,551</u>
Total fund balances	<u>11,049,448</u>	<u>(1,257,979)</u>	<u>1,718,082</u>	<u>11,509,551</u>
Total Liabilities and Fund Balances	\$ <u>20,668,613</u>	\$ <u>2,833,801</u>	\$ <u>2,447,743</u>	\$ <u>25,950,157</u>

(Continued on next page)

CAPITOL REGION EDUCATION COUNCIL

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2010

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		\$ 11,509,551
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$ 87,333,412	
Less accumulated depreciation	<u>(28,037,023)</u>	
Net capital assets		59,296,389
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		572,855
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.		
		7,077,014
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable		(1,860,000)
Interest payable on bonds		(17,411)
Notes payable		(81,750)
Compensated absences		(810,223)
Capital lease		(1,314,216)
Net OPEB Obligation		<u>(715,800)</u>
Net Assets of Governmental Activities (Exhibit I)		<u>\$ 73,656,409</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, 2010

	<u>General Fund</u>	<u>Grants and Contracts Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Tuition	\$ 27,495,595	\$ 30,167	\$	\$ 27,525,762
Grants in aid	57,001,719	16,913,727	1,590,960	75,506,406
Room and board	1,440,814			1,440,814
Sales of services	28,938,517	3,919,732		32,858,249
Investment income	11,141		651	11,792
Other local revenues	1,173,172	333,254		1,506,426
Total revenues	<u>116,060,958</u>	<u>21,196,880</u>	<u>1,591,611</u>	<u>138,849,449</u>
Expenditures:				
Current:				
Salaries	67,145,013	8,944,720		76,089,733
Employee benefits	20,709,994	1,832,316		22,542,310
Purchased professional and technical services	3,018,422	1,813,937		4,832,359
Purchased property services	7,355,097	190,583		7,545,680
Other purchased services	10,066,768	6,930,617		16,997,385
Supplies	5,934,120	357,785		6,291,905
Property	2,562,938	132,410		2,695,348
Other objects	124,994	11,702	428,710	565,406
Debt service:				
Principal			396,350	396,350
Interest and fiscal charges			143,977	143,977
Capital outlay			2,398,127	2,398,127
Total expenditures	<u>116,917,346</u>	<u>20,214,070</u>	<u>3,367,164</u>	<u>140,498,580</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(856,388)</u>	<u>982,810</u>	<u>(1,775,553)</u>	<u>(1,649,131)</u>
Other Financing Sources (Uses):				
Transfers in	1,820,221	167,359	636,696	2,624,276
Transfers out	(1,283,792)	(1,436,482)		(2,720,274)
Capital lease			795,000	795,000
Total other financing sources (uses)	<u>536,429</u>	<u>(1,269,123)</u>	<u>1,431,696</u>	<u>699,002</u>
Net Change in Fund Balances	(319,959)	(286,313)	(343,857)	(950,129)
Fund Balances at Beginning of Year	<u>11,369,407</u>	<u>(971,666)</u>	<u>2,061,939</u>	<u>12,459,680</u>
Fund Balances at End of Year	<u>\$ 11,049,448</u>	<u>\$ (1,257,979)</u>	<u>\$ 1,718,082</u>	<u>\$ 11,509,551</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, 2010

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)	\$ (950,129)
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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	3,210,060
Depreciation expense	(3,009,428)

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	713,295
Capital lease financing	(795,000)

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	81,099
Accrued interest	(4,000)
Net OPEB expense	(320,700)

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>1,147,805</u>

Change in Net Assets of Governmental Activities (Exhibit II)	<u>\$ 350,848</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, 2010

	Business-Type Activities				Governmental Activities
	Enterprise Funds				
	Technology Sale of Services	School Improvement Center	Nonmajor Enterprise Funds	Total	
Assets:					
Current:					
Cash and cash equivalents	\$	\$	\$	\$	\$
Accounts receivable	95,871	266,874	416,848	779,593	3,266,741
Due from other funds					258,403
Prepaid items			5,951	5,951	4,374,526
Total current assets	<u>95,871</u>	<u>266,874</u>	<u>1,341,774</u>	<u>1,704,519</u>	<u>8,050,157</u>
Noncurrent assets:					
Capital assets, net of accumulated depreciation	870	2,278	8,969	12,117	72,868
Total assets	<u>96,741</u>	<u>269,152</u>	<u>1,350,743</u>	<u>1,716,636</u>	<u>8,123,025</u>
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	10,192	27,332	124,704	162,228	893,439
Due to other funds	782,471	775,311	20,405	1,578,187	97,500
Deferred revenues	750	99,306	253,489	353,545	3,900
Compensated absences	26,726	810	38,661	66,197	51,172
Total liabilities	<u>820,139</u>	<u>902,759</u>	<u>437,259</u>	<u>2,160,157</u>	<u>1,046,011</u>
Net Assets:					
Invested in capital assets	870	2,278	8,969	12,117	72,868
Unrestricted	<u>(724,268)</u>	<u>(635,885)</u>	<u>904,515</u>	<u>(455,638)</u>	<u>7,004,146</u>
Total Net Assets	<u>\$ (723,398)</u>	<u>\$ (633,607)</u>	<u>\$ 913,484</u>	<u>\$ (443,521)</u>	<u>\$ 7,077,014</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, 2010

	Business-Type Activities				Governmental Activities
	Enterprise Funds			Total	
	Technology Sale of Services	School Improvement Center	Nonmajor Enterprise Funds		
Operating Revenues:					
Sales of services	\$ 118,085	\$ 724,973	\$ 1,625,794	\$ 2,468,852	\$ 14,490,249
Other local revenues			69,903	69,903	1,820,204
Total operating revenues	<u>118,085</u>	<u>724,973</u>	<u>1,695,697</u>	<u>2,538,755</u>	<u>16,310,453</u>
Operating Expenses:					
Salaries	259,109	480,351	769,188	1,508,648	1,116,523
Employee benefits	64,179	75,574	153,271	293,024	13,290,779
Purchased professional and technical services	1,757	119,292	267,010	388,059	90,517
Purchased property services			14,796	14,796	56,498
Other purchased services	26,267	30,437	162,802	219,506	431,504
Supplies	1,458	17,153	94,859	113,470	25,843
Property	1,883	457	6,848	9,188	41,704
Depreciation	512	79	2,196	2,787	36,900
Other	879		6,905	7,784	160
Total operating expenses	<u>356,044</u>	<u>723,343</u>	<u>1,477,875</u>	<u>2,557,262</u>	<u>15,090,428</u>
Operating Income (Loss)	<u>(237,959)</u>	<u>1,630</u>	<u>217,822</u>	<u>(18,507)</u>	<u>1,220,025</u>
Nonoperating Revenues:					
Investment income					353
Grants in aid	157,985			157,985	
Total nonoperating revenues	<u>157,985</u>	<u>-</u>	<u>-</u>	<u>157,985</u>	<u>353</u>
Income (Loss) Before Transfers	(79,974)	1,630	217,822	139,478	1,220,378
Transfers In	128,361	70,240	281,136	479,737	
Transfers Out	<u>(62,458)</u>	<u>(96,184)</u>	<u>(152,524)</u>	<u>(311,166)</u>	<u>(72,573)</u>
Change in Net Assets	(14,071)	(24,314)	346,434	308,049	1,147,805
Net Assets at Beginning of Year	<u>(709,327)</u>	<u>(609,293)</u>	<u>567,050</u>	<u>(751,570)</u>	<u>5,929,209</u>
Net Assets at End of Year	<u>\$ (723,398)</u>	<u>\$ (633,607)</u>	<u>\$ 913,484</u>	<u>\$ (443,521)</u>	<u>\$ 7,077,014</u>

The accompanying notes are an integral part of the financial statements

CAPITOL REGION EDUCATION COUNCIL

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2010

	Business-Type Activities				Governmental Activities
	Enterprise Funds				
	Technology Sale of Services	School Improvement Center	Nonmajor Enterprise Funds	Total	
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ 128,260	\$ 659,872	\$ 1,814,138	\$ 2,602,270	\$ 16,275,813
Receipts from interfund services provided		84,000	7,213	91,213	
Payments to suppliers	(35,307)	(166,900)	(499,299)	(701,506)	(642,372)
Payments to employees	(314,495)	(548,671)	(921,121)	(1,784,287)	(14,524,512)
Payments for interfund services used	(2,346)		(53,476)	(55,822)	(2,063,043)
Net cash provided by (used in) operating activities	(223,888)	28,301	347,455	151,868	(954,114)
Cash Flows from Noncapital Financing Activities:					
Grants in aid	157,985			157,985	
Transfers from other funds	128,361	70,240	281,136	479,737	
Transfers out to other funds	(62,458)	(96,184)	(152,524)	(311,166)	(72,573)
Net cash provided by (used in) noncapital financing activities	223,888	(25,944)	128,612	326,556	(72,573)
Cash Flows from Capital and Related Financing Activities:					
Principal payments on obligations under capital lease				-	(7,826)
Additions to property, plant and equipment		(2,357)	(4,848)	(7,205)	(26,796)
Net cash used in capital and related financing activities	-	(2,357)	(4,848)	(7,205)	(34,622)
Cash Flows from Investing Activities:					
Interest on investments				-	353
Net cash provided by investing activities	-	-	-	-	353
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	471,219	471,219	(1,060,956)
Cash and Cash Equivalents at Beginning of Year	-	-	447,756	447,756	4,327,697
Cash and Cash Equivalents at End of Year	\$ -	\$ -	\$ 918,975	\$ 918,975	\$ 3,266,741
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ (237,959)	\$ 1,630	\$ 217,822	\$ (18,507)	\$ 1,220,025
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	512	79	2,196	2,787	36,900
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	10,675	87,279	89,214	187,168	(23,397)
(Increase) decrease in other assets			(268)	(268)	(27,519)
Increase (decrease) in accounts payable and accrued liabilities	(1,879)	7,273	43,031	48,425	(2,063,043)
Increase (decrease) in compensated absences	7,609	420	12,678	20,707	(88,323)
Increase (decrease) in due to other funds	(2,346)	84,000	(46,263)	35,391	2,486
Increase (decrease) in deferred revenues	(500)	(152,380)	29,045	(123,835)	(11,243)
Total adjustments	14,071	26,671	129,633	170,375	(2,174,139)
Net Cash Provided by (Used in) Operating Activities	\$ (223,888)	\$ 28,301	\$ 347,455	\$ 151,868	\$ (954,114)

The accompanying notes are an integral part of the financial statements

CAPITOL REGION EDUCATION COUNCIL
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
JUNE 30, 2010

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ <u>473,179</u>
Liabilities:	
Accounts payable	\$ 3,693
Fiduciary deposits	<u>469,486</u>
Total Liabilities	\$ <u>473,179</u>

The accompanying notes are an integral part of the financial statements

CAPITOL REGION EDUCATION COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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, 2010

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 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.

CREC reports the following major proprietary funds:

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

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

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010

Additionally, CREC reports the following fund types:

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

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

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

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

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

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

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

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

D. Deposits and Investments

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.

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

Investments are stated at fair value.

E. Receivables and Payables

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

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

F. Prepaid Items

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

G. Capital Assets

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

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

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

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

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

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

H. Compensated Absences

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

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

I. Long-Term Obligations

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

J. 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, 2010

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

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

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, 2010

and other sources over expenditures and other uses for the General Fund for the year ended June 30, 2010 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	\$ 117,881,179	\$ 16,530,864	\$ (12,776,804)	\$ 121,635,239
Expenditures and other financing uses	<u>118,201,138</u>	<u>16,530,864</u>	<u>(12,119,854)</u>	<u>122,612,148</u>
Net Change in Fund Balance	<u>\$ (319,959)</u>	<u>\$ -</u>	<u>\$ (656,950)</u>	<u>\$ (976,909)</u>

B. Deficit Fund Equity

Fund balance and net asset deficits existed as of June 30, 2010 in the following funds/programs:

General Fund Programs:

Grants and Development Office	\$ 488,711
Administrative Building Cost Center	471,337
Minority Teacher Recruiting	44,241
Project Literacy	73,963
Learning Corridor Cost Center	719,259
GHA of Math and Science Magnet School	986,471
Public Safety Academy	216,256
Polaris Center	1,097,362
Magnet School Cost Center	793,448
Greater Hartford Academy of the Arts	2,032,549
Great Path Academy	50,879
Reggio Magnet School for the Arts	566,981
Charter School for Young Children on Asylum Hill	820,155
Lincoln Academy	5,173

Special Revenue Fund:

Grants and Contracts Fund:

Special Services Support Team Program	3,034
Capitol Region Choice Program	1,175,665
Suburban Youth Programs	2,873
Preschool Intervention Program	60,862
Employment Training Program	184,815
Early Education Programs	350,840

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Capital Projects Funds:	
East Hartford/Glastonbury Magnet Construction	53,457
Soundbridge Construction	498,335
Technology Sale of Services	723,398
School Improvement Center	633,607
Enterprise Funds:	
Community Education	3,158

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

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

A. Cash and Cash Equivalents

Deposits

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

CAPITOL REGION EDUCATION COUNCIL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$14,127,616 of CREC's bank balance of \$15,128,331 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 12,665,271
Uninsured and collateral held by the pledging bank's trust department, not in the CREC's name	<u>1,462,345</u>
Total Amount Subject to Custodial Credit Risk	\$ <u><u>14,127,616</u></u>

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, 2010, CREC's cash equivalents amounted to \$2,542,652. The following table provides a summary of CREC's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

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

*Fund not rated

B. Investments

Investments as of June 30, 2010 in all funds are as follows:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1 - 10</u>	<u>More Than 10</u>
Interest-bearing Investments:					
Certificates of deposit	*	\$ <u>85,840</u>	\$ <u>85,840</u>	\$ <u>-</u>	\$ <u>-</u>

*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, 2010

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

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

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

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to CREC or that sells investments to or buys them for CREC), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. CREC does not have a policy for custodial credit risk. At June 30, 2010, CREC did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in CREC's name.

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>Nonmajor Funds</u>	<u>Internal Service Funds</u>	<u>Technology Sale of Services</u>	<u>School Improvement Center</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
Receivables:								
Accounts	\$ 13,571,876	\$ 2,054,529	\$	\$ 258,403	\$ 95,871	\$ 266,874	\$ 416,848	\$ 16,664,401
Intergovernmental	<u>572,855</u>	<u></u>	<u>264,656</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>837,511</u>
Total Receivables	<u>\$ 14,144,731</u>	<u>\$ 2,054,529</u>	<u>\$ 264,656</u>	<u>\$ 258,403</u>	<u>\$ 95,871</u>	<u>\$ 266,874</u>	<u>\$ 416,848</u>	<u>\$ 17,501,912</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	\$ 572,855	\$
Grant drawdowns prior to meeting all eligibility requirements	<u></u>	423,785
Miscellaneous advance collections	<u></u>	<u>2,855,209</u>
Total Deferred/Unearned Revenue for Governmental Funds and Internal Service Funds	<u>\$ 572,855</u>	<u>\$ 3,278,994</u>

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 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	5,292,089	1,603,126	(53,157)	6,842,058
Total capital assets not being depreciated	<u>7,517,014</u>	<u>1,603,126</u>	<u>(53,157)</u>	<u>9,066,983</u>
Capital assets being depreciated:				
Buildings and improvements	69,733,754	1,054,256		70,788,010
Vehicles	1,256,199	241,236		1,497,435
Furniture, fixtures and equipment	6,666,571	391,395	(685,125)	6,372,841
Total capital assets being depreciated	<u>77,656,524</u>	<u>1,686,887</u>	<u>(685,125)</u>	<u>78,658,286</u>
Less accumulated depreciation for:				
Buildings and improvements	(19,734,453)	(2,433,945)		(22,168,398)
Vehicles	(898,993)	(168,018)		(1,067,011)
Furniture, fixtures and equipment	(5,361,363)	(444,365)	685,125	(5,120,603)
Total accumulated depreciation	<u>(25,994,809)</u>	<u>(3,046,328)</u>	<u>685,125</u>	<u>(28,356,012)</u>
Total capital assets being depreciated, net	<u>51,661,715</u>	<u>(1,359,441)</u>	<u>-</u>	<u>50,302,274</u>
Governmental Activities Capital Assets, Net	<u>\$ 59,178,729</u>	<u>\$ 243,685</u>	<u>\$ (53,157)</u>	<u>\$ 59,369,257</u>
Business-type activities:				
Furniture, fixtures and equipment	\$ 146,444	\$ 7,205	\$ (69,152)	\$ 84,497
Less accumulated depreciation	<u>(138,745)</u>	<u>(2,787)</u>	<u>69,152</u>	<u>(72,380)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 7,699</u>	<u>\$ 4,418</u>	<u>\$ -</u>	<u>\$ 12,117</u>

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

Governmental activities:	
Education	\$ 2,903,362
Facilities	133,915
Administration	<u>9,051</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,046,328</u>
Business-type activities:	
Technology Sale of Services	\$ 512
School Improvement Center	79
Learning Corridor Theater	971
Property Rental	977
School Facility Services	<u>248</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 2,787</u>

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

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, 2010 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Grants and Contracts Fund	\$ 291,819
	Internal Service Fund	97,500
Internal Service Fund	Grants and Contracts Fund	2,135,044
	Nonmajor Governmental Funds	661,295
	Technology Sale of Services	775,311
	School Improvement Center	782,471
	Nonmajor Enterprise Funds	20,405
Total		\$ 4,763,845

All balances are expected to be repaid within a year.

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

	<u>Transfers In</u>					<u>Total</u>
	<u>General Fund</u>	<u>Grants and Contracts Fund</u>	<u>Technology Sale of Services</u>	<u>School Improvement Center</u>	<u>Nonmajor Enterprise Funds</u>	
Transfers out:						
General Fund	\$	\$ 167,359	\$ 128,361	\$ 70,240	\$ 281,136	\$ 636,696
Grants and Contracts Fund	1,436,482					1,436,482
Internal Service Funds	72,573					72,573
Technology Sale of Services	62,458					62,458
School Improvement Center	96,184					96,184
Nonmajor Enterprise Funds	152,524					152,524
Total Transfers Out	\$ 1,820,221	\$ 167,359	\$ 128,361	\$ 70,240	\$ 281,136	\$ 3,104,013

7. LEASES

Operating Leases

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

Rental expense for all operating leases, including facility leases with terms of one year or less, for the year ended June 30, 2010 was \$2,355,527.

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Capital Leases

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

	Governmental Activities
Assets:	
Equipment	\$ 955,553
Building and improvement	432,876
Total assets	1,388,429
Less accumulated depreciation for:	
Equipment	(529,797)
Building and improvement	(96,282)
Total accumulated depreciation	(626,079)
Total	\$ 762,350

The future minimum lease obligations and the net present value of these payments as of June 30, 2010 were as follows:

Year Ending June 30	Amount
2011	\$ 673,373
2012	462,132
2013	214,669
2014	32,515
Total minimum lease payments	1,382,689
Less amount representing interest	(68,473)
Present Value of Minimum Lease Payments	\$ 1,314,216

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010

8. LONG-TERM DEBT

General Obligation Bonds

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

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

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 380,000	\$ 112,630
2012	380,000	87,075
2013	275,000	64,969
2014	275,000	46,406
2015	275,000	27,844
2016	<u>275,000</u>	<u>9,281</u>
 Total	 <u>\$ 1,860,000</u>	 <u>\$ 348,205</u>

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

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

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 16,350	\$ 4,905
2012	16,350	3,924
2013	16,350	2,943
2014	16,350	1,962
2015	<u>16,350</u>	<u>981</u>
 Total	 <u>\$ 81,750</u>	 <u>\$ 14,715</u>

In addition, CREC has a credit line agreement which provides for borrowings up to \$6,000,000 as a revolving line of credit, with interest charged at the London Interbank Offering Rate. There was no balance due at June 30, 2010. The agreement contains various financial covenants.

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2010 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	\$ 2,240,000	\$	\$ (380,000)	\$ 1,860,000	\$ 380,000
Notes payable	98,100		(16,350)	81,750	16,350
Capital leases	1,240,337	795,000	(721,121)	1,314,216	630,998
Net OPEB obligation	395,100	320,700		715,800	
Compensated absences	<u>940,008</u>	<u>861,395</u>	<u>(940,008)</u>	<u>861,395</u>	<u>736,395</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 4,913,545</u>	<u>\$ 1,977,095</u>	<u>\$ (2,057,479)</u>	<u>\$ 4,833,161</u>	<u>\$ 1,763,743</u>

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

9. RISK MANAGEMENT

CREC self-insures its employee health coverage. The plan is administered by an insurance company that processes and pays all claims, which are limited by stop-loss agreements, from the plan bank account. CREC maintains a balance in the account sufficient to fund the maximum allowable withdrawal by the insurance company. Claims are accrued at June 30, 2010 based on claims received subsequent to year-end within the allowable claim period. Claims of \$732,950 are reflected in the accrued expenses of the Internal Service Fund at June 30, 2010. All claims are reflected in the statement of net assets as current liabilities.

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

	<u>Accrued Liability Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Accrued Liability Claim Payments</u>	<u>Accrued Liability End of Fiscal Year</u>
2008-09	\$ 592,670	\$ 10,605,850	\$ 10,313,228	\$ 885,292
2009-10	885,292	11,807,005	11,959,347	732,950

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

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, 2010 were \$429,431.

