

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016

2015
2016



111 Charter Oak Avenue Hartford, CT 06106

**CAPITOL REGION EDUCATION COUNCIL
Hartford, Connecticut**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016**



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**CAPITOL REGION EDUCATION COUNCIL
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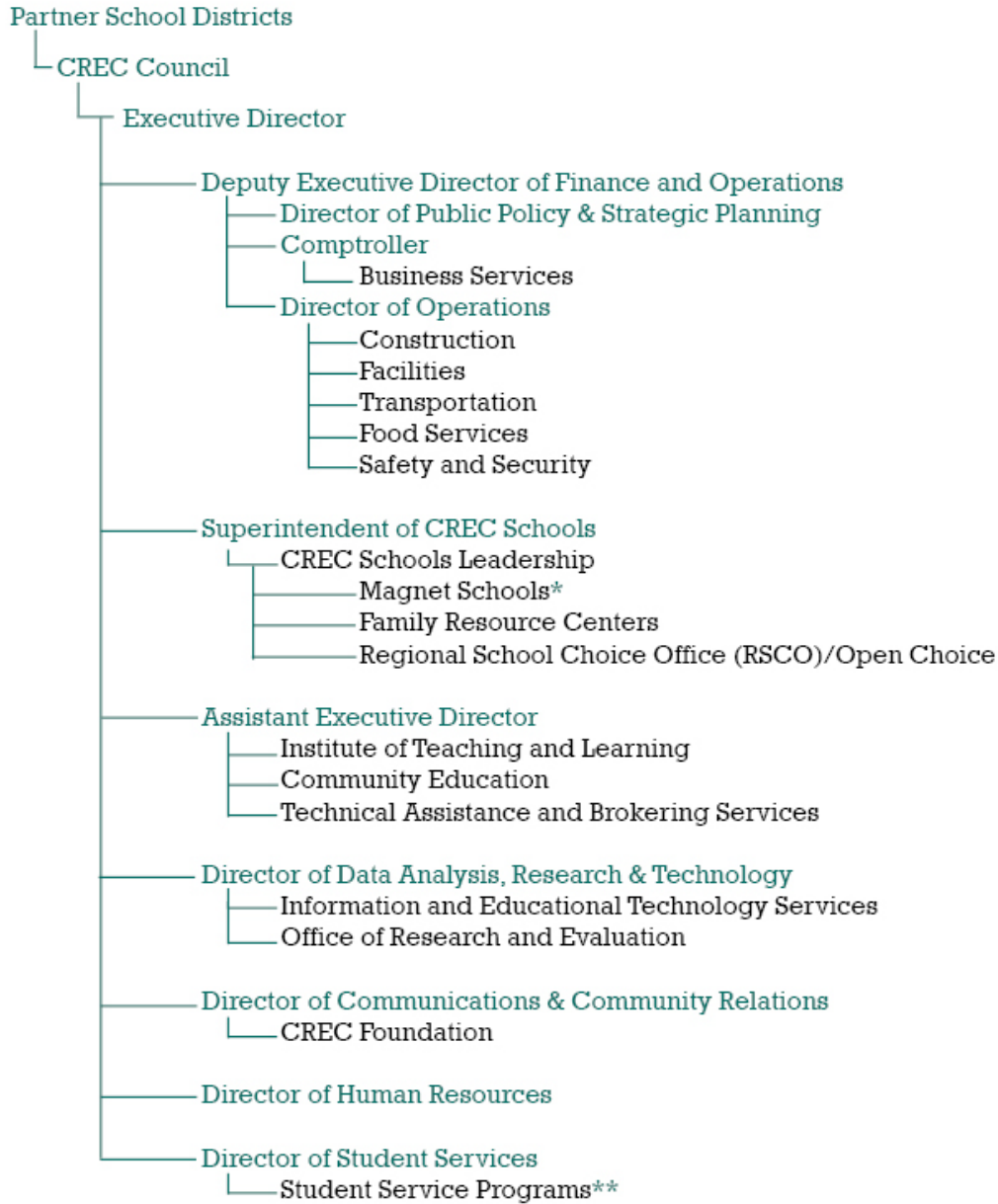
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Introductory Section