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>940,916</u>
Total	\$ <u><u>992,300</u></u>

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	\$ 2,755,000
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><u>4,730,000</u></u>

12. CONTINGENT LIABILITIES

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

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010

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

Plan Description

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

At January 1, 2010, plan membership consisted of the following:

	Retiree Health Plan
Retired members	9
Spouses of retired members	4
Active plan members	<u>462</u>
Total Participants	<u><u>475</u></u>

Funding Policy

CREC's funding and payment of postemployment benefits are accounted for in the Self Insurance Fund, an Internal Service fund on a pay-as-you go basis. As of June 30, 2010, CREC has not established a trust fund to irrevocably segregate assets to fund the liability associated with the post employment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. Retired plan members and beneficiaries currently receiving benefits are required to contribute 100% of the cost for medical coverage. Spouse coverage continues on the death of the retiree as COBRA benefit.

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010

Annual OPEB Cost and Net OPEB Obligations

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

		Retiree Health Plan
Annual required contribution (ARC)	\$	477,300
Interest on net OPEB obligation		15,800
Adjustment to annual required contribution		(22,000)
Annual OPEB cost (expense)		<u>471,100</u>
Contributions made		<u>150,400</u>
Increase in net OPEB obligation		320,700
Net OPEB obligation, beginning of year		<u>395,100</u>
Net OPEB Obligation, End of Year	\$	<u><u>715,800</u></u>

CREC's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the fiscal years ended June 30, 2010 and 2009, are presented below. Data is presented only for two fiscal years, due to this being the second year of implementation.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/09	\$ 467,300	\$ 72,200	15.5%	\$ 395,100
6/30/10	471,100	150,400	31.9	715,800

CAPITOL REGION EDUCATION COUNCIL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010

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

Schedule of Funding Progress

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

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
6/30/2009	\$ 467,300	\$ 72,200	15.5%
6/30/2010	477,300	150,400	31.5%

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

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

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010

14. EMPLOYEE RETIREMENT PLAN

Defined Contribution Pension Plan

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

Plan members may elect to contribute up to the IRS maximum. CREC matches eligible member contributions up to 5% of covered salary. At June 30, 2010, there were 775 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, 2010 were \$1,003,337 and \$3,477,301, respectively.

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

Teacher Retirement

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

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

CREC withholds 7.25% of all certified teachers' annual earnings and transmits the funds to the State Teachers' Retirement Board. CREC does not contribute to the plan. Prior to July 1, 1989, teachers were vested in their contributions up to 5% of their earnings prior to five years of service. After five years of service, teachers were fully vested in their own contributions. After 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, 2010 was \$5,940,852 and is recognized in the governmental funds GAAP-basis statement of revenues, expenditures and changes in fund balances. This contribution is significantly lower than in prior fiscal year. For the year ended June 30, 2010, teachers of CREC contributed \$2,784,273 to the plan, and covered payroll for the year was \$38,654,244.

CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

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, 2010

	General Fund				Grants and Contracts Fund			
	Budget Amounts		Actual	Variance Positive (Negative)	Budget Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Tuition	\$ 31,697,702	\$ 31,697,702	\$ 27,495,595	\$ (4,202,107)	\$ 3,959	\$ 3,959	\$ 30,167	\$ 26,208
Grants in aid	55,591,286	55,975,832	50,614,659	(5,361,173)	19,969,358	20,988,271	16,913,727	(4,074,544)
Room and board	1,475,492	1,475,492	1,440,814	(34,678)				-
Sales of services	27,701,459	28,794,272	28,938,517	144,245	2,994,995	3,619,961	3,919,732	299,771
Investment income			3,352	3,352				-
Other local revenues	323,203	323,203	1,160,889	837,686	165,500	186,718	333,254	146,536
Transfers in	13,376,072	13,376,072	11,981,413	(1,394,659)			167,359	167,359
Total revenues	130,165,214	131,642,573	121,635,239	(10,007,334)	23,133,812	24,798,909	21,364,239	(3,434,670)
Expenditures:								
Current:								
Special programs	123,262,944	124,740,303	115,782,566	8,957,737	23,133,812	24,798,909	21,650,552	3,148,357
Facilities	939,470	939,470	920,235	19,235				-
Administration	5,962,800	5,962,800	5,909,347	53,453				-
Total expenditures	130,165,214	131,642,573	122,612,148	9,030,425	23,133,812	24,798,909	21,650,552	3,148,357
Excess of Revenues over Expenditures	\$ -	\$ -	(976,909)	\$ (976,909)	\$ -	\$ -	(286,313)	\$ (286,313)
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			656,950					
Total Net Change in Fund Balance - GAAP Basis			\$ (319,959)				\$ (286,313)	

**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 directs the entire agency subject to the governance of its Council.

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

BUSINESS SERVICES - Business Services, which includes the 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 employee policy and procedure administration. CREC's Human Resources division also provides hiring and interviewing training to CREC LEAs, with particular emphasis on the Americans with Disabilities Act and sexual harassment awareness.

COMMUNICATIONS SERVICES - The office of Communications communicates CREC's activities, issues and accomplishments for all constituencies. The office is responsible for producing CREC's Annual Report and a host of other information and marketing materials, and is also responsible for media relations.

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

INSTITUTE OF TEACHING AND LEARNING - 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.

TECHNICAL ASSISTANCE BROKERING SERVICES - The Division of Technical Assistance and Brokering Services offers a variety of training, technical assistance, and staffing services to assist school administrators and educators. The division offers 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 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.

INTER DISTRICT GRANT OFFICE - The Inter District Grant Office directs, coordinates and develops inter district programs.

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

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

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

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

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

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

MONTESSORI MAGNET SCHOOL - CREC manages and operates the Montessori Magnet School at the Learning Corridor in Hartford. As Connecticut's first inter district 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 - CREC manages and operates the East Hartford/Glastonbury Magnet School in East Hartford. The school emphasizes science, computer and global education. The school will expand with the construction of a new building in 2010-11.

GREATER HARTFORD ACADEMY OF MATH AND SCIENCE MAGNET SCHOOL - CREC manages and operates the Greater Hartford Academy of Math and Science. The main program is located at the Learning Corridor in Hartford. The mission of the Academy is to provide, through state-of-the-art technology, educational experiences that expand the teaching and learning of science, mathematics and technology in the classroom.

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

TWO RIVERS MAGNET MIDDLE SCHOOL - CREC manages and operates the Two Rivers Magnet Middle School in East Hartford. Two Rivers is a science and technology magnet school serving five diverse communities in the region and is located in East Hartford at the convergence of the Connecticut and Hockanum rivers.

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

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

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

RIVER STREET SCHOOL - River Street School offers highly specialized educational programming for students who require a very predictable, structured environment. LEAs are generally 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 Developmental Services. The facilities provide residential services for students attending the River Street School.

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

MAGNET SCHOOL COST CENTER - This program provides for the 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 MODEL - The Integrated Program Model 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 districts. CREC works in collaboration with local school districts in the Farmington Valley area to design effective strategies to increase student learning.

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

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

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

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

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

INTERNATIONAL MAGNET SCHOOL FOR GLOBAL CITIZENSHIP - CREC manages and operates this school which serves preschool through second grade students and which 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 OF THE ARTS - CREC manages and operates this school which serves preschool through second grade students 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.

CHARTER SCHOOL FOR YOUNG CHILDREN ON ASYLUM HILL - CREC manages and operates this charter school, which is the result of a collaborative effort involving SDE, the Asylum Hill Congregational Church, Saint Joseph's College and CREC. The school was developed to help meet the benchmarks of the 2008 Sheff Settlement Agreement. CREC operates the school and is accountable to its independent board of directors. The charter school is designed to educate children from preschool through grade 3. The program currently serves 226 students from Hartford and its suburbs in an economically, racially and ethnically diverse setting.

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

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM
JUNE 30, 2010**

	<u>Administration</u>							
	<u>CREC General</u>	<u>Executive Director</u>	<u>Assistant Executive Director</u>	<u>Business Services</u>	<u>Human Resources</u>	<u>Communications Services</u>	<u>Student Services</u>	<u>Institute of Teaching and Learning</u>
ASSETS								
Cash and cash equivalents	\$ 2,872,128	\$ 3,387	\$ 8,907	\$ 511	\$ 34,004	\$ 33,398	\$ 19,871	\$ 11,661
Investments								
Accounts receivable	572,855	9,307		2,262		2,919	4,200	
Due from other funds	4,964,402			643,369				
Prepaid items				44,422				
Total Assets	<u>\$ 8,409,385</u>	<u>\$ 12,694</u>	<u>\$ 8,907</u>	<u>\$ 690,564</u>	<u>\$ 34,004</u>	<u>\$ 36,317</u>	<u>\$ 24,071</u>	<u>\$ 11,661</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 350,748	\$ 8,863	\$ 8,021	\$ 659,569	\$ 17,030	\$ 17,752	\$ 12,628	\$ 3,413
Due to other funds								
Deferred revenues	572,855	1,323						
Total liabilities	<u>923,603</u>	<u>10,186</u>	<u>8,021</u>	<u>659,569</u>	<u>17,030</u>	<u>17,752</u>	<u>12,628</u>	<u>3,413</u>
Fund Balances:								
Reserved for programmatic purposes	34,384							
Unreserved:								
Designated for future obligations	2,755,000							
Designated for debt obligations	800,000							
Designated for capital improvements	50,000							
Designated for legal	50,000							
Designated for venture capital	75,000							
Designated for payroll	1,000,000							
Undesignated	2,721,398	2,508	886	30,995	16,974	18,565	11,443	8,248
Total fund balances	<u>7,485,782</u>	<u>2,508</u>	<u>886</u>	<u>30,995</u>	<u>16,974</u>	<u>18,565</u>	<u>11,443</u>	<u>8,248</u>
Total Liabilities and Fund Balances	<u>\$ 8,409,385</u>	<u>\$ 12,694</u>	<u>\$ 8,907</u>	<u>\$ 690,564</u>	<u>\$ 34,004</u>	<u>\$ 36,317</u>	<u>\$ 24,071</u>	<u>\$ 11,661</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2010**

	Administration			Facilities	Special Programs			
	Grants and Development Office	Technical Assistance Brokering Services	Total	Administrative Building Cost Center	Connecticut Academy for Educ. Leaders	Interdistrict Grant Office	Minority Teacher Recruiting	Juvenile Detention Center
ASSETS								
Cash and cash equivalents	\$	\$ 10,600	\$ 2,994,467	\$ 23,309	\$ 1,492	\$ 36,076	\$ 65,164	\$ 134,637
Investments								
Accounts receivable			591,543	8,211			1,650	790,515
Due from other funds			5,607,771					
Prepaid items			44,422					396
Total Assets	\$ -	\$ 10,600	\$ 9,238,203	\$ 31,520	\$ 1,492	\$ 36,076	\$ 66,814	\$ 925,548
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 5,997	\$ 2,572	\$ 1,086,593	\$ 29,447	\$	\$ 3,415	\$ 111,055	\$ 15,956
Due to other funds	482,714		482,714	473,410				
Deferred revenues			574,178					
Total liabilities	488,711	2,572	2,143,485	502,857	-	3,415	111,055	15,956
Fund Balances:								
Reserved for programmatic purposes			34,384					
Unreserved:								
Designated for future obligations			2,755,000					
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	(488,711)	8,028	2,330,334	(471,337)	1,492	32,661	(44,241)	909,592
Total fund balances	(488,711)	8,028	7,094,718	(471,337)	1,492	32,661	(44,241)	909,592
Total Liabilities and Fund Balances	\$ -	\$ 10,600	\$ 9,238,203	\$ 31,520	\$ 1,492	\$ 36,076	\$ 66,814	\$ 925,548

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**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2010**

	Special Programs						
	Coltsville Facility	Project Literacy	Allied Health Career Collaborative	Learning Corridor Cost Center	Montessori Magnet School	East Hartford/ Glastonbury Magnet School	GHA of Math and Science Magnet School
ASSETS							
Cash and cash equivalents	\$ 20,790	\$	\$ 5,021	\$	\$	\$ 273,559	\$
Investments							
Accounts receivable				443,883	308,541	8,810	349,540
Due from other funds							
Prepaid items							
Total Assets	<u>\$ 20,790</u>	<u>\$ -</u>	<u>\$ 5,021</u>	<u>\$ 443,883</u>	<u>\$ 308,541</u>	<u>\$ 282,369</u>	<u>\$ 349,540</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 20,790	\$	\$	\$ 484,886	\$ 62,615	\$ 32,254	\$ 55,490
Due to other funds		73,963		678,256	116,459		1,246,422
Deferred revenues						28,543	34,099
Total liabilities	<u>20,790</u>	<u>73,963</u>	<u>-</u>	<u>1,163,142</u>	<u>179,074</u>	<u>60,797</u>	<u>1,336,011</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		(73,963)	5,021	(719,259)	129,467	221,572	(986,471)
Total fund balances	<u>-</u>	<u>(73,963)</u>	<u>5,021</u>	<u>(719,259)</u>	<u>129,467</u>	<u>221,572</u>	<u>(986,471)</u>
Total Liabilities and Fund Balances	<u>\$ 20,790</u>	<u>\$ -</u>	<u>\$ 5,021</u>	<u>\$ 443,883</u>	<u>\$ 308,541</u>	<u>\$ 282,369</u>	<u>\$ 349,540</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2010**

	Special Programs						
	Metropolitan Learning Center Magnet School	Two Rivers Magnet Middle School	CREC Public Safety Academy	University of Hartford Magnet School	Soundbridge	River Street School	Polaris Center
ASSETS							
Cash and cash equivalents	\$ 184,631	\$	\$ 1,574	\$ 253	\$ 283	\$ 8,448	\$ 429
Investments					12,641		
Accounts receivable	449,470	689,642	337,112	478,533	374,946	2,256,166	1,068,272
Due from other funds					613,253	5,807,818	
Prepaid items							
Total Assets	<u>\$ 634,101</u>	<u>\$ 689,642</u>	<u>\$ 338,686</u>	<u>\$ 478,786</u>	<u>\$ 1,001,123</u>	<u>\$ 8,072,432</u>	<u>\$ 1,068,701</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 174,629	\$ 126,375	\$ 102,771	\$ 75,455	\$ 94,181	\$ 520,753	\$ 89,578
Due to other funds		105,577	452,171	322,320			2,066,485
Deferred revenues	29,766	27,630			8,000	44,152	10,000
Total liabilities	<u>204,395</u>	<u>259,582</u>	<u>554,942</u>	<u>397,775</u>	<u>102,181</u>	<u>564,905</u>	<u>2,166,063</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	429,706	430,060	(216,256)	81,011	898,942	7,507,527	(1,097,362)
Total fund balances	<u>429,706</u>	<u>430,060</u>	<u>(216,256)</u>	<u>81,011</u>	<u>898,942</u>	<u>7,507,527</u>	<u>(1,097,362)</u>
Total Liabilities and Fund Balances	<u>\$ 634,101</u>	<u>\$ 689,642</u>	<u>\$ 338,686</u>	<u>\$ 478,786</u>	<u>\$ 1,001,123</u>	<u>\$ 8,072,432</u>	<u>\$ 1,068,701</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2010**

	Special Programs						
	Magnet School Cost Center	Integrated Program Model	Farmington Valley Diagnostic Center	Special Education Transportation	Greater Hartford Academy of the Arts	Center for Creative Youth	Great Path Academy
ASSETS							
Cash and cash equivalents	\$ 1,650,000	\$ 168,085	\$ 226,226	\$	\$ 4,988	\$ 87,916	\$ 878
Investments						52,137	
Accounts receivable	1,306,984	313,376	53,963	210,040	712,837		273,358
Due from other funds						272,297	
Prepaid items	11,100				26,000	8,110	
Total Assets	<u>\$ 2,968,084</u>	<u>\$ 481,461</u>	<u>\$ 280,189</u>	<u>\$ 210,040</u>	<u>\$ 743,825</u>	<u>\$ 420,460</u>	<u>\$ 274,236</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 671,652	\$ 77,384	\$ 8,984	\$ 31,749	\$ 152,149	\$ 6,434	\$ 184,632
Due to other funds	1,349,880			45,838	2,623,675		140,483
Deferred revenues	1,740,000		165,995	13,970	550	376,921	
Total liabilities	<u>3,761,532</u>	<u>77,384</u>	<u>174,979</u>	<u>91,557</u>	<u>2,776,374</u>	<u>383,355</u>	<u>325,115</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	(793,448)	404,077	105,210	118,483	(2,032,549)	37,105	(50,879)
Total fund balances	<u>(793,448)</u>	<u>404,077</u>	<u>105,210</u>	<u>118,483</u>	<u>(2,032,549)</u>	<u>37,105</u>	<u>(50,879)</u>
Total Liabilities and Fund Balances	<u>\$ 2,968,084</u>	<u>\$ 481,461</u>	<u>\$ 280,189</u>	<u>\$ 210,040</u>	<u>\$ 743,825</u>	<u>\$ 420,460</u>	<u>\$ 274,236</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2010**

	Special Programs					Total	Eliminations	Total
	School Transportation Management Services	International Magnet School for Global Citizenship	Reggio Magnet School of the Arts	Charter School for Young Children on Asylum Hill	Lincoln Academy			
ASSETS								
Cash and cash equivalents	\$	\$ 1,310	\$ 3,089	\$ 963	\$ 25,454	\$ 2,901,266	\$	\$ 5,919,042
Investments						64,778		64,778
Accounts receivable		1,902,966	200,068	564,576	236,800	13,544,977		14,144,731
Due from other funds			365,474			7,058,842	(12,277,294)	389,319
Prepaid items			43,215	17,500		106,321		150,743
Total Assets	\$	\$ 1,902,966	\$ 246,372	\$ 583,039	\$ 262,254	\$ 23,676,184	\$ (12,277,294)	\$ 20,668,613
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$ 1,741,741	\$ 54,635	\$ 90,243	\$ 75,228	\$ 10,027	\$ 5,075,061	\$ 6,191,101
Due to other funds		57,335	723,110	1,319,196		11,321,170	(12,277,294)	-
Deferred revenues		103,890	4,200	8,770	257,400	2,853,886		3,428,064
Total liabilities		1,902,966	58,835	813,353	1,403,194	19,250,117	(12,277,294)	9,619,165
Fund Balances:								
Reserved for programmatic purposes						-		34,384
Unreserved:								
Designated for future obligations						-		2,755,000
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		520,878	(566,981)	(820,155)	(5,173)	4,426,067		6,285,064
Total fund balances		-	(566,981)	(820,155)	(5,173)	4,426,067	-	11,049,448
Total Liabilities and Fund Balances	\$	\$ 1,902,966	\$ 246,372	\$ 583,039	\$ 262,254	\$ 23,676,184	\$ (12,277,294)	\$ 20,668,613

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2010**

EXHIBIT A-2

	Administration							
	CREC General	Executive Director	Assistant Executive Director	Business Services	Human Resources	Communications Services	Student Services	Institute of Teaching and Learning
Revenues:								
Tuition	\$	\$	\$	\$	\$	\$	\$	\$
Grants in aid	6,387,060							
Room and board								
Sales of services				6,429		2,919	7,450	
Investment income	7,789							
Other local revenues	12,283	29,075		1,719				
Total revenues	6,407,132	29,075	-	8,148	-	2,919	7,450	-
Expenditures:								
Current:								
Salaries		285,780	182,185	1,726,327	583,635	111,958	170,595	89,342
Employee benefits	5,940,852	16,072	14,823	401,225	151,526	38,768	30,692	11,110
Purchased professional and technical services		125	5,669	453,918	14,349	36,207	11,465	295
Purchased property services		8,956		18,877				
Other purchased services		13,590	14,406	173,626	17,795	36,568	10,641	3,158
Supplies		2,416	1,358	21,793	3,509	2,106	1,480	1,937
Property		4,000	129	77,122	1,883		837	2,471
Other uses of funds		12,963	1,658	17,181	1,255		714	294
Total expenditures	5,940,852	343,902	220,228	2,890,069	773,952	225,607	226,424	108,607
Excess (Deficiency) of Revenues over Expenditures	466,280	(314,827)	(220,228)	(2,881,921)	(773,952)	(222,688)	(218,974)	(108,607)
Other Financing Sources (Uses):								
Transfers in	6,369,672	363,572	296,113	3,122,584	929,050	275,619	259,389	124,487
Transfers out	(6,179,002)	(48,745)	(75,885)	(231,949)	(152,095)	(45,011)	(32,966)	(15,880)
Total other financing sources (uses)	190,670	314,827	220,228	2,890,635	776,955	230,608	226,423	108,607
Net Change in Fund Balances	656,950	-	-	8,714	3,003	7,920	7,449	-
Fund Balances at Beginning of Year	6,828,832	2,508	886	22,281	13,971	10,645	3,994	8,248
Fund Balances at End of Year	<u>\$ 7,485,782</u>	<u>\$ 2,508</u>	<u>\$ 886</u>	<u>\$ 30,995</u>	<u>\$ 16,974</u>	<u>\$ 18,565</u>	<u>\$ 11,443</u>	<u>\$ 8,248</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, 2010**

	<u>Administration</u>			<u>Facilities</u>	<u>Special Programs</u>			
	<u>Grants and Development Office</u>	<u>Technical Assistance Brokering Services</u>	<u>Total</u>	<u>Administrative Building Cost Center</u>	<u>Connecticut Academy for Educ. Leaders</u>	<u>Interdistrict Grant Office</u>	<u>Minority Teacher Recruiting</u>	<u>Juvenile Detention Center</u>
Revenues:								
Tuition	\$	\$	\$ -	\$	\$	\$	\$	\$ 1,456,694
Grants in aid			6,387,060				275,754	67,500
Room and board			-					
Sales of services	3,500		20,298	30,017	1,020		15,415	
Investment income			7,789					
Other local revenues	25		43,102	215				
Total revenues	3,525	-	6,458,249	30,232	1,020	-	291,169	1,524,194
Expenditures:								
Current:								
Salaries	217,427	86,932	3,454,181	87,860		61,978	61,305	964,437
Employee benefits	52,549	23,203	6,680,820	28,111		19,264	11,211	146,286
Purchased professional and technical services	17,752	203	539,983	250		679	67,864	2,761
Purchased property services			27,833	332,237				290
Other purchased services	5,983	7,810	283,577	15,870	121	3,763	138,875	5,208
Supplies	1,856	3,427	39,882	147,040		(882)	1,065	22,782
Property	470	4,964	91,876	132,145		1,376		2,003
Other uses of funds	140	1,538	35,743	2,222			1,582	307
Total expenditures	296,177	128,077	11,153,895	745,735	121	86,178	281,902	1,144,074
Excess (Deficiency) of Revenues over Expenditures	(292,652)	(128,077)	(4,695,646)	(715,503)	899	(86,178)	9,267	380,120
Other Financing Sources (Uses):								
Transfers in	188,847	201,192	12,130,525	793,102	125	95,475		
Transfers out	(20,658)	(73,115)	(6,875,306)	(174,500)	(320)	(6,643)	(20,217)	(103,949)
Total other financing sources (uses)	168,189	128,077	5,255,219	618,602	(195)	88,832	(20,217)	(103,949)
Net Change in Fund Balances	(124,463)	-	559,573	(96,901)	704	2,654	(10,950)	276,171
Fund Balances at Beginning of Year	(364,248)	8,028	6,535,145	(374,436)	788	30,007	(33,291)	633,421
Fund Balances at End of Year	\$ (488,711)	\$ 8,028	\$ 7,094,718	\$ (471,337)	\$ 1,492	\$ 32,661	\$ (44,241)	\$ 909,592

(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, 2010**

	Special Programs						
	Coltsville Facility	Project Literacy	Allied Health Career Collaborative	Learning Corridor Cost Center	Montessori Magnet School	East Hartford/ Glastonbury Magnet School	GHA of Math and Science Magnet School
Revenues:							
Tuition	\$	\$	\$	\$	\$	\$	\$
Grants in aid					3,460,851	2,583,973	2,912,162
Room and board							
Sales of services		63,700	22,998	2,465	1,228,351	651,903	1,677,122
Investment income							
Other local revenues					6		54,081
Total revenues	-	63,700	22,998	2,465	4,689,208	3,235,876	4,643,365
Expenditures:							
Current:							
Salaries		658	16,880		2,619,263	2,052,470	2,929,279
Employee benefits		49	1,507		513,359	360,105	585,400
Purchased professional and technical services		10,000			61,586	44,227	122,040
Purchased property services				1,209,367	14,457	236,264	24,008
Other purchased services		41,417	161	37,396	34,281	40,829	70,552
Supplies			75	1,202,524	137,901	76,328	232,180
Property					23,146	36,831	156,857
Other uses of funds		4,761		5,810	1,025	424	6,153
Total expenditures	-	56,885	18,623	2,455,097	3,405,018	2,847,478	4,126,469
Excess (Deficiency) of Revenues over Expenditures	-	6,815	4,375	(2,452,632)	1,284,190	388,398	516,896
Other Financing Sources (Uses):							
Transfers in				2,344,441			
Transfers out		(5,738)	(952)		(885,715)	(284,837)	(687,600)
Total other financing sources (uses)	-	(5,738)	(952)	2,344,441	(885,715)	(284,837)	(687,600)
Net Change in Fund Balances	-	1,077	3,423	(108,191)	398,475	103,561	(170,704)
Fund Balances at Beginning of Year	-	(75,040)	1,598	(611,068)	(269,008)	118,011	(815,767)
Fund Balances at End of Year	\$ -	\$ (73,963)	\$ 5,021	\$ (719,259)	\$ 129,467	\$ 221,572	\$ (986,471)

(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, 2010**

	Special Programs						
	Metropolitan Learning Center Magnet School	Two Rivers Magnet Middle School	CREC Public Safety Academy	University of Hartford Magnet School	Soundbridge	River Street School	Polaris Center
Revenues:							
Tuition	\$	\$	\$	\$	\$	\$	\$
Grants in aid	7,201,340	5,810,471	2,472,826	4,250,806	2,366,767 513,568	16,840,735	3,022,958 145,549
Room and board						1,433,099	
Sales of services	2,422,160	2,788,147	1,262,174	1,969,650	2,490,125	6,176,155	474,851
Investment income					845		
Other local revenues	2,980	6,067	89,741	166,460	65,934	3,636	209,574
Total revenues	9,626,480	8,604,685	3,824,741	6,386,916	5,437,239	24,453,625	3,852,932
Expenditures:							
Current:							
Salaries	5,970,135	5,252,124	1,697,880	4,170,152	3,367,055	14,935,001	2,524,563
Employee benefits	925,512	898,297	347,681	701,568	821,490	4,159,004	690,247
Purchased professional and technical services	302,542	326,840	150,270	123,186	24,668	326,266	96,952
Purchased property services	652,916	476,734	705,548	384,545	183,010	1,029,233	93,442
Other purchased services	137,140	68,437	73,483	30,124	180,419	149,755	46,455
Supplies	492,345	439,607	355,597	393,172	137,596	482,507	246,382
Property	144,356	141,232	102,992	16,863	252,075	52,866	15,914
Other uses of funds	21,121	1,260		694	650	3,421	4,198
Total expenditures	8,646,067	7,604,531	3,433,451	5,820,304	4,966,963	21,138,053	3,718,153
Excess (Deficiency) of Revenues over Expenditures	980,413	1,000,154	391,290	566,612	470,276	3,315,572	134,779
Other Financing Sources (Uses):							
Transfers in					16,579	10	86,748
Transfers out	(787,413)	(786,219)	(372,687)	(528,207)	(708,311)	(2,201,270)	(402,668)
Total other financing sources (uses)	(787,413)	(786,219)	(372,687)	(528,207)	(691,732)	(2,201,260)	(315,920)
Net Change in Fund Balances	193,000	213,935	18,603	38,405	(221,456)	1,114,312	(181,141)
Fund Balances at Beginning of Year	236,706	216,125	(234,859)	42,606	1,120,398	6,393,215	(916,221)
Fund Balances at End of Year	\$ 429,706	\$ 430,060	\$ (216,256)	\$ 81,011	\$ 898,942	\$ 7,507,527	\$ (1,097,362)

(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, 2010**

	Special Programs						
	Magnet School Cost Center	Integrated Program Model	Farmington Valley Diagnostic Center	Special Education Transportation	Greater Hartford Academy of the Arts	Center for Creative Youth	Great Path Academy
Revenues:							
Tuition	\$	\$ 1,196,214	\$ 942,377	\$	\$ 1,287,211	\$ 382,639	\$
Grants in aid	4,210,694				5,072,921	208,100	2,294,215
Room and board						7,715	
Sales of services	(2,986)	1,811,427		875,002	1,503,269	3,690	911,421
Investment income						2,502	
Other local revenues		154,388			89,506	125,016	17,531
Total revenues	4,207,708	3,162,029	942,377	875,002	7,952,907	729,662	3,223,167
Expenditures:							
Current:							
Salaries	1,973,200	2,424,256	576,923	314,454	5,385,643	255,025	1,865,929
Employee benefits	351,637	570,665	137,786	203,424	1,172,140	37,326	340,237
Purchased professional and technical services	303,898	59,586	14,652	3,991	178,568	1,750	7,643
Purchased property services	41,259	75,602	138,376	22,773	573,960	5,517	286
Other purchased services	3,813,786	26,246	7,801	101,576	127,505	382,204	586,436
Supplies	197,797	8,296	25,239	104,714	421,299	9,614	254,875
Property	9,614		1,298	86,895	294,957	1,742	3,342
Other uses of funds	2,250			973	3,001	50	4,488
Total expenditures	6,693,441	3,164,651	902,075	838,800	8,157,073	693,228	3,063,236
Excess (Deficiency) of Revenues over Expenditures	(2,485,733)	(2,622)	40,302	36,202	(204,166)	36,434	159,931
Other Financing Sources (Uses):							
Transfers in	2,538,269	254,426		90,685	700		
Transfers out	(319,149)	(86,154)	(103,570)	(83,225)	(1,496,099)	(36,284)	(287,589)
Total other financing sources (uses)	2,219,120	168,272	(103,570)	7,460	(1,495,399)	(36,284)	(287,589)
Net Change in Fund Balances	(266,613)	165,650	(63,268)	43,662	(1,699,565)	150	(127,658)
Fund Balances at Beginning of Year	(526,835)	238,427	168,478	74,821	(332,984)	36,955	76,779
Fund Balances at End of Year	\$ (793,448)	\$ 404,077	\$ 105,210	\$ 118,483	\$ (2,032,549)	\$ 37,105	\$ (50,879)

(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, 2010**

	<u>Special Programs</u>					<u>Total</u>	<u>Eliminations</u>	<u>Total</u>
	<u>School Transportation Management Services</u>	<u>International Magnet School for Global Citizenship</u>	<u>Reggio Magnet School of the Arts</u>	<u>Charter School for Young Children on Asylum Hill</u>	<u>Lincoln Academy</u>			
Revenues:								
Tuition	\$	\$	\$	\$	\$	\$ 27,495,595	\$	\$ 27,495,595
Grants in aid	3,604,101	1,774,710	2,596,064	1,159,054		50,614,659		57,001,719
Room and board						1,440,814		1,440,814
Sales of services		905,751	866,976	411,376	356,040	28,888,202		28,938,517
Investment income		5				3,352		11,141
Other local revenues		56,953	52,284	35,698		1,129,855		1,173,172
Total revenues	3,604,101	2,737,419	3,515,324	1,606,128	356,040	109,572,477	-	116,060,958
Expenditures:								
Current:								
Salaries		1,247,960	1,433,096	1,338,044	165,262	63,602,972		67,145,013
Employee benefits		284,286	360,206	319,004	43,372	14,001,063		20,709,994
Purchased professional and technical services		20,716	132,013	77,830	17,661	2,478,189		3,018,422
Purchased property services		209,417	499,330	337,565	81,128	6,995,027		7,355,097
Other purchased services	3,604,101	16,836	15,745	19,513	7,156	9,767,321		10,066,768
Supplies		71,366	139,162	281,708	13,949	5,747,198		5,934,120
Property		38,678	905,363	47,276	3,241	2,338,917		2,562,938
Other uses of funds		15,579	9,154	75	53	87,029		124,994
Total expenditures	3,604,101	1,904,838	3,494,069	2,421,015	331,822	105,017,716	-	116,917,346
Excess (Deficiency) of Revenues over Expenditures	-	832,581	21,255	(814,887)	24,218	4,554,761	-	(856,388)
Other Financing Sources (Uses):								
Transfers in						5,427,458	(16,530,864)	1,820,221
Transfers out		(296,777)	(238,598)	(5,268)	(29,391)	(10,764,850)	16,530,864	(1,283,792)
Total other financing sources (uses)	-	(296,777)	(238,598)	(5,268)	(29,391)	(5,337,392)	-	536,429
Net Change in Fund Balances	-	535,804	(217,343)	(820,155)	(5,173)	(782,631)	-	(319,959)
Fund Balances at Beginning of Year	-	(14,926)	(349,638)	-	-	5,208,698	-	11,369,407
Fund Balances at End of Year	\$ -	\$ 520,878	\$ (566,981)	\$ (820,155)	\$ (5,173)	\$ 4,426,067	\$ -	\$ 11,049,448

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010**

EXHIBIT A-3

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special Programs:				
Tuition	\$ 31,697,702	\$ 31,697,702	\$ 27,495,595	\$ (4,202,107)
Grants in aid	55,591,286	55,975,832	50,614,659	(5,361,173)
Room and board	1,475,492	1,475,492	1,440,814	(34,678)
Sales of services	27,701,459	28,794,272	28,888,202	93,930
Investment income			3,352	3,352
Other local revenues	323,203	323,203	1,129,855	806,652
Transfers	6,473,802	6,473,802	5,427,458	(1,046,344)
Total special programs	<u>123,262,944</u>	<u>124,740,303</u>	<u>114,999,935</u>	<u>(9,740,368)</u>
Administration/Facilities:				
Sales of services			50,315	50,315
Other local revenues			31,034	31,034
Transfers	6,902,270	6,902,270	6,553,955	(348,315)
Total administration/facilities	<u>6,902,270</u>	<u>6,902,270</u>	<u>6,635,304</u>	<u>(266,966)</u>
Total revenues	<u>130,165,214</u>	<u>131,642,573</u>	<u>121,635,239</u>	<u>(10,007,334)</u>
Expenditures:				
Administration:				
Executive Director	394,572	394,572	392,647	1,925
Assistant Executive Director	296,113	296,113	296,113	-
Business Services	3,122,584	3,122,584	3,122,018	566
Human Resources	926,050	926,050	926,047	3
Communications Services	272,619	272,618	270,618	2,000
Student Services	259,389	259,390	259,390	-
Institute of Teaching and Learning	124,487	124,487	124,487	-
Grants and Development Office	365,794	365,794	316,835	48,959
Technical Assistance Brokering Services	201,192	201,192	201,192	-
Total administration	<u>5,962,800</u>	<u>5,962,800</u>	<u>5,909,347</u>	<u>53,453</u>
Facilities:				
Administrative Building Cost Center	<u>939,470</u>	<u>939,470</u>	<u>920,235</u>	<u>19,235</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010**

EXHIBIT A-3

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Special Programs:				
Connecticut Academy for Education				
Leaders	\$ 3,600	\$ 3,600	\$ 441	\$ 3,159
Interdistrict Grant Office	126,510	126,510	92,821	33,689
Minority Teacher Recruiting	29,518	305,272	302,119	3,153
Juvenile Detention Center	1,139,850	1,248,023	1,248,023	-
Coltsville Facility	1,238,145	1,238,145		1,238,145
Project Literacy	66,000	66,000	62,623	3,377
Allied Health Career Collaborative	20,000	23,000	19,575	3,425
Learning Corridor Cost Center	2,446,550	2,455,097	2,455,097	-
Montessori Magnet School	4,073,600	4,290,733	4,290,733	-
East Hartford/Glastonbury Magnet School	3,078,540	3,187,332	3,132,315	55,017
GHA Math and Science Magnet School	6,158,100	6,158,100	4,814,069	1,344,031
Metropolitan Learning Center Magnet School	9,535,100	9,535,100	9,433,480	101,620
Two Rivers Magnet Middle School	9,018,700	9,018,700	8,390,750	627,950
CREC Public Safety Academy	3,753,774	3,806,138	3,806,138	-
University of Hartford Magnet School	6,145,802	6,348,511	6,348,511	-
Soundbridge	5,711,600	5,711,600	5,675,274	36,326
River Street School	25,948,345	25,948,345	23,339,323	2,609,022
Polaris Center	4,572,100	4,572,100	4,120,821	451,279
Magnet School Cost Center	8,250,360	8,250,360	7,012,590	1,237,770
Integrated Program Model	3,532,335	3,532,335	3,250,805	281,530
Farmington Valley Diagnostic Center	1,053,000	1,053,000	1,005,645	47,355
Special Education Transportation	860,200	922,025	922,025	-
Greater Hartford Academy of the Arts	9,214,110	9,653,172	9,653,172	-
Center for Creative Youth	732,100	732,100	729,512	2,588
Great Path Academy	3,471,240	3,471,240	3,350,825	120,415
Magnet School for Global Citizenship	2,282,950	2,282,950	2,201,615	81,335
Reggio Magnet School of the Arts	3,821,140	3,821,140	3,732,667	88,473
Charter School for Young Children on Asylum Hill	2,459,240	2,459,240	2,426,283	32,957
Lincoln Academy	717,935	717,935	361,213	356,722
School Transportation Management Services	3,802,500	3,802,500	3,604,101	198,399
Total special programs	<u>123,262,944</u>	<u>124,740,303</u>	<u>115,782,566</u>	<u>8,957,737</u>
 Total expenditures	 <u>130,165,214</u>	 <u>131,642,573</u>	 <u>122,612,148</u>	 <u>9,030,425</u>
 Deficiency of Revenues over Expenditures	 \$ <u>-</u>	 \$ <u>-</u>	 (976,909)	 \$ <u>(976,909)</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>656,950</u>	
Net Change in Fund Balance - GAAP Basis			<u>(319,959)</u>	

Special Revenue Fund

SPECIAL REVENUE FUND

GRANTS AND CONTRACTS FUND

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

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

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

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.

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

SUMMER YOUTH EMPLOYMENT - CREC Summer Youth Employment Program serves students in the Greater Hartford area from 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 enables the voluntary attendance of children in schools beyond their traditional attendance borders in an effort to reduce racial, ethnic and economic isolation. This program includes administration and transportation cost.

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

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

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

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

ENTITLEMENT GRANTS FUNDS - CREC was awarded Federal entitlement grants: Title I, Improving Basic Programs; Title II-A, Teacher and Principal Training, and Title IV, Safe and Drug Free Schools. 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 adult education throughout Connecticut.

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 was 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 Inter district Cooperative Grant and small grants from private foundations.

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

PRESCHOOL INTERVENTION PROGRAM - Parent Aide provides home-based family education and case management services to Hartford families who can benefit from a variety of services. The program serves families who have children between the ages of birth to 18 years old.

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

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

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

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

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

**CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
BALANCE SHEET - BY PROGRAM
JUNE 30, 2010**

EXHIBIT B-1

57

	Grants and Contracts Fund					
	Interdistrict Grants	Project PACT	Teaching American History	Special Services Support Team	Related Services	Connecticut Technical High Schools
ASSETS						
Cash and cash equivalents	\$ 174,462	\$ 30,044	\$	\$	\$	\$
Accounts receivable		2,695	201,992	301,745	511,932	228,858
Prepaid items			3,000			
Total Assets	<u>\$ 174,462</u>	<u>\$ 32,739</u>	<u>\$ 204,992</u>	<u>\$ 301,745</u>	<u>\$ 511,932</u>	<u>\$ 228,858</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 95,986	\$ 32,739	\$ 46,891	\$ 21,765	\$ 105,381	\$ 23,222
Due to other funds			158,101	186,164	173,872	158,007
Deferred revenues	74,999			96,850	23,608	
Total liabilities	170,985	32,739	204,992	304,779	302,861	181,229
Fund Balances:						
Unreserved, undesignated	3,477	-	-	(3,034)	209,071	47,629
Total Liabilities and Fund Balances	<u>\$ 174,462</u>	<u>\$ 32,739</u>	<u>\$ 204,992</u>	<u>\$ 301,745</u>	<u>\$ 511,932</u>	<u>\$ 228,858</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2010**

Grants and Contracts Fund

	<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>Entitlement Grants ARRA Funds</u>	<u>Entitlement Grants Funds</u>
ASSETS							
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$
Accounts receivable	86,020	42,650	193,084	2,898	4,157	5,437	163,075
Prepaid items			20,374			3,961	
Total Assets	<u>\$ 86,020</u>	<u>\$ 42,650</u>	<u>\$ 213,458</u>	<u>\$ 2,898</u>	<u>\$ 4,157</u>	<u>\$ 9,398</u>	<u>\$ 163,075</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$	\$	\$	\$	\$	\$	\$
Due to other funds	7,609	396,144	184,437	1,019		8,128	78,775
Deferred revenues	71,421	792,617	28,695	4,752		1,270	80,982
Total liabilities	<u>79,030</u>	<u>1,218,315</u>	<u>213,132</u>	<u>5,771</u>	-	<u>9,398</u>	<u>160,477</u>
Fund Balances:							
Unreserved, undesignated	<u>6,990</u>	<u>(1,175,665)</u>	<u>326</u>	<u>(2,873)</u>	<u>4,157</u>	-	<u>2,598</u>
Total Liabilities and Fund Balances	<u>\$ 86,020</u>	<u>\$ 42,650</u>	<u>\$ 213,458</u>	<u>\$ 2,898</u>	<u>\$ 4,157</u>	<u>\$ 9,398</u>	<u>\$ 163,075</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2010**

59

	<u>Grants and Contracts Fund</u>					
	<u>Department of Corrections Professional Development</u>	<u>Community Education</u>	<u>Metacomet Ridge Academy</u>	<u>EQUAL Summer</u>	<u>Regional School Choice Office</u>	<u>Preschool Intervention Program</u>
ASSETS						
Cash and cash equivalents	\$ 23,551		\$ 21,212	\$ 16,060	\$ 28,078	\$
Accounts receivable		171,317			8,839	3,150
Prepaid items					633	
Total Assets	<u>\$ 23,551</u>	<u>\$ 171,317</u>	<u>\$ 21,212</u>	<u>\$ 16,060</u>	<u>\$ 37,550</u>	<u>\$ 3,150</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 245	\$ 40,134	\$ 21,212		\$ 34,599	\$ 2,730
Due to other funds		112,040				57,570
Deferred revenues		11,154		14,163	2,951	3,712
Total liabilities	245	163,328	21,212	14,163	37,550	64,012
Fund Balances:						
Unreserved, undesignated	23,306	7,989	-	1,897	-	(60,862)
Total Liabilities and Fund Balances	<u>\$ 23,551</u>	<u>\$ 171,317</u>	<u>\$ 21,212</u>	<u>\$ 16,060</u>	<u>\$ 37,550</u>	<u>\$ 3,150</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2010**