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- *Magnet Schools**
- CREC Academy of Aerospace and Engineering
 - CREC Ana Grace Academy of the Arts Elementary School
 - CREC Discovery Academy
 - Glastonbury-East Hartford Magnet School
 - CREC Greater Hartford Academy of the Arts
 - CREC Greater Hartford Academy of Math and Science
 - CREC International Magnet School for Global Citizenship
 - CREC Medical Professions and Teacher Preparation Academy
 - CREC Metropolitan Learning Center for Global and International Citizenship
 - CREC Montessori Magnet School
 - CREC Museum Academy
 - CREC Public Safety Academy
 - CREC Reggio Magnet School of the Arts
 - CREC Two Rivers Magnet School
 - CREC University of Hartford Magnet School

- **Student Services Programs**
- Early Childhood Services
 - Farmington Valley Diagnostic Center
 - Hartford Juvenile Detention Center
 - Health Services
 - Integrated Program Models
 - CREC's John J. Allison, Jr. Polaris Center
 - Lincoln Academy
 - Magnet Schools Special Education
 - CREC River Street School at Coltsville
 - CREC River Street School
 - CREC Soundbridge
 - CREC Southern Transition Real-World and Independent Vocational Education

CREC Mission, Vision, Goal, and Objectives

Mission

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

To achieve its mission, CREC will:

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

Vision

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

Goal

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

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

Objectives

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

Member Districts

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

2015-2016 Governance

<p>Board of Directors Bloomfield – Donald Harris, Chair Ellington – Kristen Picard-Wambolt, Vice-Chair Canton – Joseph Scheideler Glastonbury-Jeremy Grieveson Interim,Sec./Treas. Hartford – Michael Brescia Plainville – Becky Tyrrell Somers – Joan Formeister South Windsor – David Joy Suffield – Jeanne Gee Windsor – Nuchette Black-Burke</p> <p>Council Representatives Avon – Jackie Blea Berlin – Robin Evans Bloomfield – Donald Harris Bolton – Alison Romkey Bristol - Christopher C. Wilson Canton – Joseph Scheideler Cromwell – Mike Camilleri East Granby – Joseph Doering East Hartford – Stephanie Watkins East Windsor – George Michna Ellington – Kristen Picard-Wambolt Enfield – Lori Unghire Farmington – TBD Glastonbury – Jeremy Grieveson Granby – Melissa Migliaccio Hartford – Michael Brescia Hartland - TBD Manchester – Mary-Jane Pazda New Britain – TBD New Hartford - TBD Newington – Sharon Braverman Plainville - Becky Tyrrell Portland – Timothy Lavoy Region 10 – John Vecchitto Rocky Hill – Dilip Desai Simsbury - Lydia Tedone Somers - Joan Formeister Southington – Terry Lombardi South Windsor – David Joy Suffield – Jeanne Gee Vernon – Linda Gessay West Hartford – Cheryl Greenberg Wethersfield – Bobbie Granato Windsor – Nuchette Black-Burke Windsor Locks – Patricia King</p>	<p>CREC Administration <i>Greg J. Florio, Ed.D., Executive Director</i></p> <p><i>Sandy Cruz-Serrano, Deputy Executive Director</i></p> <p><i>Regina Terrell, Director of Human Resources</i></p> <p><i>Deborah Richards, Director, Student Services</i></p> <p><i>Dina Crowl, Superintendent of CREC Schools</i></p> <p><i>Tim Nee Assistant Executive Director</i></p> <p><i>Sarah Vocca, Ph.D. Director of Data, Analysis, Research and Technology</i></p> <p><i>Aura Alvarado, Director, Communications and Community Relations</i></p> <p><i>Mason Thrall, Director, Operations Interim Director, Construction Services</i></p> <p><i>Julia Winer, Director, Public Policy and Strategic Planning</i></p> <p><i>Jeff Ivory, Comptroller</i></p>
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**Capitol Region Education Council
Connecticut**

For its Comprehensive Annual Financial
Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

December 1, 2016

**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 which ended June 30, 2016. 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 Department is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. The data presented in this annual report is accurate in all material aspects; it is presented in a manner designed to fairly set forth the financial position and results of operations of CREC, as measured by the financial activity of its funds. The report contains all disclosures necessary to enable the reader to gain an understanding of CREC's financial affairs.

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

REPORTING ENTITY

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

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

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

ECONOMIC CONDITION AND OUTLOOK

The agency's economic condition is dependent upon the extent to which its primary customers (local boards of education and the State) continue their utilization of CREC services. CREC responds to, and tries to anticipate, the needs of its school 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.

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 provide educational opportunities for all students to interact with students and teachers from varied racial, ethnic and economic backgrounds and from other communities.

CREC has long held quality, integrated education as its primary focus. As a leader in promoting diversity, the application of CREC's core beliefs, mission, goals and objectives has resulted in tangible progress toward achieving this goal in our region. We expect that our magnet school program, the Choice program, Interdistrict grants and other funding will continue through 2017 and beyond, as the State responds to racial and ethnic isolation in the region through the 2008 Settlement Agreement in *Sheff v. O'Neill*.

CREC's Magnet Schools Division enrollment continues to grow. In 2016-2017, we are operating the Metropolitan Learning Center Magnet School in Bloomfield; the Glastonbury/East Hartford Magnet School in Glastonbury; the Greater Hartford Academy of the Arts in Hartford; the Academy of Aerospace & Engineering in Windsor; the Montessori Magnet School in Hartford; Two Rivers Magnet Middle School in East Hartford; the University of Hartford Magnet School in Hartford; the Museum Academy in Bloomfield and Windsor; the International Magnet School for Global Citizenship in South Windsor; the Reggio Magnet School of the Arts in Avon; the CREC Public Safety Academy in Enfield, the Medical Professions and Teacher Preparation Academy in New Britain, the Discovery Academy in Wethersfield, the Ana Grace Academy of the Arts Elementary Magnet School in Avon, the Greater Hartford Academy of the Arts Middle School in Hartford, Two Rivers Magnet High School in Hartford and the Academy of Aerospace and Engineering Elementary School in Rocky Hill. CREC magnet school enrollment has grown to over 8,500 students and our magnet school budgets total \$139,470,848. The Magnet Schools Division will continue to grow because of the market demand and benchmarks of the 2008 *Sheff* Agreement. It will continue to retain and attract new students by allowing them to focus on specific talents or interests, while studying a challenging core curriculum of language arts, mathematics, science, social studies and languages in a diverse environment.

The Hartford Region Open Choice program continues to serve Hartford students attending schools in suburban districts and suburban students attending schools in the city of Hartford. With funding provided by the Connecticut State Department of Education, the program serves approximately 2,300 students, attending 140 schools in 27 districts for the 2016-2017 school year. Students in the program may remain in their district through high school graduation and are offered the opportunity to participate in all activities at their schools. Resource specialists work closely with students, families and school districts to help ensure a successful transition and support the districts in creating a positive and enriching educational experience for participating students.

Open Choice provides an opportunity for all high school students to contribute to improving school climate through Unity Teams, which consist of both suburban and Hartford resident students. Open Choice high school and middle school students who need academic, life skills and college preparation can utilize the Choice After School Academy (CASA), a holistic program that incorporates technology and collaboration to strengthen student development. In addition, middle and high school students can participate in the Open Choice Youth Empowerment Summit, which provides personal, and professional leadership development training and college tours during school academic breaks. Students transitioning to high school can take advantage of the Seeds of Success (SOS) summer academy, a program designed to provide social capital through project based learning. Middle and elementary school students are encouraged to participate in the Open Choice Summer Academy, which offers exposure to a math and language arts curriculum and field trips. The Open Choice Early Beginnings program continues to support preschool and kindergarten students across districts. Collectively, Open Choice continues to provide professional development opportunities for districts including a book club discussion, Open Choice Leadership Institute and Dine & Discuss, a series focused on best practices and cultural relevant practices towards inclusion. Lastly, Open Choice parents participate in a series of parent engagement sessions.

The Interdistrict grants program continues to respond to racial and ethnic isolation in the region through 5 awarded grants in 2016-2017 totaling \$430,900.