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>
ASSETS						
Cash and cash equivalents	\$ 65,647	\$ 117,123	\$	\$	\$ 93,886	\$ 775,639
Accounts receivable	3,256	68,900	161,652	31,238	42,875	2,054,529
Prepaid items						3,633
Total Assets	<u>\$ 68,903</u>	<u>\$ 186,023</u>	<u>\$ 161,652</u>	<u>\$ 31,238</u>	<u>\$ 136,761</u>	<u>\$ 2,833,801</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 6,650	\$ 37,444	\$ 32,140	\$ 60,316	\$ 3,566	\$ 1,241,132
Due to other funds			314,327	321,762		2,426,863
Deferred revenues	<u>62,253</u>	<u>54,000</u>			<u>15,104</u>	<u>423,785</u>
Total liabilities	68,903	91,444	346,467	382,078	18,670	4,091,780
Fund Balances:						
Unreserved, undesignated	<u>-</u>	<u>94,579</u>	<u>(184,815)</u>	<u>(350,840)</u>	<u>118,091</u>	<u>(1,257,979)</u>
Total Liabilities and Fund Balances	<u>\$ 68,903</u>	<u>\$ 186,023</u>	<u>\$ 161,652</u>	<u>\$ 31,238</u>	<u>\$ 136,761</u>	<u>\$ 2,833,801</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, 2010**

Grants and Contracts Fund

	<u>Interdistrict Grants</u>	<u>Project PACT</u>	<u>Teaching American History</u>	<u>Special Services Support Team</u>	<u>Related Services</u>	<u>Connecticut Technical High Schools</u>
Revenues:						
Tuition	\$ 1,702					
Grants in aid	1,312,514	\$ 36,465	\$ 639,541	\$ 82,000	\$ 743,967	\$ 535,223
Sales of services				1,212,851	1,966,542	
Other local revenues						
Total revenues	<u>1,314,216</u>	<u>36,465</u>	<u>639,541</u>	<u>1,294,851</u>	<u>2,710,509</u>	<u>535,223</u>
Expenditures:						
Current:						
Salaries	190,593	965	75,029	1,019,785	1,369,505	51,105
Employee benefits	16,004	306	24,120	127,977	337,479	15,062
Purchased professional and technical services	25,332	6,502	309,012	57,862	450,129	333,874
Purchased property services	10,750					
Other purchased services	919,994	16,470	156,218	45,088	30,153	51,951
Supplies	27,862	8,692	7,820	7,314	48,730	462
Property		1,927				
Other objects				89	499	
Total expenditures	<u>1,190,535</u>	<u>34,862</u>	<u>572,199</u>	<u>1,258,115</u>	<u>2,236,495</u>	<u>452,454</u>
Excess (Deficiency) of Revenues over Expenditures	<u>123,681</u>	<u>1,603</u>	<u>67,342</u>	<u>36,736</u>	<u>474,014</u>	<u>82,769</u>
Other Financing Sources (Uses):						
Transfers in				116,324	29,472	
Transfers out	(123,681)	(1,603)	(67,342)	(128,359)	(268,092)	(82,203)
Total other financing sources (uses)	<u>(123,681)</u>	<u>(1,603)</u>	<u>(67,342)</u>	<u>(12,035)</u>	<u>(238,620)</u>	<u>(82,203)</u>
Net Change in Fund Balances	-	-	-	24,701	235,394	566
Fund Balances at Beginning of Year	<u>3,477</u>	<u>-</u>	<u>-</u>	<u>(27,735)</u>	<u>(26,323)</u>	<u>47,063</u>
Fund Balances at End of Year	<u>\$ 3,477</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,034)</u>	<u>\$ 209,071</u>	<u>\$ 47,629</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, 2010**

Grants and Contracts Fund

	<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>Entitlement Grants ARRA Funds</u>	<u>Entitlement Grants Funds</u>
Revenues:							
Tuition	\$	\$	\$	\$	\$	\$	\$
Grants in aid	242,952	5,569,399	619,923			307,691	209,074
Sales of services		48,547		30,262			1,550
Other local revenues		70,000					59,500
Total revenues	<u>242,952</u>	<u>5,687,946</u>	<u>619,923</u>	<u>30,262</u>	<u>-</u>	<u>307,691</u>	<u>270,124</u>
Expenditures:							
Current:							
Salaries	183,967	1,255,393	138,599	17,311		232,601	38,322
Employee benefits	15,920	250,255	36,149	3,853		17,243	1,004
Purchased professional and technical services	26	59,193	74,426	7,466		4,280	129,675
Purchased property services		28,675					
Other purchased services	6,399	4,402,728	141,591	870		2,380	28,103
Supplies	20,502	15,339	76,387	762		3,848	854
Property		3,644	107,160			1,018	
Other objects	50		8,067				
Total expenditures	<u>226,864</u>	<u>6,015,227</u>	<u>582,379</u>	<u>30,262</u>	<u>-</u>	<u>261,370</u>	<u>197,958</u>
Excess (Deficiency) of Revenues over Expenditures	<u>16,088</u>	<u>(327,281)</u>	<u>37,544</u>	<u>-</u>	<u>-</u>	<u>46,321</u>	<u>72,166</u>
Other Financing Sources (Uses):							
Transfers in		2,280					
Transfers out	(15,413)	(108,937)	(37,544)			(46,321)	(72,166)
Total other financing sources (uses)	<u>(15,413)</u>	<u>(106,657)</u>	<u>(37,544)</u>	<u>-</u>	<u>-</u>	<u>(46,321)</u>	<u>(72,166)</u>
Net Change in Fund Balances	675	(433,938)	-	-	-	-	-
Fund Balances at Beginning of Year	<u>6,315</u>	<u>(741,727)</u>	<u>326</u>	<u>(2,873)</u>	<u>4,157</u>	<u>-</u>	<u>2,598</u>
Fund Balances at End of Year	<u>\$ 6,990</u>	<u>\$ (1,175,665)</u>	<u>\$ 326</u>	<u>\$ (2,873)</u>	<u>\$ 4,157</u>	<u>\$ -</u>	<u>\$ 2,598</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, 2010**

	Grants and Contracts Fund					
	Department of Corrections Professional Development	Community Education	Metacomet Ridge Academy	EQUAL Summer	Regional School Choice Office	Preschool Intervention Program
Revenues:						
Tuition	\$	\$	\$	\$	\$	\$
Grants in aid	74,824	1,177,440	152,550		1,437,733	130,517
Sales of services		201,096				1,890
Other local revenues		13,000				7,599
Total revenues	74,824	1,391,536	152,550	-	1,437,733	140,006
Expenditures:						
Current:						
Salaries	54,650	666,397	58,224		841,594	79,610
Employee benefits	6,707	163,772	5,278		221,849	28,071
Purchased professional and technical services	35	154,364	2,300		117,395	1,429
Purchased property services		9,919				9,486
Other purchased services	305	257,208	44,253		207,118	7,622
Supplies	159	45,652	18,016		2,081	4,684
Property		2,424			1,766	998
Other objects	30	1,221				
Total expenditures	61,886	1,300,957	128,071	-	1,391,803	131,900
Excess (Deficiency) of Revenues over Expenditures	12,938	90,579	24,479	-	45,930	8,106
Other Financing Sources (Uses):						
Transfers in						
Transfers out	(12,938)	(90,579)	(24,479)		(45,930)	(6,216)
Total other financing sources (uses)	(12,938)	(90,579)	(24,479)	-	(45,930)	(6,216)
Net Change in Fund Balances	-	-	-	-	-	1,890
Fund Balances at Beginning of Year	23,306	7,989	-	1,897	-	(62,752)
Fund Balances at End of Year	\$ 23,306	\$ 7,989	\$ -	\$ 1,897	\$ -	\$ (60,862)

(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, 2010**

Grants and Contracts Fund

	Hartford Association for the Education of Young Children	Birth to Three	Employment Training Program	Early Education Programs	Supplemental Services	Total
Revenues:						
Tuition	\$	\$	\$ 28,465	\$	\$	\$ 30,167
Grants in aid	155,189	1,463,547	879,473	1,010,961	132,744	16,913,727
Sales of services		2,000	76,829	181,315	196,850	3,919,732
Other local revenues	8,840	146,256	17,950	10,109		333,254
Total revenues	164,029	1,611,803	1,002,717	1,202,385	329,594	21,196,880
Expenditures:						
Current:						
Salaries	98,080	1,066,052	654,742	639,392	212,804	8,944,720
Employee benefits	18,521	268,127	124,042	132,092	18,485	1,832,316
Purchased professional and technical services	14,378	14,968	3,501	4,886	42,904	1,813,937
Purchased property services		44,584	76,600	10,569		190,583
Other purchased services	14,457	67,922	26,395	499,799	3,593	6,930,617
Supplies	6,603	1,212	39,236	20,762	808	357,785
Property		896	9,783	2,794		132,410
Other objects	246	50	469	981		11,702
Total expenditures	152,285	1,463,811	934,768	1,311,275	278,594	20,214,070
Excess (Deficiency) of Revenues over Expenditures	11,744	147,992	67,949	(108,890)	51,000	982,810
Other Financing Sources (Uses):						
Transfers in			2,900	16,383		167,359
Transfers out	(11,744)	(170,347)	(71,244)	(344)	(51,000)	(1,436,482)
Total other financing sources (uses)	(11,744)	(170,347)	(68,344)	16,039	(51,000)	(1,269,123)
Net Change in Fund Balances	-	(22,355)	(395)	(92,851)	-	(286,313)
Fund Balances at Beginning of Year	-	116,934	(184,420)	(257,989)	118,091	(971,666)
Fund Balances at End of Year	\$ -	\$ 94,579	\$ (184,815)	\$ (350,840)	\$ 118,091	\$ (1,257,979)

**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, 2010**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Grants and Contracts Fund				
Interdistrict Grants				
Revenues:				
Grants in aid	\$ 1,306,514	\$ 1,306,514	\$ 1,312,514	\$ 6,000
Tuition	3,959	3,959	1,702	(2,257)
Other local revenue	6,000	6,000		(6,000)
Total revenues	<u>1,316,473</u>	<u>1,316,473</u>	<u>1,314,216</u>	<u>(2,257)</u>
Total expenditures	<u>1,316,473</u>	<u>1,316,473</u>	<u>1,314,216</u>	<u>2,257</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Project PACT				
Revenues:				
Grants in aid	\$ 64,580	\$ 64,580	\$ 36,465	\$ (28,115)
Total expenditures	<u>64,580</u>	<u>64,580</u>	<u>36,465</u>	<u>28,115</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Teaching American History				
Revenues:				
Grants in aid	\$ 666,670	\$ 666,670	\$ 639,541	\$ (27,129)
Total expenditures	<u>666,670</u>	<u>666,670</u>	<u>639,541</u>	<u>27,129</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Special Services Support Team				
Revenues:				
Grants in aid	\$ 19,500	\$ 100,574	\$ 82,000	\$ (18,574)
Sales of services	1,285,900	1,285,900	1,212,851	(73,049)
Transfers			116,324	116,324
Total revenues	<u>1,305,400</u>	<u>1,386,474</u>	<u>1,411,175</u>	<u>24,701</u>
Total expenditures	<u>1,305,400</u>	<u>1,386,474</u>	<u>1,386,474</u>	<u>-</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,701</u>	<u>\$ 24,701</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, 2010**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Related Services				
Revenues:				
Grants in aid	\$ 729,671	\$ 729,671	\$ 743,967	\$ 14,296
Sales of services	1,329,000	1,774,916	1,966,542	191,626
Transfers			29,472	29,472
Total revenues	<u>2,058,671</u>	<u>2,504,587</u>	<u>2,739,981</u>	<u>235,394</u>
Total expenditures	<u>2,058,671</u>	<u>2,504,587</u>	<u>2,504,587</u>	<u>-</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 235,394</u>	<u>\$ 235,394</u>
Connecticut Technical High Schools				
Revenues:				
Grants in aid	\$ 400,000	\$ 650,000	\$ 535,223	\$ (114,777)
Total expenditures	<u>400,000</u>	<u>650,000</u>	<u>534,657</u>	<u>115,343</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 566</u>	<u>\$ 566</u>
Summer Youth Employment				
Revenues:				
Grants in aid	\$ 465,441	\$ 465,441	\$ 242,952	\$ (222,489)
Total expenditures	<u>465,441</u>	<u>465,441</u>	<u>242,277</u>	<u>223,164</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 675</u>	<u>\$ 675</u>
Capitol Region Choice Program				
Revenues:				
Grants in aid	\$ 6,811,130	\$ 6,811,130	\$ 5,569,399	\$ (1,241,731)
Sales of services			48,547	48,547
Other local revenues			70,000	70,000
Tranfers			2,280	2,280
Total revenues	<u>6,811,130</u>	<u>6,811,130</u>	<u>5,690,226</u>	<u>(1,120,904)</u>
Total expenditures	<u>6,811,130</u>	<u>6,811,130</u>	<u>6,124,164</u>	<u>686,966</u>
Deficiency of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (433,938)</u>	<u>\$ (433,938)</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, 2010**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
School to Career Initiatives				
Revenues:				
Grants in aid	\$ 553,750	\$ 767,750	\$ 619,923	\$ (147,827)
Total expenditures	<u>553,750</u>	<u>767,750</u>	<u>619,923</u>	<u>147,827</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Suburban Youth Programs				
Revenues:				
Sales of services	\$ 20,000	\$ 33,830	\$ 30,262	\$ (3,568)
Total expenditures	<u>20,000</u>	<u>33,830</u>	<u>30,262</u>	<u>3,568</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entitlement Grants ARRA Funds				
Revenues:				
Grants in aid	\$ 307,691	\$ 307,691	\$ 307,691	\$ -
Total expenditures	<u>307,691</u>	<u>307,691</u>	<u>307,691</u>	<u>-</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entitlement Grants				
Revenues:				
Grants in aid	\$ 958,127	\$ 958,127	\$ 209,074	\$ (749,053)
Sales of services			1,550	1,550
Other local revenues	159,500	159,500	59,500	(100,000)
Total revenues	<u>1,117,627</u>	<u>1,117,627</u>	<u>270,124</u>	<u>(847,503)</u>
Total expenditures	<u>1,117,627</u>	<u>1,117,627</u>	<u>270,124</u>	<u>847,503</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2010**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Department of Corrections Professional Development				
Revenues:				
Grants in aid	\$ 120,000	\$ 120,000	\$ 74,824	\$ (45,176)
Total expenditures	<u>120,000</u>	<u>120,000</u>	<u>74,824</u>	<u>45,176</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Community Education				
Revenues:				
Grants in aid	\$ 1,232,100	\$ 1,618,900	\$ 1,177,440	\$ (441,460)
Sales of services			201,096	201,096
Other local revenues		10,000	13,000	3,000
Total revenues	<u>1,232,100</u>	<u>1,628,900</u>	<u>1,391,536</u>	<u>(237,364)</u>
Total expenditures	<u>1,232,100</u>	<u>1,628,900</u>	<u>1,391,536</u>	<u>237,364</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Metacomet Ridge Academy				
Revenues:				
Grants in aid	\$ 152,550	\$ 152,550	\$ 152,550	\$ -
Total expenditures	<u>152,550</u>	<u>152,550</u>	<u>152,550</u>	<u>-</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EQUAL Summer				
Revenues:				
Grants in aid	\$ 133,853	\$ 133,853	\$ -	\$ (133,853)
Total expenditures	<u>133,853</u>	<u>133,853</u>	<u>-</u>	<u>133,853</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2010**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Regional School Choice Office				
Revenues:				
Grants in aid	\$ 1,504,433	\$ 1,504,433	\$ 1,437,733	\$ (66,700)
Total expenditures	<u>1,504,433</u>	<u>1,504,433</u>	<u>1,437,733</u>	<u>66,700</u>
Excess of Revenues over Expenditures	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Preschool Intervention Program				
Revenues:				
Grants in aid	\$ 130,500	\$ 138,116	\$ 130,517	\$ (7,599)
Sales of services			1,890	1,890
Other local revenues			7,599	7,599
Total revenues	<u>130,500</u>	<u>138,116</u>	<u>140,006</u>	<u>1,890</u>
Total expenditures	<u>130,500</u>	<u>138,116</u>	<u>138,116</u>	<u>-</u>
Excess of Revenues over Expenditures	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,890</u>	\$ <u>1,890</u>
Hartford Association for the Education of Young Children (HAEYC)				
Revenues:				
Grants in aid	\$ 142,980	\$ 152,811	\$ 155,189	\$ 2,378
Other local revenue		11,218	8,840	(2,378)
Total revenues	<u>142,980</u>	<u>164,029</u>	<u>164,029</u>	<u>-</u>
Total expenditures	<u>142,980</u>	<u>164,029</u>	<u>164,029</u>	<u>-</u>
Excess of Revenues over Expenditures	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Birth to Three				
Revenues:				
Grants in aid	\$ 1,866,900	\$ 1,866,900	\$ 1,463,547	\$ (403,353)
Sales of services			2,000	2,000
Other local revenues			146,256	146,256
Total revenues	<u>1,866,900</u>	<u>1,866,900</u>	<u>1,611,803</u>	<u>(255,097)</u>
Total expenditures	<u>1,866,900</u>	<u>1,866,900</u>	<u>1,634,158</u>	<u>232,742</u>
Deficiency of Revenues over Expenditures	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(22,355)</u>	\$ <u>(22,355)</u>

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
SCHEDULES OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Employment Training Program				
Revenues:				
Grants in aid	\$ 930,200	\$ 1,075,026	\$ 879,473	\$ (195,553)
Other local revenue			17,950	17,950
Tuition			28,465	28,465
Sales of services			76,829	76,829
Transfers			2,900	2,900
Total revenues	<u>930,200</u>	<u>1,075,026</u>	<u>1,005,617</u>	<u>(69,409)</u>
Total expenditures	<u>930,200</u>	<u>1,075,026</u>	<u>1,006,012</u>	<u>69,014</u>
Deficiency of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (395)</u>	<u>\$ (395)</u>
Early Education Programs				
Revenues:				
Grants in aid	\$ 1,275,768	\$ 1,200,534	\$ 1,010,961	\$ (189,573)
Sales of services	317,487	392,721	181,315	(211,406)
Other local revenue			10,109	10,109
Transfers			16,383	16,383
Total revenues	<u>1,593,255</u>	<u>1,593,255</u>	<u>1,218,768</u>	<u>(374,487)</u>
Total expenditures	<u>1,593,255</u>	<u>1,593,255</u>	<u>1,311,619</u>	<u>281,636</u>
Deficiency of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (92,851)</u>	<u>\$ (92,851)</u>
Supplemental Services				
Revenues:				
Grants in aid	\$ 197,000	\$ 197,000	\$ 132,744	\$ (64,256)
Sales of services	42,608	132,594	196,850	64,256
Total revenues	<u>239,608</u>	<u>329,594</u>	<u>329,594</u>	<u>-</u>
Total expenditures	<u>239,608</u>	<u>329,594</u>	<u>329,594</u>	<u>-</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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 Soundbridge school facility in Wethersfield, Connecticut.

RIVER STREET CONSTRUCTION - Accounts for site acquisition and renovation of a school facility for the River Street 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, 2010

	Capital Projects Funds					Total Capital Projects Funds
	Special Education Schools Capital Projects	East Hartford/ Glastonbury Magnet Construction	Soundbridge Construction	River Street Construction	Capital Lease	
ASSETS						
Cash and cash equivalents	\$ 557,468	\$	\$	\$ 663,246	\$	\$ 1,220,714
Investments						-
Accounts receivable			173,807	90,849		264,656
Total Assets	<u>\$ 557,468</u>	<u>\$ -</u>	<u>\$ 173,807</u>	<u>\$ 754,095</u>	<u>\$ -</u>	<u>\$ 1,485,370</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$	\$	\$ 67,911	\$	\$	\$ 67,911
Due to other funds		53,457	604,231			657,688
Total liabilities	<u>-</u>	<u>53,457</u>	<u>672,142</u>	<u>-</u>	<u>-</u>	<u>725,599</u>
Fund Balances:						
Reserved for purposes of trust						-
Reserved for debt service						-
Unreserved:						
Undesignated	557,468	(53,457)	(498,335)	754,095		759,771
Total fund balance	<u>557,468</u>	<u>(53,457)</u>	<u>(498,335)</u>	<u>754,095</u>	<u>-</u>	<u>759,771</u>
Total Liabilities and Fund Balances	<u>\$ 557,468</u>	<u>\$ -</u>	<u>\$ 173,807</u>	<u>\$ 754,095</u>	<u>\$ -</u>	<u>\$ 1,485,370</u>

71

(Continued on next page)

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

JUNE 30, 2010

	<u>Permanent Fund</u>	<u>Debt Service Funds</u>			<u>Special Revenues</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Narkin Scholarship Fund</u>	<u>Administration Center Parking Lot</u>	<u>Bond Issue Cost Center</u>	<u>Total Debt Service Funds</u>	<u>CREC Foundation Inc.</u>	
ASSETS						
Cash and cash equivalents	\$		\$ 940,916	\$ 940,916	\$ 395	\$ 2,162,025
Investments	21,062			-		21,062
Accounts receivable				-		264,656
Total Assets	<u>\$ 21,062</u>	<u>\$ -</u>	<u>\$ 940,916</u>	<u>\$ 940,916</u>	<u>\$ 395</u>	<u>\$ 2,447,743</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 455			-		\$ 68,366
Due to other funds	3,607			-		661,295
Total liabilities	<u>4,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>729,661</u>
Fund Balances:						
Reserved for purposes of trust	17,000			-		17,000
Reserved for debt service			940,916	940,916		940,916
Unreserved:						
Undesignated				-	395	760,166
Total fund balance	<u>17,000</u>	<u>-</u>	<u>940,916</u>	<u>940,916</u>	<u>395</u>	<u>1,718,082</u>
Total Liabilities and Fund Balances	<u>\$ 21,062</u>	<u>\$ -</u>	<u>\$ 940,916</u>	<u>\$ 940,916</u>	<u>\$ 395</u>	<u>\$ 2,447,743</u>

CAPITOL REGION EDUCATION COUNCIL

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2010

	Capital Projects Funds					
	Special Education Schools Capital Projects	East Hartford/ Glastonbury Magnet Construction	Soundbridge Construction	River Street Construction	Capital Lease	Total Capital Projects Funds
Revenues:						
Grants in aid	\$	\$	\$ 1,104,792	\$ 58,536	\$	\$ 1,163,328
Investment income						-
Total revenues	<u>-</u>	<u>-</u>	<u>1,104,792</u>	<u>58,536</u>	<u>-</u>	<u>1,163,328</u>
Expenditures:						
Current:						
Other objects						
Debt service:						
Principal						
Interest and fiscal charges						
Capital outlay			1,603,127		795,000	2,398,127
Total expenditures	<u>-</u>	<u>-</u>	<u>1,603,127</u>	<u>-</u>	<u>795,000</u>	<u>2,398,127</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>(498,335)</u>	<u>58,536</u>	<u>(795,000)</u>	<u>(1,234,799)</u>
Other Financing Sources:						
Transfers in	123,658					123,658
Proceeds from capital lease					795,000	795,000
Total other financing sources	<u>123,658</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>795,000</u>	<u>918,658</u>
Net Change in Fund Balances	123,658	-	(498,335)	58,536	-	(316,141)
Fund Balances at Beginning of Year	<u>433,810</u>	<u>(53,457)</u>	<u>-</u>	<u>695,559</u>	<u>-</u>	<u>1,075,912</u>
Fund Balances at End of Year	<u>\$ 557,468</u>	<u>\$ (53,457)</u>	<u>\$ (498,335)</u>	<u>\$ 754,095</u>	<u>\$ -</u>	<u>\$ 759,771</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, 2010

	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	\$	\$	\$	\$ -	\$ 427,632	\$ 1,590,960
Investment income			651	651		651
Total revenues	-	-	651	651	427,632	1,591,611
Expenditures:						
Current:						
Other objects				-	428,710	428,710
Debt service:						
Principal		16,350	380,000	396,350		396,350
Interest and fiscal charges		5,886	138,091	143,977		143,977
Capital outlay				-		2,398,127
Total expenditures	-	22,236	518,091	540,327	428,710	3,367,164
Excess (Deficiency) of Revenues over Expenditures	-	(22,236)	(517,440)	(539,676)	(1,078)	(1,775,553)
Other Financing Sources:						
Transfers in		22,236	490,802	513,038		636,696
Proceeds from capital lease						795,000
Total other financing sources	-	22,236	490,802	513,038	-	1,431,696
Net Change in Fund Balances	-	-	(26,638)	(26,638)	(1,078)	(343,857)
Fund Balances at Beginning of Year	17,000	-	967,554	967,554	1,473	2,061,939
Fund Balances at End of Year	\$ 17,000	\$ -	\$ 940,916	\$ 940,916	\$ 395	\$ 1,718,082

**Nonmajor
Enterprise Funds**

NONMAJOR ENTERPRISE FUNDS

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

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

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

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

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

STAFF DEVELOPMENT - 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 AND EQUIPMENT RENTAL - CREC has tenants for available office space at some of our facilities. Equipment rental is also provided to programs.

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

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

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

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

SCHOOL FACILITY SERVICES - CREC provides construction-related school facility technical assistance to school districts throughout Connecticut. These services include the development of educational specifications, planning, SDE filings, architectural review assistance, budgeting and construction program management.

CAPITOL REGION EDUCATION COUNCIL

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2010

	<u>Montessori Training Center of New England</u>	<u>Learning Corridor Theater</u>	<u>Cooperative Purchasing</u>	<u>Regional Fingerprinting Services</u>	<u>Office of Communications</u>	<u>Staff Development</u>	<u>BEST Services</u>
Assets:							
Current:							
Cash and cash equivalents	\$ 143,197	\$	\$ 42,959	\$ 46,920	\$ 25,755	\$ 74,072	\$ 21,116
Accounts receivable	94,825	27,324	1,689	2,733			
Prepaid items							
Total current assets	<u>238,022</u>	<u>27,324</u>	<u>44,648</u>	<u>49,653</u>	<u>25,755</u>	<u>74,072</u>	<u>21,116</u>
Noncurrent:							
Capital assets, net		4,519					
Total assets	<u>238,022</u>	<u>31,843</u>	<u>44,648</u>	<u>49,653</u>	<u>25,755</u>	<u>74,072</u>	<u>21,116</u>
Liabilities:							
Current:							
Accounts payable and accrued liabilities	10,669	21,002	1,002	15,891			450
Due to other funds		2,808					
Deferred revenue	137,100						
Compensated absences				411			
Total current liabilities	<u>147,769</u>	<u>23,810</u>	<u>1,002</u>	<u>16,302</u>	<u>-</u>	<u>-</u>	<u>450</u>
Net Assets:							
Invested in capital assets, net of related debt		4,519					
Unrestricted	<u>90,253</u>	<u>3,514</u>	<u>43,646</u>	<u>33,351</u>	<u>25,755</u>	<u>74,072</u>	<u>20,666</u>
Total Net Assets	<u>\$ 90,253</u>	<u>\$ 8,033</u>	<u>\$ 43,646</u>	<u>\$ 33,351</u>	<u>\$ 25,755</u>	<u>\$ 74,072</u>	<u>\$ 20,666</u>

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CAPITOL REGION EDUCATION COUNCIL

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS (CONTINUED)

JUNE 30, 2010

	<u>Property and Equipment Rental</u>	<u>CASBO Support Services</u>	<u>Conference Services</u>	<u>Technical Assistance Brokering Service</u>	<u>Community Education</u>	<u>School Facility Services</u>	<u>Total</u>
Assets:							
Current:							
Cash and cash equivalents	\$ 32,408	\$ 18,917	\$ 27,224	\$ 185,738	\$ 55,596	\$ 272,297	\$ 918,975
Accounts receivable		3,386	5,951	33,580	96,224	129,863	416,848
Prepaid items			5,951				5,951
Total current assets	<u>32,408</u>	<u>22,303</u>	<u>33,175</u>	<u>219,318</u>	<u>151,820</u>	<u>402,160</u>	<u>1,341,774</u>
Noncurrent:							
Capital assets, net	<u>4,016</u>					434	<u>8,969</u>
Total assets	<u>36,424</u>	<u>22,303</u>	<u>33,175</u>	<u>219,318</u>	<u>151,820</u>	<u>402,594</u>	<u>1,350,743</u>
Liabilities:							
Current:							
Accounts payable and accrued liabilities	29		3,853	10,800	35,357	25,651	124,704
Due to other funds			17,597				20,405
Deferred revenue			296		116,093		253,489
Compensated absences			4,439		3,528	30,283	38,661
Total current liabilities	<u>29</u>	<u>-</u>	<u>26,185</u>	<u>10,800</u>	<u>154,978</u>	<u>55,934</u>	<u>437,259</u>
Net Assets:							
Invested in capital assets, net of related debt	4,016					434	8,969
Unrestricted	<u>32,379</u>	<u>22,303</u>	<u>6,990</u>	<u>208,518</u>	<u>(3,158)</u>	<u>346,226</u>	<u>904,515</u>
Total Net Assets	<u>\$ 36,395</u>	<u>\$ 22,303</u>	<u>\$ 6,990</u>	<u>\$ 208,518</u>	<u>\$ (3,158)</u>	<u>\$ 346,660</u>	<u>\$ 913,484</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, 2010

	<u>Montessori Training Center of New England</u>	<u>Learning Corridor Theater</u>	<u>Cooperative Purchasing</u>	<u>Regional Fingerprinting Services</u>	<u>Office of Communications</u>	<u>Staff Development</u>	<u>BEST Services</u>
Operating Revenues:							
Sales of services	\$ 197,498	\$ 85,126	\$ 41,005	\$ 115,462	\$ -	\$ -	\$ -
Other local revenues							
Total operating revenues	<u>197,498</u>	<u>85,126</u>	<u>41,005</u>	<u>115,462</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Expenses:							
Salaries	86,933	21,853	11,523	27,410			
Employee benefits	9,961	11,576	863	3,254			
Purchased professional and technical services	35,560		6,925				
Purchased property services	925	5,334		7,200			
Other purchased services	12,989	443	6,279	56,390			
Supplies	8,166	3,871	4	412			
Property		4,248					
Depreciation		971					
Other	3,759		1,893				
Total operating expenses	<u>158,293</u>	<u>48,296</u>	<u>27,487</u>	<u>94,666</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) Before Transfers	39,205	36,830	13,518	20,796	-	-	-
Transfers In	2,808			30			
Transfers Out	<u>(23,298)</u>	<u>(12,412)</u>					
Change in Net Assets	18,715	24,418	13,518	20,826	-	-	-
Net Assets at Beginning of Year	<u>71,538</u>	<u>(16,385)</u>	<u>30,128</u>	<u>12,525</u>	<u>25,755</u>	<u>74,072</u>	<u>20,666</u>
Net Assets and End of Year	<u>\$ 90,253</u>	<u>\$ 8,033</u>	<u>\$ 43,646</u>	<u>\$ 33,351</u>	<u>\$ 25,755</u>	<u>\$ 74,072</u>	<u>\$ 20,666</u>

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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, 2010

	<u>Property and Equipment Rental</u>	<u>CASBO Support Services</u>	<u>Conference Services</u>	<u>Technical Assistance Brokering Service</u>	<u>Community Education</u>	<u>School Facility Services</u>	<u>Total</u>
Operating Revenues:							
Sales of services	\$	\$ 7,314	\$ 81,123	\$ 279,907	\$ 114,193	\$ 704,166	\$ 1,625,794
Other local revenues					69,903		69,903
Total operating revenues	<u>-</u>	<u>7,314</u>	<u>81,123</u>	<u>279,907</u>	<u>184,096</u>	<u>704,166</u>	<u>1,695,697</u>
Operating Expenses:							
Salaries		1,710	88,599	43,553	72,538	415,069	769,188
Employee benefits		175	27,985	3,816	24,690	70,951	153,271
Purchased professional and technical services			250	153,270	19,974	51,031	267,010
Purchased property services					1,337		14,796
Other purchased services		646	2,741	10,375	51,714	21,225	162,802
Supplies		431	73,596	49	6,331	1,999	94,859
Property Depreciation	977					2,600	6,848
Other				125		248	2,196
Total operating expenses	<u>977</u>	<u>2,962</u>	<u>193,171</u>	<u>211,188</u>	<u>176,584</u>	<u>564,251</u>	<u>1,477,875</u>
Income (Loss) Before Transfers	(977)	4,352	(112,048)	68,719	7,512	139,915	217,822
Transfers In			125,596	14,415	38,287	100,000	281,136
Transfers Out		(2,379)		(20,324)	(31,559)	(62,552)	(152,524)
Change in Net Assets	(977)	1,973	13,548	62,810	14,240	177,363	346,434
Net Assets at Beginning of Year	<u>37,372</u>	<u>20,330</u>	<u>(6,558)</u>	<u>145,708</u>	<u>(17,398)</u>	<u>169,297</u>	<u>567,050</u>
Net Assets and End of Year	<u>\$ 36,395</u>	<u>\$ 22,303</u>	<u>\$ 6,990</u>	<u>\$ 208,518</u>	<u>\$ (3,158)</u>	<u>\$ 346,660</u>	<u>\$ 913,484</u>

CAPITOL REGION EDUCATION COUNCIL

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2010

	<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>
Cash Flows from Operating Activities:							
Cash received from customers and users	\$ 193,773	\$ 80,965	\$ 41,571	\$ 113,569	\$	\$	\$ 182
Cash received from interfund services provided							
Cash payments to suppliers	(62,176)	(9,941)	(15,715)	(52,035)			
Cash payments to employees	(96,655)	(33,041)	(11,384)	(30,338)			
Cash payments for interfund services used		(20,723)					
Net cash provided by (used in) operating activities	<u>34,942</u>	<u>17,260</u>	<u>14,472</u>	<u>31,196</u>	<u>-</u>	<u>-</u>	<u>182</u>
Cash Flows from Noncapital Financing Activities:							
Transfers from other funds	2,808			30			
Transfers to other funds	(23,298)	(12,412)					
Net cash provided by (used in) noncapital financing activities	<u>(20,490)</u>	<u>(12,412)</u>	<u>-</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:							
Additions to property, plant and equipment		(4,848)					
Net Increase in Cash and Cash Equivalents	14,452	-	14,472	31,226	-	-	182
Cash and Cash Equivalents at Beginning of Year	<u>128,745</u>	<u>-</u>	<u>28,487</u>	<u>15,694</u>	<u>25,755</u>	<u>74,072</u>	<u>20,934</u>
Cash and Cash Equivalents at End of Year	<u>\$ 143,197</u>	<u>\$ -</u>	<u>\$ 42,959</u>	<u>\$ 46,920</u>	<u>\$ 25,755</u>	<u>\$ 74,072</u>	<u>\$ 21,116</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:							
Operating income (loss)	\$ 39,205	\$ 36,830	\$ 13,518	\$ 20,796	\$	\$	\$
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation		971					
Change in assets and liabilities:							
(Increase) decrease in accounts receivable	7,178	(4,161)	566	(1,893)			
(Increase) decrease in other assets							
Increase (decrease) in accounts payable and accrued liabilities	(538)	4,343	388	11,882			182
Increase (decrease) in compensated absences				411			
Increase (decrease) in due to other funds		(20,723)					
Increase (decrease) in deferred revenues	(10,903)						
Total adjustments	<u>(4,263)</u>	<u>(19,570)</u>	<u>954</u>	<u>10,400</u>	<u>-</u>	<u>-</u>	<u>182</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 34,942</u>	<u>\$ 17,260</u>	<u>\$ 14,472</u>	<u>\$ 31,196</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182</u>

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

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Property and Equipment Rental</u>	<u>CASBO Support Services</u>	<u>Conference Services</u>	<u>Technical Assistance Brokering Service</u>	<u>Community Education</u>	<u>School Facility Services</u>	<u>Total</u>
Cash Flows from Operating Activities:							
Cash received from customers and users	\$	\$ 8,180	\$ 61,980	\$ 295,543	\$ 203,503	\$ 814,872	\$ 1,814,138
Cash received from interfund services provided			7,213				7,213
Cash payments to suppliers		(1,077)	(78,700)	(160,967)	(50,886)	(67,802)	(499,299)
Cash payments to employees		(1,885)	(116,089)	(48,512)	(99,010)	(484,207)	(921,121)
Cash payments for interfund services used					(4,739)	(28,014)	(53,476)
Net cash provided by (used in) operating activities	<u>-</u>	<u>5,218</u>	<u>(125,596)</u>	<u>86,064</u>	<u>48,868</u>	<u>234,849</u>	<u>347,455</u>
Cash Flows from Noncapital Financing Activities:							
Transfers from other funds			125,596	14,415	38,287	100,000	281,136
Transfers to other funds		(2,379)		(20,324)	(31,559)	(62,552)	(152,524)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(2,379)</u>	<u>125,596</u>	<u>(5,909)</u>	<u>6,728</u>	<u>37,448</u>	<u>128,612</u>
Cash Flows from Capital and Related Financing Activities:							
Additions to property, plant and equipment							(4,848)
Net Increase in Cash and Cash Equivalents	-	2,839	-	80,155	55,596	272,297	471,219
Cash and Cash Equivalents at Beginning of Year	<u>32,408</u>	<u>16,078</u>	<u>-</u>	<u>105,583</u>	<u>-</u>	<u>-</u>	<u>447,756</u>
Cash and Cash Equivalents at End of Year	<u>\$ 32,408</u>	<u>\$ 18,917</u>	<u>\$ -</u>	<u>\$ 185,738</u>	<u>\$ 55,596</u>	<u>\$ 272,297</u>	<u>\$ 918,975</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:							
Operating income (loss)	\$ (977)	\$ 4,352	\$ (112,048)	\$ 68,719	\$ 7,512	\$ 139,915	\$ 217,822
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	977					248	2,196
Change in assets and liabilities:							
(Increase) decrease in accounts receivable		866	(19,439)	39,313	(43,922)	110,706	89,214
(Increase) decrease in other assets			(268)				(268)
Increase (decrease) in accounts payable and accrued liabilities			(1,948)	1,709	25,355	1,658	43,031
Increase (decrease) in compensated absences			598		1,333	10,336	12,678
Increase (decrease) in due to other funds			7,213		(4,739)	(28,014)	(46,263)
Increase (decrease) in deferred revenues			296	(23,677)	63,329		29,045
Total adjustments	<u>977</u>	<u>866</u>	<u>(13,548)</u>	<u>17,345</u>	<u>41,356</u>	<u>94,934</u>	<u>129,633</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ -</u>	<u>\$ 5,218</u>	<u>\$ (125,596)</u>	<u>\$ 86,064</u>	<u>\$ 48,868</u>	<u>\$ 234,849</u>	<u>\$ 347,455</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 - This fund centralizes organization-wide technology costs and allocates costs to the internal users of these services.

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

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

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

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

EMPLOYEE BENEFIT FUND - CREC sponsors the CREC 403(b) Retirement Plan, which was established July 1, 1997. It provides benefits at retirement to all 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, 2010

	<u>CREC Staff Development</u>	<u>CREC Wide Area Network</u>	<u>Copy Center</u>	<u>Self Insurance</u>	<u>CREC Unemployment</u>	<u>Workers Compensation</u>	<u>Employee Benefit Fund</u>	<u>Total</u>
Assets:								
Current:								
Cash and cash equivalents	\$ 155,907	\$ 243,697	\$ 172,819	\$ 613,494	\$ 963,805	\$	\$ 1,117,019	\$ 3,266,741
Accounts receivable		254,113		4,290				258,403
Due from other funds				4,374,526				4,374,526
Prepaid items	14,010		38,977			97,500		150,487
Total current assets	<u>169,917</u>	<u>497,810</u>	<u>211,796</u>	<u>4,992,310</u>	<u>963,805</u>	<u>97,500</u>	<u>1,117,019</u>	<u>8,050,157</u>
Noncurrent:								
Capital assets, net		70,514	2,354					72,868
Total assets	<u>169,917</u>	<u>568,324</u>	<u>214,150</u>	<u>4,992,310</u>	<u>963,805</u>	<u>97,500</u>	<u>1,117,019</u>	<u>8,123,025</u>
Liabilities:								
Current:								
Accounts payable and accrued liabilities	32,585	60,791	2,415	743,731	53,917			893,439
Due to other funds						97,500		97,500
Deferred revenue	3,900							3,900
Compensated absences		47,173	2,632	1,367				51,172
Total liabilities	<u>36,485</u>	<u>107,964</u>	<u>5,047</u>	<u>745,098</u>	<u>53,917</u>	<u>97,500</u>	<u>-</u>	<u>1,046,011</u>
Net Assets:								
Invested in capital assets, net of related debt		70,514	2,354					72,868
Unrestricted	133,432	389,846	206,749	4,247,212	909,888		1,117,019	7,004,146
Total Net Assets	<u>\$ 133,432</u>	<u>\$ 460,360</u>	<u>\$ 209,103</u>	<u>\$ 4,247,212</u>	<u>\$ 909,888</u>	<u>\$ -</u>	<u>\$ 1,117,019</u>	<u>\$ 7,077,014</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, 2010

	<u>CREC Staff Development</u>	<u>CREC Wide Area Network</u>	<u>Copy Center</u>	<u>Self Insurance</u>	<u>CREC Unemployment</u>	<u>Workers Compensation</u>	<u>Employee Benefit Fund</u>	<u>Total</u>
Operating Revenues:								
Sales of services	\$ 168,255	\$ 1,665,596	\$ 200,908	\$ 11,045,680	\$ 281,439		\$ 1,128,371	\$ 14,490,249
Other local revenues	5,400			1,814,804				1,820,204
Total operating revenues	<u>173,655</u>	<u>1,665,596</u>	<u>200,908</u>	<u>12,860,484</u>	<u>281,439</u>	<u>-</u>	<u>1,128,371</u>	<u>16,310,453</u>
Operating Expenses:								
Salaries	10,175	900,964	44,435	160,949				1,116,523
Employee benefits	2,422	232,482	14,173	11,604,973	429,430		1,007,299	13,290,779
Purchased professional and technical services	44,809	13,073		26,235	6,400			90,517
Purchased property services		23,240	31,883	1,375				56,498
Other purchased services	42,232	295,987	87,326	5,959				431,504
Supplies	2,151	910	15,428	7,354				25,843
Property	190	41,514						41,704
Depreciation		35,186	1,714					36,900
Other				160				160
Total operating expenses	<u>101,979</u>	<u>1,543,356</u>	<u>194,959</u>	<u>11,807,005</u>	<u>435,830</u>	<u>-</u>	<u>1,007,299</u>	<u>15,090,428</u>
Operating Income (Loss)	71,676	122,240	5,949	1,053,479	(154,391)	-	121,072	1,220,025
Nonoperating Revenue:								
Income on investments				353				353
Income (Loss) Before Transfers	71,676	122,240	5,949	1,053,832	(154,391)	-	121,072	1,220,378
Transfers Out	<u>(29,212)</u>	<u>(30,270)</u>	<u>(13,091)</u>					<u>(72,573)</u>
Change in Net Assets	42,464	91,970	(7,142)	1,053,832	(154,391)	-	121,072	1,147,805
Net Assets at Beginning of Year	<u>90,968</u>	<u>368,390</u>	<u>216,245</u>	<u>3,193,380</u>	<u>1,064,279</u>	<u>-</u>	<u>995,947</u>	<u>5,929,209</u>
Net Assets at End of Year	<u>\$ 133,432</u>	<u>\$ 460,360</u>	<u>\$ 209,103</u>	<u>\$ 4,247,212</u>	<u>\$ 909,888</u>	<u>\$ -</u>	<u>\$ 1,117,019</u>	<u>\$ 7,077,014</u>