Community Education Division:

The Community Education Division provides education and job training programs statewide for out-of-school youth and adults. The Division also leads and coordinates several statewide professional development initiatives and delivers education programs and professional development in the workplace to improve basic and employability skills.

The Transition to Employment Services Program offers basic and occupational skills training programs for individuals who are either unemployed or under-employed. Programs include: job-embedded training combining basic skills development and technical training. In addition, TES offers GED preparation and English Language Learner instruction; family literacy; and programs for youth and adults in non-traditional settings.

Community Education offers online testing for a wide array of certifications at its Hartford center, including the Praxis, General Education Development and Para Pro exams.

The Division delivers comprehensive training and technical assistance for Connecticut's adult educators by providing professional development throughout the state. We coordinate professional development for career and technical educators in grades 6-12. The Division provides professional development and leadership and supervisory training for staff of non-profit organizations and corporate employees. The work of the Division extends throughout the region, the state, and beyond Connecticut's borders, with a diverse clientele from the public and private sectors.

Student Services Division:

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

River Street School provides day and extended day and year services to students with autism and significant developmental delays, with a strong emphasis on applied behavioral analysis and a variety of support services based on individual student need. River Street's annex building, the Marcia Yulo Howard Center for Autism, houses classrooms for younger students transitioning to River Street School, administrative offices for River Street's Autism Outreach program and the Integrated Program Models (IPM). River Street School works with the Bureau of Rehabilitation Services to provide job-embedded training to adults with significant disabilities. River Street School also operates two group homes in the region for students under the age of 21. In the 2016-2017 school year River Street will move from the Hartford/Coltsville location to the newly renovated Birken site in Bloomfield. Students will start attending the new site in late August.

The Farmington Valley Diagnostic Center (FVDC) provides an interim educational program for students who are experiencing significant difficulties in the home school or transitioning from one educational setting to another. This past year the FVDC expanded their educational offerings by providing opportunities for credit recovery as part of their summer programming.

The John J. Allison Jr. Polaris Center Clinical Day School continues to provide high quality educational and therapeutic services for students with social, emotional and behavioral concerns. This year Polaris provided a broad array of vocational and transition services and sponsored a regional Transition Fair. In addition, Polaris has worked extensively on training their staff and network of providers in trauma informed care.

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

Soundbridge continues to provide a continuum of services for children who are hearing-impaired, in its state of the art Wethersfield facility, in public school classrooms, and through many consultation services for students in their local districts. In addition, Soundbridge provides audiological services, as well as maintenance of hearing technology, for students throughout the state. Soundbridge has recently entered into an agreement with the SADA Center in Kuwait to provide training and consultation to their staff to develop a program to serve young children with cochlear implants.

CREC's Birth to Three and Positive Parenting Program continue to provide direct services to families and children in the Hartford area. They conduct parent education through instructional sessions and support groups. The Birth to Three program is part of a state wide model program instituting the Sheldon Rush model of intervention. The Birth to Three Early Intervention program provided services to serve over 700 families and young children in the region.

Student Services continued the collaborative program called STRIVE (Southern Transition Real-World and Independent Vocational Education) for the towns of Madison, Guilford and Clinton This community based vocational program serves young adults (ages 18-21 years old) with disabilities.

The Student Services Division has worked with the RESC Alliance on creating a legislatively required survey of school district special education directors state wide to determine opportunities for regional efficiencies in the delivery of special education services. A comprehensive report was delivered to the State Department of Education on October 1, 2016.

Over the course of the year, the Division and magnet schools served 5,088 students with disabilities.

Construction Division:

CREC continues to provide school districts with planning, project management, and construction-related services to build or renovate public schools, a service which CREC began to offer in 1996. Market demand and CREC's track record have resulted in our growth in this service area. Our construction staff serves districts throughout Connecticut that are either contemplating or actively engaged in school construction projects. To date, we have served as the sole project manager/owner's representative on over 35 projects, comprising over \$1.2 billion in project costs.