CAPITOL REGION EDUCATION COUNCIL
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010

	CREC Staff Development	CREC Wide Area Network	Copy Center	Self Insurance	CREC Unemployment	Workers Compensation	Employee Benefit Fund	Total
Cash Flows from Operating Activities:								
Cash received from customers and users	\$ 164,055	\$ 1,628,312	\$ 200,908	\$ 12,872,728	\$ 281,439	\$ -	\$ 1,128,371	\$ 16,275,813
Cash payments to suppliers	(59,183)	(371,313)	(164,439)	(41,037)	(6,400)	-	-	(642,372)
Cash payments to employees	(12,698)	(1,124,352)	(57,898)	(11,919,023)	(403,242)	-	(1,007,299)	(14,524,512)
Cash payments for interfund services used	-	-	-	(2,063,043)	-	-	-	(2,063,043)
Net cash provided by (used in) operating activities	<u>92,174</u>	<u>132,647</u>	<u>(21,429)</u>	<u>(1,150,375)</u>	<u>(128,203)</u>	<u>-</u>	<u>121,072</u>	<u>(954,114)</u>
Cash Flows from Noncapital Financing Activities:								
Transfers to other funds	<u>(29,212)</u>	<u>(30,270)</u>	<u>(13,091)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(72,573)</u>
Cash Flows from Capital and Related Financing Activities:								
Principal payments on obligations under capital lease	-	(7,826)	-	-	-	-	-	(7,826)
Additions to property, plant and equipment	-	(26,796)	-	-	-	-	-	(26,796)
Net cash used in capital and related financing activities	<u>-</u>	<u>(34,622)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,622)</u>
Cash Flows from Investing Activities:								
Interest on investments	-	-	-	353	-	-	-	353
Net Increase (Decrease) in Cash and Cash Equivalents	62,962	67,755	(34,520)	(1,150,022)	(128,203)	-	121,072	(1,060,956)
Cash and Cash Equivalents at Beginning of Year	<u>92,945</u>	<u>175,942</u>	<u>207,339</u>	<u>1,763,516</u>	<u>1,092,008</u>	<u>-</u>	<u>995,947</u>	<u>4,327,697</u>
Cash and Cash Equivalents at End of Year	<u>\$ 155,907</u>	<u>\$ 243,697</u>	<u>\$ 172,819</u>	<u>\$ 613,494</u>	<u>\$ 963,805</u>	<u>\$ -</u>	<u>\$ 1,117,019</u>	<u>\$ 3,266,741</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:								
Operating income (loss)	\$ 71,676	\$ 122,240	\$ 5,949	\$ 1,053,479	\$ (154,391)	\$ -	\$ 121,072	\$ 1,220,025
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation	-	35,186	1,714	-	-	-	-	36,900
Change in assets and liabilities:								
(Increase) decrease in accounts receivable	-	(36,684)	-	13,287	-	-	-	(23,397)
(Increase) decrease in other assets	-	-	(27,519)	-	-	-	-	(27,519)
(Increase) decrease in due from other funds	-	-	-	(2,063,043)	-	-	-	(2,063,043)
Increase (decrease) in accounts payable and accrued liabilities	30,098	8,533	(2,119)	(151,023)	26,188	-	-	(88,323)
Increase (decrease) in compensated absences	-	3,972	546	(2,032)	-	-	-	2,486
Increase (decrease) in deferred revenues	(9,600)	(600)	-	(1,043)	-	-	-	(11,243)
Total adjustments	<u>20,498</u>	<u>10,407</u>	<u>(27,378)</u>	<u>(2,203,854)</u>	<u>26,188</u>	<u>-</u>	<u>-</u>	<u>(2,174,139)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 92,174</u>	<u>\$ 132,647</u>	<u>\$ (21,429)</u>	<u>\$ (1,150,375)</u>	<u>\$ (128,203)</u>	<u>\$ -</u>	<u>\$ 121,072</u>	<u>\$ (954,114)</u>

Fiduciary Funds

FIDUCIARY FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CAPITOL REGION EDUCATION COUNCIL

FIDUCIARY FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2010

	<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>	<u>Integrated Program Model</u>
Assets:										
Cash and cash equivalents	\$ 11,515	\$ 23,368	\$ 101,799	\$ 18,560	\$ 84,818	\$ 134,785	\$ 9,227	\$ 5,113	\$ 20,672	\$ 235
Other assets						400				
Total Assets	<u>\$ 11,515</u>	<u>\$ 23,368</u>	<u>\$ 101,799</u>	<u>\$ 18,560</u>	<u>\$ 84,818</u>	<u>\$ 135,185</u>	<u>\$ 9,227</u>	<u>\$ 5,113</u>	<u>\$ 20,672</u>	<u>\$ 235</u>
Liabilities:										
Accounts payable	\$	\$	\$ 613	\$	\$	\$	\$	\$	\$ 3,080	\$
Fiduciary deposits	<u>11,515</u>	<u>23,368</u>	<u>101,186</u>	<u>18,560</u>	<u>84,818</u>	<u>135,185</u>	<u>9,227</u>	<u>5,113</u>	<u>17,592</u>	<u>235</u>
Total Liabilities	<u>\$ 11,515</u>	<u>\$ 23,368</u>	<u>\$ 101,799</u>	<u>\$ 18,560</u>	<u>\$ 84,818</u>	<u>\$ 135,185</u>	<u>\$ 9,227</u>	<u>\$ 5,113</u>	<u>\$ 20,672</u>	<u>\$ 235</u>

(Continued on next page)

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

JUNE 30, 2010

	<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>IMS Escrow</u>	<u>Reggio Escrow</u>	<u>Total</u>
Assets:										
Cash and cash equivalents	\$ 2,947	\$ 744	\$ 349	\$ 3,369	\$ 1,504	\$ 38,250	\$ 14,917	\$ (74)	\$ 681	\$ 472,779
Other assets										400
Total Assets	<u>\$ 2,947</u>	<u>\$ 744</u>	<u>\$ 349</u>	<u>\$ 3,369</u>	<u>\$ 1,504</u>	<u>\$ 38,250</u>	<u>\$ 14,917</u>	<u>\$ (74)</u>	<u>\$ 681</u>	<u>\$ 473,179</u>
Liabilities:										
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 3,693
Fiduciary deposits	<u>2,947</u>	<u>744</u>	<u>349</u>	<u>3,369</u>	<u>1,504</u>	<u>38,250</u>	<u>14,917</u>	<u>(74)</u>	<u>681</u>	<u>469,486</u>
Total Liabilities	<u>\$ 2,947</u>	<u>\$ 744</u>	<u>\$ 349</u>	<u>\$ 3,369</u>	<u>\$ 1,504</u>	<u>\$ 38,250</u>	<u>\$ 14,917</u>	<u>\$ (74)</u>	<u>\$ 681</u>	<u>\$ 473,179</u>

CAPITOL REGION EDUCATION COUNCIL

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2010</u>
ASSETS				
Cash and Cash Equivalents:				
RSS Equipment Escrow	\$ 10,800	\$ 715	\$	\$ 11,515
River Street/Coltsville	23,421	1,611	1,664	23,368
Greater Hartford Arts Academy	78,994	98,722	75,917	101,799
Metropolitan Learning Center	16,369	2,353	162	18,560
Special Education Escrow	84,192	355,637	355,011	84,818
River Street School	139,425	7,601	12,241	134,785
Great Path Academy	15,703	745	7,221	9,227
Statewide RESCS Escrow	4,898	65,000	64,785	5,113
GHAMAS Escrow	5,942	14,730		20,672
Integrated Program Model	235			235
East Hartford/Glastonbury Magnet School Escrow	3,261	515	829	2,947
RESC Alliance Minority Recruiting	744			744
CREC Charter Oak Escrow	199	150		349
Polaris Student Activity	1,862	2,836	1,329	3,369
Choice Escrow	3,354	1,050	2,900	1,504
Two Rivers Escrow	25,778	12,472		38,250
Montessori Magnet School	15,310	100	493	14,917
IMS Escrow	1,933	3,644	5,651	(74)
Reggio Escrow	92	589		681
	<u>432,512</u>	<u>568,470</u>	<u>528,203</u>	<u>472,779</u>
Total cash and cash equivalents				
Other Assets:				
River Street School		400		400
	<u>432,512</u>	<u>568,870</u>	<u>528,203</u>	<u>473,179</u>
Total Assets	<u>\$ 432,512</u>	<u>\$ 568,870</u>	<u>\$ 528,203</u>	<u>\$ 473,179</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, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2010</u>
LIABILITIES				
Accounts Payable:				
Greater Hartford Academy of the Arts	\$ 8,763	\$	\$ 8,150	\$ 613
River Street School	1,196		1,196	-
GHAMAS Escrow	44	3,036		3,080
East Hartford/Glastonbury Magnet School Escrow	410		410	-
Montessori Magnet School	316		316	-
Reggio Escrow	391		391	-
	<u>11,120</u>	<u>3,036</u>	<u>10,463</u>	<u>3,693</u>
Fiduciary Deposits:				
RSS Equipment Escrow	10,800	715		11,515
River Street/Coltsville	23,421	1,611	1,664	23,368
Greater Hartford Academy of the Arts	70,231	98,722	67,767	101,186
Metropolitan Learning Center	16,369	2,353	162	18,560
Special Education Escrow	84,192	355,637	355,011	84,818
River Street School	138,229	8,001	11,045	135,185
Great Path Academy	15,703	745	7,221	9,227
Statewide RESCS Escrow	4,898	65,000	64,785	5,113
GHAMAS Escrow	5,898	11,694		17,592
Integrated Program Model	235			235
East Hartford/Glastonbury Magnet School Escrow	2,851	515	419	2,947
RESC Alliance Minority Recruiting	744			744
CREC Charter Oak Escrow	199	150		349
Polaris Student Activity	1,862	2,836	1,329	3,369
Choice Escrow	3,354	1,050	2,900	1,504
Two Rivers Escrow	25,778	12,472		38,250
Montessori Magnet School	14,994	100	177	14,917
IMS Escrow	1,542	3,644	5,260	(74)
Reggio Escrow	92	589		681
	<u>421,392</u>	<u>565,834</u>	<u>517,740</u>	<u>469,486</u>
Total Liabilities	<u>\$ 432,512</u>	<u>\$ 568,870</u>	<u>\$ 528,203</u>	<u>\$ 473,179</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, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Governmental Funds Capital Assets:		
Land	\$ 2,224,925	\$ 2,224,925
Buildings and improvements	70,783,920	69,729,664
Vehicles	1,497,435	1,256,199
Furniture, fixtures and improvements	5,985,074	6,268,103
Construction in progress	<u>6,842,058</u>	<u>5,292,089</u>
Total	<u>\$ 87,333,412</u>	<u>\$ 84,770,980</u>
Investments in Governmental Funds Capital Assets by Source:		
General Fund	\$ 7,276,602	\$ 7,356,600
Special Revenue Fund	205,908	171,791
Capital Projects Fund	<u>79,850,902</u>	<u>77,242,589</u>
Total	<u>\$ 87,333,412</u>	<u>\$ 84,770,980</u>

CAPITOL REGION EDUCATION COUNCIL

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY

JUNE 30, 2010

68

	<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	\$ 67,113,954	\$ 1,464,195	\$ 5,226,655	\$ 6,842,058	\$ 82,539,787
Facilities	332,000	3,669,966	33,240	294,756		4,329,962
Administration				463,663		463,663
Total	<u>\$ 2,224,925</u>	<u>\$ 70,783,920</u>	<u>\$ 1,497,435</u>	<u>\$ 5,985,074</u>	<u>\$ 6,842,058</u>	<u>\$ 87,333,412</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, 2010

	Governmental Funds Capital Assets July 1, 2009	Additions	Deductions	Governmental Funds Capital Assets June 30, 2010
Education	\$ 79,876,378	\$ 3,243,137	\$ (579,728)	\$ 82,539,787
Facilities	4,315,242	20,080	(5,360)	4,329,962
Administration	<u>579,360</u>	<u> </u>	<u>(115,697)</u>	<u>463,663</u>
Total	<u>\$ 84,770,980</u>	<u>\$ 3,263,217</u>	<u>\$ (700,785)</u>	<u>\$ 87,333,412</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 EIGHT FISCAL YEARS

(In Thousands)

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

Notes:

- (1) Schedule prepared on the accrual basis of accounting.
- (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 EIGHT FISCAL YEARS
(In Thousands)

TABLE 2

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

Notes:

- (1) Schedule prepared on the accrual basis of accounting.
- (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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Fund:										
Reserved	\$ 34	34	\$ 34	\$ 34	\$ 73	\$ 73	\$ 34	\$ 64	\$ 59	\$ 55
Unreserved	<u>11,015</u>	<u>11,335</u>	<u>11,147</u>	<u>10,805</u>	<u>9,497</u>	<u>8,796</u>	<u>8,474</u>	<u>8,242</u>	<u>8,163</u>	<u>8,223</u>
Total General Fund	<u>\$ 11,049</u>	<u>11,369</u>	<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>
All other governmental funds:										
Reserved	\$ 958	985	\$ 987	\$ 1,014	\$ 1,015	\$ 1,001	\$ 1,173	\$ 1,166	\$ 1,156	\$ 4,879
Unreserved, reported in:										
Special revenue funds	(1,258)	(970)	(630)	(361)	(335)	(435)	(40)	63	251	289
Capital projects funds	<u>760</u>	<u>1,076</u>	<u>1,205</u>	<u>101</u>	<u>(399)</u>	<u>(405)</u>	<u>(668)</u>	<u>(968)</u>	<u>(1,480)</u>	<u>(1,089)</u>
Total All Other Governmental Funds	<u>\$ 460</u>	<u>1,091</u>	<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>

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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenues:										
Tuition	\$ 27,526	28,930	\$ 28,653	\$ 24,881	\$ 22,259	\$ 20,092	\$ 18,268	\$ 16,402	\$ 15,287	\$ 13,471
Grants in aid	75,506	73,515	67,768	46,153	51,752	51,588	49,381	44,139	47,431	61,748
Room and board	1,441	1,740	3,916	4,195	3,770	3,443	3,249	3,387	3,338	3,368
Sales of services	32,858	31,108	30,509	25,218	23,655	19,429	18,380	12,808	10,027	8,721
Investment income	12	112	381	537	442	171	71	100	273	765
Other local revenues	1,506	1,279	768	330	299	598	340	388	279	356
Total revenues	<u>138,849</u>	<u>136,684</u>	<u>131,995</u>	<u>101,314</u>	<u>102,177</u>	<u>95,321</u>	<u>89,689</u>	<u>77,224</u>	<u>76,635</u>	<u>88,429</u>
Expenditures:										
Current:										
Special Programs	125,660	120,088	103,156	90,594	90,471	87,025	77,331	66,579	67,405	62,618
Facilities/Service Center	746	804	762	673	551	494	429	422	527	482
Administration	11,154	10,724	25,919	7,843	7,231	5,826	5,727	5,560	4,920	4,234
Debt service:										
Principal	396	396	396	396	367	356	371	351	351	336
Interest	144	170	247	223	248	272	295	317	339	359
Capital outlay	2,398	5,704	1,205	780	2,982	1,479	6,278	3,626	7,325	18,431
Total expenditures	<u>140,498</u>	<u>137,886</u>	<u>131,685</u>	<u>100,509</u>	<u>101,850</u>	<u>95,452</u>	<u>90,431</u>	<u>76,855</u>	<u>80,867</u>	<u>86,460</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(1,649)</u>	<u>(1,202)</u>	<u>310</u>	<u>805</u>	<u>327</u>	<u>(131)</u>	<u>(742)</u>	<u>369</u>	<u>(4,232)</u>	<u>1,969</u>
Other Financing Sources (Uses):										
Transfers in	2,624	2,005	3,107	2,540	3,129	2,086	2,063	2,359	1,782	893
Transfers out	(2,720)	(1,735)	(3,043)	(2,382)	(3,136)	(1,898)	(1,974)	(2,327)	(1,758)	(840)
Proceeds from debt obligation										34
Proceeds from capital lease	795	649	775	780	500		1,059			26
Total other financing sources (uses)	<u>699</u>	<u>919</u>	<u>839</u>	<u>938</u>	<u>493</u>	<u>188</u>	<u>1,148</u>	<u>32</u>	<u>24</u>	<u>113</u>
Net Change in Fund Balances	<u>\$ (950)</u>	<u>(283)</u>	<u>\$ 1,149</u>	<u>\$ 1,743</u>	<u>\$ 820</u>	<u>\$ 57</u>	<u>\$ 406</u>	<u>\$ 401</u>	<u>\$ (4,208)</u>	<u>\$ 2,082</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>0.4%</u>	<u>0.4%</u>	<u>0.5%</u>	<u>0.6%</u>	<u>0.6%</u>	<u>0.7%</u>	<u>0.8%</u>	<u>0.9%</u>	<u>0.9%</u>	<u>1.0%</u>

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

TABLE 5

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

<u>Member Boards of Education</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Avon	\$ 579,641	\$ 509,459	\$ 411,644	\$ 432,721	\$ 437,309
Berlin	726,204	657,617	602,847	512,471	522,508
Bloomfield	1,140,537	1,195,271	1,080,427	1,247,505	1,219,140
Bolton	284,310	341,121	445,621	293,054	184,853
Bristol	977,271	1,053,757	949,988	915,772	855,628
Canton	203,650	109,770	86,471	177,844	63,987
Cromwell	158,573	92,149	70,232	136,558	152,856
East Granby	313,790	242,423	308,632	275,928	256,843
East Hartford	1,843,998	1,737,077	1,231,268	910,516	1,050,230
East Windsor	807,616	784,166	640,913	622,158	447,139
Ellington	580,350	469,247	408,981	333,729	296,438
Enfield	958,631	985,477	706,461	645,983	581,976
Farmington	748,938	866,012	815,686	498,101	411,680
Glastonbury	2,013,650	1,855,129	1,723,785	1,480,456	1,409,111
Granby	301,230	356,496	238,508	208,631	192,777
Hartford	10,084,944	9,709,037	11,748,752	8,503,666	6,192,910
Hartland	48	47	195	872	262
Manchester	1,922,503	2,201,824	2,103,398	1,729,777	1,369,700
New Britain	2,048,833	1,539,669	1,155,155	1,054,410	1,119,261
New Hartford	108,282	34,142	25,227	21,955	94,900
Newington	893,253	824,313	599,836	715,973	652,861
Plainville	398,034	441,249	500,873	597,783	399,922
Portland	118,385	231,044	163,000	173,460	114,652
Rocky Hill	734,365	526,987	465,500	441,104	412,417
Simsbury	1,611,403	1,111,469	1,067,371	880,541	1,123,970
Somers	473,200	402,289	318,045	295,063	180,533
South Windsor	1,147,482	1,158,877	839,836	806,468	910,679
Southington	2,160,268	1,484,531	1,350,307	1,138,220	989,059
Suffield	648,704	693,565	502,231	426,362	290,053
Vernon	1,093,255	892,226	1,098,644	1,141,140	1,173,871
West Hartford	1,360,541	780,713	803,273	706,950	659,329
Wethersfield	1,605,587	1,063,339	631,898	669,057	603,541
Windsor	2,577,284	1,963,023	1,692,897	1,262,231	1,309,246
Windsor Locks	458,985	435,466	525,145	592,509	505,339
Regional District #10	391,081	187,447	355,341	197,232	215,162
Revenue from Member Boards of Education	<u>41,474,825</u>	<u>36,936,428</u>	<u>35,668,388</u>	<u>30,046,200</u>	<u>26,400,142</u>
<u>Other Sources</u>					
Other LEAs and Agencies	46,852,209	50,892,112	63,781,900	42,379,052	39,430,868
State Grants	63,233,476	62,181,044	43,520,547	38,926,479	44,431,612
Federal Grants	4,394,233	3,899,042	3,802,135	3,062,660	3,970,958
Other Special Revenues	1,902,252	1,612,148	1,636,212	1,610,331	1,316,367
Revenue from Other Sources	<u>116,382,170</u>	<u>118,584,346</u>	<u>112,740,794</u>	<u>85,978,522</u>	<u>89,149,805</u>
Total Revenues	<u>\$ 157,856,995</u>	<u>\$ 155,520,774</u>	<u>\$ 148,409,182</u>	<u>\$ 116,024,722</u>	<u>\$ 115,549,947</u>