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

Currently, we are providing project manager/owner's representative services to the City of New London for New London High school, the Nathan Hale Elementary School, the Bennie Dover Middle School, as well as to the Towns of West Haven and Stratford for their high school renovation projects. Also, CREC began working on program management for energy conservation measures, including photovoltaic array installations. Other current projects include two schools for Area Cooperative Educational Services, our counterpart RESC in New Haven, and the Towns of Westbrook and Barkhamsted. We also are under contract with Ball and Socket Arts of Cheshire to provide project management services to transform a former button and fastener factory (circa 1850) into an arts and community center, with the Town of Ledyard to oversee construction of their new Public Safety headquarters, and with the Town of Somers to provide master planning services for all municipal and school buildings.

Successful past projects include providing project management services to New London for the Winthrop Elementary Magnet School, to the Town of Essex for their elementary school roof project that was completed in 2015, to Goodwin College for their Connecticut River Academy, Academy of Advanced Design and Technology, and to their Early Childhood School, which successfully opened its permanent facility in August, 2013. We successfully completed our contractual obligations as owner's representative in Bloomfield for the Carmen Arace and Laurel Schools, and provided owner's representative services to the Town of Glastonbury for the Glastonbury/East Hartford Elementary Magnet School, which opened its permanent facility in August, 2012.

We have also completed renovations of both the start-up and expansion of temporary facilities for twelve magnet schools including the CREC Public Safety Academy, Reggio Magnet School of the Arts, International Magnet School for Global Citizenship, Academy of Science and Innovation, Museum Academy, Academy of Aerospace & Engineering, Discovery Academy, Ana Grace Academy of the Arts Elementary School, Greater Hartford Academy of the Arts Middle School, Greater Hartford Academy of the Arts High School, Two Rivers Magnet High School, and Academy of Aerospace & Engineering Elementary School. In addition, we are now overseeing the permanent construction for the first seven schools mentioned above, which involves site acquisition, planning and zoning approval, design oversight, bidding, construction, and closeout. Reggio Arts Magnet and International Magnet School for Global Citizenship successfully opened to students in January, 2014, while CREC Public Safety Academy and the Academy of Science and Innovation opened in August, 2014, and the Academy of Aerospace & Engineering and Discovery Academy opened in August, 2015. We have submitted grant applications to the State Department of Education for all of our permanent school construction projects.

Institute of Teaching and Learning (IT&L):

The Institute of Teaching and Learning (IT&L) provides services and support to districts and organizations in the CREC region and across and beyond Connecticut. IT&L consists of three primary support service groups: education specialists provide professional learning for districts, schools, and teachers; youth and family (Y&F) personnel provide services to various school and community organizations; and early childhood education (ECE) group provides early childhood education workshops and evaluates ECE organizations. IT&L sponsors notable national and international speakers, educational authors, and researchers for presentations throughout the school year. ITL sponsors and manages the following annual conferences Mindfulness, Family-School Partnerships, and Social Justice and Equity.

ITL's education specialists provide educators and districts with a spectrum of educational experiences the elementary, middle, and high school levels. They are well versed in cutting educational research, national and state initiatives that connect with district and school's continuous improvement plans, career and college ready standards. IT&L education specialists provide professional learning workshops on leadership, continuous school improvement, instructional strategies, curriculum writing, mindfulness, strategies to support English Language Learners (ELLs), cultural proficiency and social justice practices for teachers and leaders, program evaluations, program monitoring, data analysis, embedded coaching in schools, Instructional Coaching Academy and Professional Learning Communities, Writers and Readers workshop, differentiation, pacing and time management. IT&L has been a leader with the rollout plan for Teacher Evaluation, the Connecticut Core Standards (CCS), and can provide support for the Smarter Balanced Assessment.

IT&L education specialists facilitate regional and content-specific curriculum councils. District leaders and department heads in the disciplines of science, social studies, mathematics, and language arts, early childhood, English learning, and library science meet monthly at CREC to network and deepen their knowledge of best practices, identify mutual needs, and share resources. Additionally, IT&L sponsors an essential monthly CREC Curriculum Council meeting for assistant superintendents and curriculum directors.

The Youth and Family (Y&F) personnel provide ongoing services to districts in Greater Hartford and outside the Hartford area to youth, family, and community-based programs. Y&F staff works closely with CSDE to provide support for the parenting and pregnant teen's program and wrap around school services through 21st Century grants. Additionally, Y&F supervises and coordinates the Summer Youth Employment Program. Y&F provides workshops and training for Raising Readers and Welcoming Schools.

The Early Childhood personnel offer professional development for the CREC region. Education specialists coach preschool programs and provide workshops to promote professional growth for teachers and leaders who work with children age three to grade three. These professional learning opportunities include Early Childhood Council and the Accreditation Facilitation Project for the North Central region, a branch of the statewide effort to help licensed child care centers achieve NAEYC accreditation.

Other work of IT&L includes the RESC Minority Teacher Recruiting Alliance, Open Choice Book Club, Open Choice Unity Teams, Montessori teacher training, management of Title III activities for CREC districts, and school turnaround efforts through our Office of School Transformation. IT&L personnel provide professional development for the Sheff Management Plan known as Blended Solutions and other Hartford Regional Choice Initiatives and school climate. Additionally, IT&L enjoys critical partnerships with the Connecticut State Department of Education (CSDE) and the Regional Education Service Centers (RESC) Alliance and other organizations. IT&L has provided leadership and fiscal management for the Connecticut System for Educator Evaluation and Development. It provides training to districts and technical assistance in the development of teacher and administrator evaluation systems. IT&L can tailor services to meet teachers, school, district, or organization's specific professional objectives and needs.

Technical Assistance and Brokering Services Division (TABS):

The Technical Assistance and Brokering Services Division (TABS) continues to provide high quality services to educational organizations and businesses in the CREC region and nationally that improve their organizational systems, solve staffing problems, develop staff and improve student success.

Product Development and Publishing - TABS has been working with CREC divisions and now has over 24 products on the market and has sold over 11,000 copies of workbooks and books for children, youth and adults. This year, we provided webinars to institutions of higher education and districts on two important topics, Dyslexia and School Climate.

Office of Regional Efficiencies - The Office of Regional Efficiencies is an important component to TABS' work. The Office works with districts and municipalities to provide low cost options for non-instructional services such as food service, construction, transportation, and energy efficiency. We have worked with the CT Insurance Commission to provide an insurance stop loss collaborative called CT Prime for 13 districts and municipalities to save money.

Staffing Solutions - TABS' Staffing Solutions continues to provide highly qualified, certified professionals to help public schools and private schools and other agencies meet their staffing needs. TABS provides 45 districts and agencies with over 70 full and part-time paraprofessionals, associate instructors, school psychologists, social workers, speech language pathologists, interim administrators, transition coordinators, behavior specialists, occupational therapists, tutors, energy specialists, literacy coaches, and speech language pathologists across the state. We have partnered with Source4Teachers to provide a variety of educational short term substitutes, such as teachers and paraprofessionals and districts using this system are reporting improved fill rates.

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 their professional development, and develop and implement training such as teacher evaluation and data driven decision making. We hire and provide GED examiners and tutors, technology specialists, and coordinate professional development and purchase materials and equipment for Department of Corrections. This year we have embarked on an interesting project with the CT Youth and Gambling Office to train student leadership teams to support awareness of youth gambling.

In addition to interim staffing services, TABS continues to provide student evaluations in a number of related service areas. For the current school year, TABS has contracts to conduct 42 evaluations in areas such as: assistive technology (AT) or augmentative alternative communication (AAC), vocational, occupational, bilingual speech language, bilingual psycho-educational, speech and language, and psychological assessments.

Enhancing Professional Practice - TABS' Special Services Support Team (SSST) continues to offer Connecticut's Advanced Alternate Route to Certification Program in Special Education. This exciting, innovative course of study provides training and practical experiences for certified teachers to earn a cross endorsement in special education. This program has been very successful, with an average of 99% of the 140 students completing the program. This year we have worked closely with districts who struggle to find special education teachers and in a collaborative effort where the district assists in the tuition of potential teachers to attend the AARC and in return, the teacher commits to working in the district for a specified period of time. In partnership with Charter Oak State College, TABS has developed curriculum and taught a series of 5 - 3 credit courses for paraprofessionals. This online option has worked well for paraprofessionals who are working during the day. We also developed curriculum and teach a seven course program through Charter Oak for aspiring speech and language pathology assistants.