Source: Capitol Region Education Council Business Services Department

CAPITOL REGION EDUCATION COUNCIL

PRINCIPAL REVENUE PAYERS

CURRENT YEAR AND NINE YEARS AGO

<u>Clients</u>	<u>2010</u>	<u>2001</u>
Hartford	\$ 10,084,944	\$ 2,551,312
Windsor	2,577,284	766,376
Southington	2,160,268	664,884
New Britain	2,048,833	697,379
Glastonbury	2,013,650	275,954
Manchester	1,922,503	614,192
East Hartford	1,843,998	170,105
Simsbury	1,611,403	389,043
Wethersfield	1,605,587	520,321
West Hartford	1,360,541	365,878
Springfield	1,330,764	812,323
South Windsor	1,147,482	258,417
Bloomfield	1,140,537	672,198
Vernon	1,093,255	632,378
Middletown	1,063,761	494,726
Bristol	977,271	531,022
Coventry	969,076	10,020
Enfield	958,631	382,508
Tolland	931,650	333,773
Newington	893,253	334,116
East Windsor	807,616	133,659

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			
2010	\$ 1,860	\$ 82	\$ 1,314	\$ 3,256	4,472	0.73 %
2009	2,240	98	1,240	3,578	4,008	0.89
2008	2,620	114	1,258	3,992	3,395	1.18
2007	3,000	131	993	4,124	3,361	1.23
2006	3,380	147	441	3,968	3,251	1.22
2005	3,730	167	373	4,270	3,228	1.32
2004	4,070	197	719	4,986	3,040	1.64
2003	4,425	229	88	4,742	2,719	1.74
2002	4,760	260	113	5,133	2,057	2.50
2001	5,095	292	163	5,550	1,533	3.62

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

CAPITOL REGION EDUCATION COUNCIL

CREC MEMBER DATA

	2000 Population	Population Growth 1990-2000	Number of Public Schools	District Reference Group (DRG)	Public School Enrollment as a Percent of Town Population	% of Students Eligible for Free/Reduced- Priced Meals
Connecticut						
1 Avon	15,832	13.6%	5	B	22.5%	3.2%
2 Berlin	18,215	8.5%	5	D	17.7%	7.0%
3 Bloomfield	19,587	0.5%	7	G	11.0%	45.9%
4 Bolton	5,017	9.7%	2	C	17.2%	6.4%
5 Bristol	60,062	(1.0)%	15	G	14.7%	36.7%
6 Canton	8,840	6.9%	4	C	19.8%	3.4%
7 Cromwell	12,871	4.8%	4	D	15.7%	11.5%
8 East Granby	4,745	10.3%	4	D	18.9%	1.2%
9 East Hartford	49,575	(1.7)%	14	H	14.6%	61.0%
10 East Windsor	9,818	(2.6)%	3	F	14.6%	27.2%
11 Ellington	12,921	15.4%	6	C	20.4%	6.0%
12 Enfield	45,212	(0.7)%	12	F	13.9%	26.3%
13 Farmington	23,641	14.7%	7	B	17.9%	6.3%
14 Glastonbury	31,876	14.2%	9	B	21.5%	5.5%
15 Granby	10,347	10.4%	5	B	21.9%	3.8%
16 Hartford	121,578	(13.0)%	41	I	17.8%	92.2%
17 Hartland	2,012	7.8%	1	E	11.8%	0.0%
18 Manchester	54,740	6.0%	13	G	12.5%	43.1%
19 New Britain	71,538	(5.2)%	15	I	14.5%	71.9%
20 Newington	29,306	0.3%	7	D	15.4%	15.7%
21 New Hartford	6,088	5.5%	3	C	10.2%	5.6%
22 Plainville	17,328	(0.4)%	5	F	14.5%	18.1%
23 Portland	8,732	3.7%	5	E	16.4%	11.3%
24 Regional District #10	16,473	34.4%	4	C	17.3%	3.9%
25 Rocky Hill	17,966	8.5%	5	D	14.5%	6.4%
26 Simsbury	23,234	5.5%	7	B	21.2%	5.2%
27 Somers	10,417	14.4%	3	C	16.5%	5.4%
28 South Windsor	24,412	10.5%	7	B	19.6%	5.9%
29 Southington	39,728	3.1%	11	D	17.2%	7.5%
30 Suffield	13,552	18.6%	4	C	19.0%	4.6%
31 Vernon	28,063	(6.0)%	7	G	12.8%	25.1%
32 West Hartford	63,589	5.8%	16	B	15.9%	17.0%
33 Wethersfield	26,271	2.4%	7	D	14.5%	11.9%
34 Windsor	28,237	1.5%	7	D	14.1%	27.6%
35 Windsor Locks	12,043	(2.5)%	4	F	15.3%	27.4%
Totals	<u>943,866</u>		<u>274</u>			

Source: State of Connecticut Department of Education Division of Grant Services. Strategic School Profiles 08-09.

CAPITOL REGION EDUCATION COUNCIL

PER PUPIL EXPENSE

	Net Expense Per Pupil 2010	Net Expense Per Pupil 2009	Net Expense Per Pupil 2008	Net Expense Per Pupil 2007	Net Expense Per Pupil 2006	Net Expense Per Pupil 2005	Net Expense Per Pupil 2004	Net Expense Per Pupil 2003	Net Expense Per Pupil 2002	Net Expense Per Pupil 2001
Avon	\$ 11,585	\$ 11,282	\$ 10,822	\$ 10,301	\$ 10,216	\$ 9,874	\$ 9,301	\$ 9,447	\$ 8,875	\$ 8,376
Berlin	12,504	12,063	11,222	10,618	9,786	9,172	8,555	8,755	8,291	7,962
Bloomfield	16,432	15,881	14,712	13,855	12,855	12,464	11,548	11,017	10,172	10,050
Bolton	14,228	13,908	13,196	12,030	11,328	10,914	10,194	9,761	9,300	8,673
Bristol	12,138	11,652	10,991	10,606	9,973	9,570	9,105	8,477	8,310	8,016
Canton	12,583	12,006	11,993	11,116	10,480	9,937	9,440	9,065	8,574	8,205
Cromwell	12,698	12,000	11,936	11,620	10,793	10,067	9,482	9,516	9,125	8,647
East Granby	14,166	14,067	13,447	12,158	11,828	11,316	10,800	9,939	8,998	9,227
East Hartford	11,422	11,709	11,109	10,481	10,119	10,067	9,421	9,058	8,810	8,450
East Windsor	12,909	12,828	11,536	10,343	9,464	8,907	8,466	8,495	7,614	7,643
Ellington	10,545	10,595	10,165	9,842	9,574	9,227	8,982	8,518	8,195	7,758
Enfield	11,815	11,741	11,430	10,861	10,012	9,440	9,335	9,024	8,940	8,557
Farmington	12,620	11,968	11,868	11,338	10,513	9,566	9,199	9,056	8,540	8,167
Glastonbury	12,072	11,608	11,210	10,519	9,778	9,271	8,699	8,446	8,023	7,675
Granby	11,780	11,709	11,119	10,446	9,933	9,493	8,999	8,754	8,460	7,846
Hartford	17,531	16,202	15,717	15,448	14,365	13,236	12,366	12,151	12,136	11,312
Hartland	13,995	13,382	12,903	12,175	11,845	11,173	9,987	10,285	8,671	8,257
Manchester	13,392	13,163	12,960	12,025	11,201	10,320	10,003	9,618	9,055	8,927
New Britain	12,144	11,910	11,654	10,824	10,603	10,430	10,070	9,913	9,855	8,987
New Hartford	12,432	12,401	11,886	11,498	10,848	10,293	10,153	9,568	9,325	8,566
Newington	13,418	12,491	11,881	11,301	10,602	10,101	9,434	8,991	8,499	8,036
Plainville	13,147	12,915	12,456	11,655	10,951	10,598	10,142	9,723	9,105	8,921
Portland	11,971	12,159	12,056	11,289	11,343	10,504	9,918	9,280	8,767	8,522
Regional District #10	11,345	11,080	10,593	10,184	9,572	9,352	8,877	8,683	8,226	8,095
Rocky Hill	12,170	11,710	11,431	10,766	10,331	10,095	9,507	9,121	8,989	8,681
Simsbury	12,660	12,181	11,739	11,222	10,422	9,933	9,522	9,084	8,513	8,239
Somers	11,807	11,386	10,796	10,085	9,516	9,151	8,639	8,501	8,350	8,108
South Windsor	12,734	12,048	11,162	10,540	9,904	9,514	8,793	8,634	8,288	7,734
Southington	12,119	11,587	11,099	10,731	10,415	9,892	9,461	8,940	8,434	8,568
Suffield	12,238	11,859	10,820	10,133	9,439	8,957	8,400	8,147	7,563	7,225
Vernon	12,509	12,812	12,098	11,664	11,126	10,401	10,154	9,705	9,480	9,059
West Hartford	12,476	12,325	11,939	11,476	10,842	10,302	9,783	9,434	8,851	8,595
Wethersfield	12,964	12,948	11,861	11,234	10,767	10,254	9,371	9,182	8,843	8,472
Windsor	14,395	13,393	12,598	11,845	11,372	10,873	10,398	9,906	9,422	8,318
Windsor Locks	15,024	14,032	13,274	12,562	11,163	10,715	10,246	10,063	9,055	8,094

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 2009

Town	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Avon	17,357	17,328	17,333	17,342	17,209	16,992	16,709	16,346	16,323	15,832
Berlin	20,467	20,364	20,254	20,137	19,590	19,471	19,322	19,116	18,281	18,215
Bloomfield	20,696	20,727	20,693	20,643	20,581	20,414	19,803	19,794	19,134	19,587
Bolton	5,155	5,117	5,116	5,142	5,170	5,173	5,199	5,154	5,140	5,017
Bristol	61,027	60,927	60,911	61,258	61,353	60,994	60,722	60,541	60,026	60,062
Canton	10,125	10,104	10,086	10,081	9,932	9,603	9,413	9,061	9,162	8,840
Cromwell	13,669	13,600	13,552	13,540	13,594	13,520	13,471	13,370	13,080	12,871
East Granby	5,210	5,155	5,122	5,082	5,058	5,018	4,977	4,910	4,880	4,745
East Hartford	48,634	48,571	48,697	48,934	49,173	49,416	49,596	49,650	49,734	49,575
East Windsor	11,041	10,822	10,617	10,563	10,447	10,261	10,185	10,095	9,958	9,818
Ellington	14,829	14,568	14,426	14,370	14,217	14,141	13,952	13,571	13,145	12,921
Enfield	45,259	44,895	45,011	45,297	45,441	45,567	45,539	45,379	44,987	45,212
Farmington	25,144	25,116	25,084	25,040	24,941	24,682	24,507	24,189	23,969	23,641
Glastonbury	33,353	33,263	33,169	33,077	33,089	32,852	32,789	32,575	32,985	31,876
Granby	11,220	11,219	11,215	11,187	11,088	10,989	10,869	10,696	10,721	10,347
Hartford	124,060	124,062	124,563	124,699	124,397	125,053	124,387	124,558	123,850	124,121
Hartland	2,087	2,079	2,077	2,090	2,082	2,078	2,068	2,053	1,993	2,012
Manchester	56,388	56,385	55,857	55,738	55,572	55,563	55,390	55,084	54,680	54,740
New Britain	70,548	70,486	70,664	70,855	71,254	71,832	71,572	71,589	71,665	71,538
New Hartford	6,763	6,728	6,736	6,794	6,746	6,662	6,548	6,413	6,202	6,088
Newington	29,818	29,699	29,619	29,586	29,676	29,646	29,695	29,623	29,349	29,306
Plainville	17,284	17,221	17,193	17,312	17,382	17,371	17,461	17,407	17,335	17,328
Portland	9,577	9,551	9,537	9,595	9,543	9,340	9,264	9,125	9,293	8,732
Regional District #10	14,774	14,710	14,707	14,749	14,668	14,478	14,303	14,069	13,744	13,473
Rocky Hill	18,827	18,852	18,808	18,835	18,760	18,620	18,528	18,305	17,683	17,966
Simsbury	23,648	23,615	23,659	23,660	23,656	23,460	23,496	23,421	23,740	23,234
Somers	11,215	10,984	10,850	10,888	10,877	10,888	10,870	10,608	10,502	10,417
Southington	42,534	42,250	42,142	42,249	42,077	41,723	41,397	40,943	40,227	39,728
South Windsor	26,258	25,966	25,940	26,030	25,985	25,586	25,270	24,846	24,773	24,412
Suffield	15,163	15,136	15,104	15,127	14,704	14,539	14,217	14,021	13,990	13,552
Vernon	30,182	29,839	29,620	29,672	29,491	29,338	29,206	28,718	27,861	28,063
West Hartford	60,852	60,495	60,486	60,794	61,173	61,392	61,424	61,365	61,578	61,070
Wethersfield	25,767	25,719	25,781	26,057	26,220	26,358	26,398	26,390	26,262	26,271
Windsor	29,014	28,851	28,754	28,703	28,778	28,652	28,565	28,519	27,731	28,237
Windsor Locks	12,517	12,495	12,491	12,444	12,411	12,333	12,256	12,237	11,919	12,043
Total CREC Membership	<u>970,462</u>	<u>966,899</u>	<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 2001 TO 2010

<u>Town</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Avon	3,617	3,574	3,596	3,513	3,400	3,315	3,265	3,086	2,988	2,900
Berlin	3,219	3,267	3,313	3,323	3,410	3,426	3,414	3,355	3,381	3,345
Bloomfield	2,530	2,557	2,630	2,701	2,735	2,767	2,755	2,715	2,764	2,720
Bolton	839	845	869	922	941	942	969	996	976	953
Bristol	8,784	8,913	9,038	9,100	9,107	9,073	9,051	9,017	8,978	8,930
Canton	1,793	1,784	1,730	1,734	1,693	1,669	1,631	1,632	1,637	1,587
Cromwell	2,050	2,011	1,983	1,997	1,969	1,931	1,891	1,854	1,847	1,793
East Granby	939	906	914	938	903	892	896	896	903	836
East Hartford	8,009	7,918	8,064	8,358	8,363	8,144	8,198	8,243	8,106	8,014
East Windsor	1,476	1,526	1,556	1,616	1,635	1,662	1,653	1,628	1,628	1,551
Ellington	2,670	2,662	2,628	2,561	2,521	2,487	2,418	2,394	2,330	2,313
Enfield	6,215	6,399	6,436	6,580	6,716	6,792	6,860	6,953	6,843	6,866
Farmington	4,143	4,168	4,178	4,231	4,260	4,393	4,343	4,232	4,192	4,135
Glastonbury	6,999	7,036	7,021	6,931	6,879	6,802	6,732	6,555	6,406	6,199
Granby	2,259	2,205	2,261	2,258	2,233	2,214	2,203	2,163	2,093	2,038
Hartford	21,318	21,725	22,323	22,407	22,946	23,411	24,054	24,188	24,320	24,501
Hartland	317	337	339	351	359	379	392	378	405	400
Manchester	7,498	7,480	7,430	7,608	7,666	7,907	7,979	7,993	7,959	7,756
New Britain	10,874	10,814	10,982	11,224	11,249	11,171	11,070	10,930	10,837	10,413
New Hartford	1,146	1,157	1,142	1,156	1,150	1,179	1,154	1,176	1,156	1,168
Newington	4,504	4,525	4,552	4,578	4,587	4,612	4,599	4,641	4,524	4,460
Plainville	2,552	2,525	2,606	2,633	2,638	2,628	2,645	2,670	2,701	2,681
Portland	1,471	1,464	1,448	1,471	1,423	1,445	1,437	1,463	1,451	1,393
Regional District #10	2,810	2,829	2,823	2,809	2,804	2,731	2,705	2,639	2,633	2,548
Rocky Hill	2,674	2,640	2,626	2,606	2,563	2,488	2,489	2,503	2,432	2,445
Simsbury	4,926	4,961	4,967	4,991	5,063	5,053	5,035	5,017	4,998	4,887
Somers	1,634	1,702	1,707	1,716	1,724	1,722	1,731	1,712	1,663	1,619
Southington	6,826	6,817	6,882	6,871	6,801	6,771	6,743	6,676	6,688	6,620
South Windsor	4,808	4,965	5,084	5,190	5,238	5,161	5,277	5,154	5,083	5,024
Suffield	2,441	2,440	2,500	2,496	2,441	2,385	2,376	2,267	2,220	2,157
Vernon	3,738	3,638	3,757	3,802	3,849	3,989	4,023	4,017	4,068	4,133
West Hartford	10,315	10,111	9,997	10,130	9,995	9,935	9,853	9,732	9,608	9,444
Wethersfield	3,946	3,966	3,921	3,946	3,855	3,801	3,771	3,675	3,607	3,487
Windsor	4,272	4,461	4,560	4,651	4,655	4,696	4,714	4,699	4,608	4,704
Windsor Locks	1,917	1,972	1,964	2,038	2,072	2,063	2,028	2,050	2,104	2,107
Total CREC Membership	<u>155,529</u>	<u>156,300</u>	<u>157,827</u>	<u>159,437</u>	<u>159,843</u>	<u>160,036</u>	<u>160,354</u>	<u>159,299</u>	<u>158,137</u>	<u>156,127</u>

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

**CAPITOL REGION EDUCATION COUNCIL
PROGRAM ENROLLMENT SUMMARY**

PROGRAM	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
East Hartford/Glastonbury Magnet School	261	251	257	255	249	258	258	259	277	279
Farmington Valley Diagnostic Center	25	16	32	15	16	17	11	13	10	
Great Path Academy	234	165	111	89	84	83				
Greater Hartford Academy of the Arts	616	507	424	412	393	387	380	325	313	251
Greater Hartford Academy of Math & Science	348	283	211	232	202	204	211	199	175	148
Integrated Program Model	9	24	26	32	32	31	32	35	33	35
International Magnet School for Global Citizenship	182	125								
Lincoln Academy	3									
Metropolitan Learning Center	713	683	676	681	675	681	573	500	384	287
Montessori Magnet School	336	332	331	330	331	305	295	264	250	219
Polaris Center	53	68	89	82	68	56	65	53	51	48
Public Safety Academy	216	105								
Reggio Magnet School of the Arts	173	152								
River Street School	204	198	190	185	178	165	157	150	148	136
Soundbridge	89	98	61	57	59	64	65	69	75	70
Two Rivers Magnet Middle School	592	589	581	609	583	594	598	425		
Tunxis Middle College High School								76	81	60
University of Hartford Magnet School	418	412	406	382	381	383	395	351	260	
TOTAL	<u>4,472</u>	<u>4,008</u>	<u>3,395</u>	<u>3,361</u>	<u>3,251</u>	<u>3,228</u>	<u>3,040</u>	<u>2,719</u>	<u>2,057</u>	<u>1,533</u>

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

(Details provided on following pages)

CAPITOL REGION EDUCATION COUNCIL

EAST HARTFORD/GLASTONBURY MAGNET SCHOOL
Student Enrollment by LEA (Continued)

LEA	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Avon										
Berlin										
Bloomfield										
Bolton										
Bristol										
Canton										
Cromwell										
East Granby										
East Hartford	134	136	133	137	134	151	149	155	173	169
East Windsor										
Ellington										
Enfield										
Farmington										
Glastonbury	120	115	124	118	115	107	109	104	104	110
Granby										
Hartford	7									
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	261	251	257	255	249	258	258	259	277	279

(Continued on following page)

TABLE 12

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

LEA	2009	2008	2007	2006	2005	2004	2003	2002	2001
Avon	2	1	5	2	2	3		1	
Berlin									
Bloomfield							1		
Bolton									
Bristol									
Canton	4		1	2				1	2
Cromwell									
East Granby	1		3	1		1	1		
East Hartford									
East Windsor									
Ellington									
Enfield									
Farmington	1	4	4	2	2	4	2	2	
Glastonbury									
Granby	2			2		3	2		
Hartford			1						
Hartland									
Manchester									
New Britain									1
New Hartford									
Newington									
Plainville	2	3	4	3	2		1	2	2
Portland									
Rocky Hill									
Simsbury	5	4	8	2	6	5	1	2	1
Somers									
South Windsor									
Southington	4	1	2		1	1	1	2	1
Suffield		1							
Vernon									
West Hartford									1
Wethersfield									
Windsor									
Windsor Locks								1	1
Region #10	4	2	4	1	3		2	2	1
Non-Member LEAs			0						
TOTAL	25	16	32	15	16	17	11	13	10

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL

GREAT PATH ACADEMY
Student Enrollment by LEA (Continued)

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

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL

GREATER HARTFORD ACADEMY OF THE ARTS

Student Enrollment by LEA (Continued)

LEA	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Avon	8	8	5	6	4	3	3	3	3	4
Berlin	16	7	8	4	3	2				
Bloomfield	3	3	2	4	3	8	7	7	10	2
Bolton	3	3		2	6	4	5	5	3	1
Bristol	5	3		2	2		2	2	4	1
Canton	4	7	11	10	12	12	8	3	2	1
Cromwell	4	2	4	6	3	2	6	2	4	3
East Granby	3	1	2	2	2	2	3	2	2	3
East Hartford	18	15	7	7	8	5	6	5	6	4
East Windsor	4	2			1	3	4	1	2	2
Ellington	4	6	6	5	5	2			3	4
Enfield	7	6	7	5	5	10	10	10	9	7
Farmington	14	9	7	4	5	5	5	4	4	6
Glastonbury	28	22	19	19	25	21	25	23	13	12
Granby	13	8	6	4	6	9	9	12	11	6
Hartford	167	114	63	59	53	63	69	52	63	50
Hartland	2		2	2						
Manchester	14	20	17	13	12	12	12	10	15	9
New Britain	26	11	11	18	17	13	16	18	14	13
New Hartford	2	2	1		1	1				
Newington	8	8	11	12	16	14	17	14	9	9
Plainville	2	2			1			1	1	
Portland	7	3	4	3	5	3		1	1	
Rocky Hill	19	22	26	24	22	19	15	12	10	4
Simsbury	25	25	28	27	21	22	19	12	9	9
Somers	1	1								2
South Windsor	9	5	4	7	7	6	7	8	6	3
Southington	21	12	15	16	10	12	14	15	15	6
Suffield	5	5	7	6	6	6	4	2	2	2
Vernon	13	10	8	4	5	6	5	3	2	1
West Hartford	31	27	26	25	19	27	25	20	17	13
Wethersfield	19	20	20	15	15	14	10	8	7	5
Windsor	11	13	15	11	12	8	8	6	3	4
Windsor Locks	6	4	4	6	9	9	9	8	9	9
Region #10	5	2		3	2	2	1	1	5	6
Non-Member LEAs	89	99	78	81	70	62	56	55	49	50
TOTAL	616	507	424	412	393	387	380	325	313	251

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL

GREATER HARTFORD ACADEMY OF MATH & SCIENCE
Student Enrollment by LEA (Continued)

LEA	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Avon	4	6	6	6	3	2	1			
Berlin		2								
Bloomfield	8	9	10	11	10	10	12	10	10	10
Bolton					2	2	2	2	1	
Bristol	1	1								
Canton	5	4	3	3	1	1				
Cromwell	1	1								
East Granby	1									
East Hartford	2									
East Windsor	1	1								
Ellington	4	6	2	5	9	7	5	3		
Enfield	3	1								
Farmington	9	8	7	8	6	8	8	8	6	8
Glastonbury	6	4		1	3		5	4	4	5
Granby	9	11	13	10	6	6	3	4	3	3
Hartford	114	87	49	62	56	64	77	71	63	48
Hartland										
Manchester	18	17	21	21	20	21	20	21	22	20
Marlborough	2				2		1	2		
New Britain	16	12	15	16	16	16	14	16	15	12
New Hartford										
Newington	17	11	9	11	8	8	9	8	7	8
Plainville	3	1								
Portland	4	4								
Rocky Hill	31	25	24	27	24	24	26	22	16	10
Simsbury	7	8	9	10	8	8	8	5	7	4
Somers										
South Windsor	1									
Southington	23	12	12	10	4	4	4	5	5	4
Suffield	9	12	6	3	3					
Vernon	4	1			2	2	2			
West Hartford	12	10	4	3	3	1	2	2		
Wethersfield	11	13	13	13	8	8	5	9	8	6
Windsor	7	8	6	8	7	9	6	7	8	10
Windsor Locks	2									
Region #10	3	1								
Non-Member LEAs	10	7	2	4	1	3	1			
TOTAL	348	283	211	232	202	204	211	199	175	148

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL

INTEGRATED PROGRAM MODEL
Student Enrollment by LEA (Continued)

LEA	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Avon										
Berlin			1	1	1	1	1	1	1	
Bloomfield							1	1	1	
Bolton								1		1
Bristol		1								
Canton		1	1	1						
Cromwell										
East Granby										
East Hartford				1						
East Windsor										
Ellington						1	1	1	1	1
Enfield										
Farmington						1	1	1		
Glastonbury										
Granby										
Hartford		1	1	1	3	2	2	2	2	3
Hartland										
Manchester										
New Britain	1	3	3	1	1	1				
New Hartford							1			
Newington										
Plainville	1	2	2	3	3	3	2	2	3	5
Portland		1		1	1	1	1	1	1	1
Rocky Hill				1	1	1	1	2	1	1
Simsbury	1							1	1	1
Somers										
South Windsor										
Southington										
Suffield										
Vernon				1	1	1	1	4	4	4
West Hartford										
Wethersfield	1								1	
Windsor										
Windsor Locks					1	1		1		
Region #10					1					
Non-Member LEAs	<u>5</u>	<u>15</u>	<u>18</u>	<u>21</u>	<u>19</u>	<u>18</u>	<u>20</u>	<u>17</u>	<u>17</u>	<u>18</u>
TOTAL	<u>9</u>	<u>24</u>	<u>26</u>	<u>32</u>	<u>32</u>	<u>31</u>	<u>32</u>	<u>35</u>	<u>33</u>	<u>35</u>

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL

International Magnet School for Global Citizenship
Student Enrollment by LEA (Continued)

<u>LEA</u>	<u>2009</u>	<u>2008</u>
Avon		
Berlin		1
Bloomfield		
Bolton		
Bristol		1
Canton		
Cromwell	1	1
East Granby		
East Hartford	14	8
East Windsor		1
Ellington	2	
Enfield	2	1
Farmington	1	1
Glastonbury	27	13
Granby		
Hartford	78	60
Hartland		
Manchester	5	5
New Britain	1	1
New Hartford		
Newington	5	4
Plainville		
Portland	2	2
Rocky Hill	3	4
Simsbury		
Somers		
South Windsor	13	5
Southington		
Suffield		
Vernon	7	5
West Hartford	2	5
Wethersfield	5	4
Windsor		
Windsor Locks		
Region #10		
Non-Member LEAs	<u>14</u>	<u>3</u>
TOTAL	<u><u>182</u></u>	<u><u>125</u></u>

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL

Lincoln Academy
Student Enrollment by LEA (Continued)

<u>LEA</u>	<u>2009</u>
Avon	
Berlin	
Bloomfield	
Bolton	
Bristol	
Canton	
Cromwell	
East Granby	
East Hartford	
East Windsor	
Ellington	
Enfield	
Farmington	
Glastonbury	
Granby	
Hartford	
Hartland	
Manchester	2
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	<u>1</u>
TOTAL	<u><u>3</u></u>

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL

METROPOLITAN LEARNING CENTER

Student Enrollment by LEA (Continued)

LEA	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Avon										
Berlin										
Bloomfield	141	138	136	141	138	134	105	92	71	55
Bolton										
Bristol										
Canton										
Cromwell										
East Granby	2	1								
East Hartford	24	4	9							
East Windsor	47	42	40	46	41	44	38	29	23	16
Ellington	1	1								
Enfield	43	42	40	43	38	41	33	28	17	14
Farmington										
Glastonbury										
Granby	2									
Hartford	214	221	209	200	197	191	173	149	111	87
Hartland										
Manchester	2	1	5							
New Britain	12	6	1							
New Hartford										
Newington										
Plainville										
Portland										
Rocky Hill										
Simsbury	2	1								
Somers										
South Windsor		1								
Southington										
Suffield	1	1								
Vernon	1		1							
West Hartford	4	8								
Wethersfield	3	2								
Windsor	150	150	168	186	200	203	160	147	116	81
Windsor Locks	63	64	67	65	61	68	64	55	46	34
Region #10										
Non-Member LEAs	1									
TOTAL	713	683	676	681	675	681	573	500	384	287

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

MONTESORI MAGNET SCHOOL
 Student Enrollment by LEA (Continued)

LEA	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Avon	2	2	2	1						
Berlin	2	2	1	1	1					
Bloomfield	15	17	25	29	31	30	29	32	33	27
Bolton							1	1		
Bristol	1	2								
Canton						1	2	2		
Cromwell	3	2	2	2	2	2				
East Granby										
East Hartford	27	27	28	25	26	21	19	13	14	14
East Windsor	1	1			1					
Ellington	1	1	1	2	2	2	2	2	2	
Enfield				1				1		1
Farmington	2		1						1	1
Glastonbury	1	1		1			1			2
Granby										
Hartford	158	168	174	166	164	147	137	132	123	104
Hartland										
Manchester	9	8	10	12	12	17	14	12	9	8
Middletown		3		2	2	4	2	2		
New Britain	13	11	10	10	8	9	9	6	8	7
New Hartford	1	1	1	2						
Newington	3	2	2	2	4	3	4	4	2	1
Plainville	4	3	1	1	1	1	1			
Portland										
Rocky Hill	6	7	5	5	4	3	5	1	1	
Simsbury	2	1	1	1					2	1
Somers										
South Windsor	1	1	1	2		1		1	1	
Southington	2	2	2	1	1	1	1	1	1	1
Suffield										
Vernon	4	4					1	2	2	3
West Hartford	16	11	7	10	9	8	13	9	10	9
Wethersfield	13	12	13	11	9	8	4	1	1	1
Windsor	29	32	34	36	44	45	49	41	32	33
Windsor Locks					1					
Region #10			0	1	1			1	2	2
Non-Member LEAs	20	11	10	6	8	2	1		6	4
TOTAL	336	332	331	330	331	305	295	264	250	219

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

POLARIS CENTER
Student Enrollment by LEA (Continued)

LEA	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Avon										
Berlin			1		2					1
Bloomfield	1	1	1	2	1	1	1	3	2	2
Bolton	1	2	1	1	1				1	
Bristol			1	2		1	2	2		2
Canton										
Cromwell							1	1	1	
East Granby							1	1		
East Hartford	2	1	1		2	2	1	3	1	
East Windsor	2	1	2	4	1		1	1	3	
Ellington						1	1			1
Enfield			1	1	1	2	1		1	1
Farmington	1									
Glastonbury	1	3	3			1				
Granby		2	1	1			1	1	2	1
Hartford	22	27	24	25	16	13	14	6	10	7
Hartland										
Manchester	3	9	9	4	7	1	7	4	2	2
New Britain	4	7	7	7	8	3	6	4	4	4
New Hartford										
Newington		2			2	1		1		
Plainville				1					1	
Portland										
Rocky Hill								1		1
Simsbury				1						
Somers						1				
South Windsor	1	1	2		1	2	2		1	1
Southington								1	2	
Suffield										
Vernon	4	1	1	1	3	1	1		2	1
West Hartford	1		1	1	1		1	1	2	3
Wethersfield	2	1							1	
Windsor	3	5	4	1	1	2	2	2	1	
Windsor Locks			3	3		1				
Region #10	1								1	
Non-Member LEAs	4	5	26	27	21	23	22	21	13	21
TOTAL	53	68	89	82	68	56	65	53	51	48

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL

Public Safety Academy
Student Enrollment by LEA (Continued)

<u>LEA</u>	<u>2009</u>	<u>2008</u>
Avon		
Berlin		
Bloomfield	3	
Bolton	1	1
Bristol		
Canton		
Cromwell		
East Granby	2	
East Hartford	19	4
East Windsor	5	4
Ellington	4	1
Enfield	33	17
Farmington		
Glastonbury	3	1
Granby	1	
Hartford	100	63
Hartland		
Manchester	8	5
New Britain	4	
New Hartford		
Newington	1	
Plainville	1	
Portland		
Rocky Hill		
Simsbury		
Somers		
South Windsor	6	3
Southington		
Suffield		
Vernon	5	2
West Hartford	1	
Wethersfield	4	1
Windsor	6	
Windsor Locks	6	2
Region #10		
Non-Member LEAs	<u>3</u>	<u>1</u>
TOTAL	<u><u>216</u></u>	<u><u>105</u></u>

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL

Reggio Magnet School of the Arts
Student Enrollment by LEA (Continued)

<u>LEA</u>	<u>2009</u>	<u>2008</u>
Avon	22	22
Berlin	1	1
Bloomfield		
Bolton		
Bristol	3	3
Canton	11	4
Cromwell		
East Granby		
East Hartford	3	4
East Windsor		
Ellington		
Enfield		
Farmington	6	11
Glastonbury		
Granby		
Hartford	82	58
Hartland		
Manchester		
New Britain	4	3
New Hartford	2	3
Newington		1
Plainville		
Portland		
Rocky Hill		
Simsbury	18	17
Somers		
South Windsor		
Southington	3	3
Suffield		
Vernon		
West Hartford	15	15
Wethersfield	2	2
Windsor		1
Windsor Locks		
Region #10		1
Non-Member LEAs	<u>1</u>	<u>3</u>
TOTAL	<u><u>173</u></u>	<u><u>152</u></u>

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL

RIVER STREET SCHOOL
Student Enrollment by LEA (Continued)

LEA	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Avon	1	1	1	1	1	1	1	1		
Berlin	1	4	4	4	3	4		1		
Bloomfield	3	5	7	6	4	4	3	3	4	4
Bolton	1	1	1	1						
Bristol	5	5	5	5	4	4	4	4	4	3
Canton				1						
Cromwell				1					1	2
East Granby	1	1	1	1	1	1	2	1	1	
East Hartford	1	2			1	1	1	1	1	1
East Windsor	2	3	4	3	2	1	1	1	1	1
Ellington	3	3	3	1	1	1	1	1	1	1
Enfield	5	7	7	6	6	7	9	8	5	4
Farmington	2	2	2		2	1	3	3	3	3
Glastonbury	9	9	7	7	5	5	4	4	6	3
Granby	1									
Hartford	13	9	4	3	5	8	8	13	12	10
Hartland										
Manchester	5	8	6	7	3	5	4	3	3	6
New Britain	7	3	2	2	4	2	2	1	3	4
New Hartford	1				1	1	1	1		
Newington	4	3	3	4	4	4	3	2	2	2
Plainville				2	2	2	3	3	3	3
Portland									1	1
Rocky Hill	1	2	2	2	2	2	1			
Simsbury	2	4	4	3	3	2	3	3	1	1
Somers	3	3	3	3	2	2	2	2	3	
South Windsor	3	4	3	3	3	3	1			5
Southington	7	5	5	3	3	2	3	3	3	2
Suffield	6	6	5	4	2	2	3	1	1	
Vernon	5	5	6	6	6	5	5	5	4	2
West Hartford	5	3	4	5	5	3	4	3	3	2
Wethersfield	5	2	2	2	3	3	5	5	4	3
Windsor	10	10	10	9	10	7	7	7	7	4
Windsor Locks		1	1	3	4	4	3	3	3	6
Region #10	2	1	1							
Non-Member LEAs	90	86	87	87	86	78	70	67	68	63
TOTAL	204	198	190	185	178	165	157	150	148	136

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL

SOUNDBRIDGE

Student Enrollment by LEA (Continued)

LEA	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Avon										
Berlin		2			1	3	2	2		
Bloomfield				3	4	5	5	4	3	3
Bristol	4	6	6	5	3	5	6	5	5	6
Canton										
Cromwell										
East Granby						1	1	1	1	
East Hartford	2	3	3	3	3	1	2	1	1	1
East Windsor										
Ellington										
Enfield					2	2	2	2	2	2
Farmington	1									
Glastonbury		1			1	1				1
Granby										
Hartford	5	6	6	6	7	8	11	14	14	13
Hartland										
Manchester	2	1	1	1	3	1	1		2	4
New Britain	4	2	4	5	6	4	4	5	5	3
New Hartford										
Newington	9	9	3	4	4	4	4	4	4	5
Plainville	1	1	1	1						
Portland										
Rocky Hill	4	4		2	2	2	2	2	2	2
Simsbury				1	3	3	3	2	3	3
Somers										
South Windsor	2	1	1		1	1	1	2	2	2
Southington	4	4	4	3	1	3	2	2	3	4
Suffield										1
Vernon	1									
West Hartford								2	2	2
Wethersfield	28	33	5	4	6	6	6	6	5	5
Windsor	3	3	1						1	
Windsor Locks	1	1	1	1	1	1	1	1	1	1
Region #10					1					
Non-Member LEAs	18	21	25	18	10	13	12	14	19	12
TOTAL	89	98	61	57	59	64	65	69	75	70

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL

TWO RIVERS MAGNET MIDDLE SCHOOL

Student Enrollment by LEA (Continued)

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

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

UNIVERSITY OF HARTFORD MAGNET SCHOOL

Student Enrollment by LEA (Continued)

LEA	2009	2008	2007	2006	2005	2004	2003	2002	2001
Avon	23	24	27	29	32	31	25	22	10
Berlin	1								
Bloomfield	13	16	17	15	11	11	16	14	9
Bolton									
Bristol	2								
Canton	1	1							
Cromwell									
East Granby									
East Hartford	9	9	8						
East Windsor									
Ellington									
Enfield	1	1	1						
Farmington	21	25	25	19	19	24	30	26	22
Glastonbury									
Granby									
Hartford	186	205	202	205	209	209	205	179	141
Hartland									
Manchester	1	2	2						
New Britain	23	7	4						
New Hartford									
Newington		1	1						
Plainville	1								
Portland									
Rocky Hill	1								
Simsbury	24	25	27	30	38	32	29	30	24
Somers									
South Windsor					2	2	2		
Southington	2								
Suffield									
Vernon	6								
West Hartford	58	56	54	47	41	42	50	51	33
Wethersfield	30	33	31	37	29	32	38	29	21
Windsor	8	6	7						
Windsor Locks	1								
Region #10	2								
Non-Member LEAs	4	1							
TOTAL	418	412	406	382	381	383	395	351	260

CAPITOL REGION EDUCATION COUNCIL

TUITION RATES PER STUDENT

Program Name	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
River Street Day Program	\$ 56,516	54,341	\$ 51,754	\$ 49,289	\$ 46,942	\$ 44,708	\$ 42,578	\$ 40,550	\$ 39,066	\$ 37,563
River Street Extended Day Program Summer	5,352	3,973	3,784	3,604	3,432	3,269	3,113	2,965	2,856	2,746
Group Home Regular	14,944	14,368	13,684	13,033	12,412	11,821	11,258	10,722	10,329	9,932
Academic Regular	18,412	17,704	16,861	16,058	15,293	14,565	13,872	13,211	12,727	12,238
Riverstreet Summer Program	4,132	5,147	4,902	4,668	4,446	4,235	4,034	3,841	3,701	3,559
Soundbridge Program Full Day	41,744	39,756	38,044	36,669	33,953	31,732	29,732	27,658	26,341	24,850
Half Day	22,500	21,531	20,703	19,955	18,477	17,268	15,268	14,203	13,527	12,761
Integrated Program Model	91,285	76,070	69,155	62,868	57,153	51,957	47,234	44,144	41,256	36,836
Integrated Program Model Summer Program	18,589	14,299	12,434	10,812	9,402	8,395	7,495	6,692	6,254	5,584
Polaris Center	54,247	52,161	49,677	47,311	45,058	42,912	40,869	38,923	37,498	35,712

Source: Capitol Region Education Council Business Services Department

CAPITOL REGION EDUCATION COUNCIL
WORKFORCE ANALYSIS
NUMBER OF EMPLOYEES LAST TEN YEARS

	<u>2009</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>
Job Categories:										
Officials and managers	107	105	100	84	82	76	77	67	74	60
Professionals	639	603	511	504	487	497	448	448	319	269
Technicians	77	80	76	74	72	76	75	68	136	128
Office and clerical	87	88	86	82	81	79	80	78	78	66
Operatives (semi-skilled)	7	7	9	9	9	8	8	9	10	9
Service workers	389	345	325	315	276	282	274	180	158	154
Total Workforce Analysis	<u>1,306</u>	<u>1,228</u>	<u>1,107</u>	<u>1,068</u>	<u>1,007</u>	<u>1,018</u>	<u>962</u>	<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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Education:										
Land	\$ 1,892,925	\$ 1,892,925	\$ 1,892,925	\$ 1,892,925	\$ 1,892,925	\$ 1,892,925	\$ 2,171,178	\$ 2,171,178	\$ 2,171,178	\$ 2,171,178
Buildings and improvements	67,113,954	66,059,698	64,044,935	63,985,134	60,529,341	51,681,596	52,418,497	52,282,372	51,689,327	20,438,129
Vehicles	1,464,195	1,241,764	1,045,797	1,061,739	909,719	747,816	864,380	769,287	769,287	474,039
Furniture, fixtures and equipment	5,226,655	5,389,902	5,024,525	4,841,774	5,380,876	4,818,264	4,073,652	2,872,151	3,589,895	3,001,735
Construction in progress	6,842,058	5,292,089	489,523	62,657	3,336,379	12,097,958	10,640,432	5,623,531	2,981,072	27,157,656
Facilities:										
Land	332,000	332,000	332,000	332,000	332,000	332,000	332,000	332,000	332,000	332,000
Buildings and improvements	3,669,966	3,669,966	3,660,566	3,367,706	3,276,720	3,123,235	3,123,235	3,123,235	3,124,220	3,124,220
Vehicles	33,240	14,435	14,435	14,435	14,435	14,435	3,085	3,085	3,085	3,285
Furniture, fixtures and equipment	294,756	298,841	288,464	279,107	278,143	273,421	249,248	215,660	1,246,047	1,242,804
Administration:										
Buildings and improvements									2,961	2,961
Vehicles										24,490
Furniture, fixtures and equipment	463,663	579,360	606,219	590,207	784,661	773,350	686,648	627,627	585,578	474,728
Construction in progress					4,700	4,700				
Total	<u>\$ 87,333,412</u>	<u>\$ 84,770,980</u>	<u>\$ 77,399,389</u>	<u>\$ 76,427,684</u>	<u>\$ 76,739,899</u>	<u>\$ 75,759,700</u>	<u>\$ 74,562,355</u>	<u>\$ 68,020,126</u>	<u>\$ 66,494,650</u>	<u>\$ 58,447,225</u>