TABS continues to work with the State Department of Education to provide leadership in the training of RESC, SDE and district staff on the COMPASS paraprofessional training curriculum. Since the participants became certified trainers in October 2008, over 5,000 paraprofessionals across the state have been trained in the COMPASS modules.

TABS provides training and coaching to districts on issues of special education, behavior, school climate, co-teaching, and leadership. We are in the seventh year of providing an Assistive Technology (AT) Consortium to Connecticut districts and organizations. Membership in the AT consortium allows the 13 districts currently enrolled to send three staff to six professional development training sessions, receive a quarterly newsletter, and be connected to online discussion groups. AT Consortium members also are entitled to borrow assistive technology equipment from the lending library. The assistive technology library continues to grow, thanks to support from the CT Assistive Technology Project and donations from private vendors. We now can offer iPads that are loaded with useful applications for students with disabilities. We have also begun a new consortium on Specific Learning Disabilities/Dyslexia. Participants learn ways to identify students earlier and implement interventions to improve literacy.

As part of an initiative to assist districts in designing and implementing positive school climate, TABS' Support Team is providing training to 15 schools and over 80 Connecticut and MA staff on Positive Behavior Intervention Supports (PBIS), including CREC's magnet schools. PBIS provides a framework for schools to use that reinforces positive student behavior through changes in school structure and staff behaviors.

Business Partnerships - TABS continued our partnership with United Illuminating and CL&P to provide staffing to the Smart Living Center as well as energy efficiency training to teachers across the state. Over 38 workshops were conducted, and TABS will coordinate and promote additional projects for eesmarts, such as Energy Challenge. We have also partnered with a nationally recognized Medicaid billing company, CompuClaim to support the use of this system so districts can receive additional Medicaid reimbursement revenue. Additional partners include Rethink, an exciting organization that offers online programs, data collection and professional development to students with autism and their parents and staff.

Audits and Program Reviews - Districts that are interested in obtaining an independent review of their programs and services, such as special education, RTI (Response to Intervention), secondary transition, early intervention, student achievement, and related services (i.e. speech and language) have sought assistance from CREC's TABS division. We have provided over 54 reviews throughout Connecticut and nationally. TABS has also done feasibility studies for districts who are considering the reorganization of schools and programs. We have worked closely with boards of education to provide data, facilitation and problem-solving support in determining school closures. This year we have worked with Bristol and Plainfield to conduct special education reviews.

Student Online Courses - TABS offers an online learning portal that provides parents and district teachers and counselors with numerous online learning options for their students. In addition, TABS offers the Virtual Learning Academy, providing over 85 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, which is part of TABS, continues to serve school districts and organizations in their efforts to secure funding for a wide variety of programs. We have developed a cadre of grant developers, writers and "vetters" who work on proposals for both CREC and organizations across the state and nationally.

Data, Analysis Research and Technology Division:

The Data, Analysis Research and Technology Division (DART) supports the operation of CREC and CREC's schools and programs. DART oversees the network infrastructure, all technological devices, and software, all at the same time ensuring proper procedures and protocols are in place for network and internet security. Staff within the division also supports CREC personnel through one-on-one and group technical assistance and professional development; topics ranging from integrating Google into the workplace to understanding how to use student achievement data to inform instruction. DART offers and delivers these same services in response to evolving district needs.

The division has aligned itself with key system providers - such as Microsoft, Renaissance Learning, Pearson, Silverback Learning, and Schoology - to provide volume purchasing discounts, contract negotiating, hosting, development, implementation, and management services to districts. DART's expansion of PowerSchool support services has provided staff members to support districts with a wide range of PowerSchool projects, from training entry-level staff to creating custom standards-based report cards. In its second year is 'Studio 111' a software and mobile application development office. Studio 111 staff are committed to responding to educational needs through the creation of helpful, low-cost educational products for use on desktops and mobile devices. The first application, "PB and Math" was launched in September 2016.

DART trainers are helping districts prepare their teachers to prepare their students for success with 21st Century Skills, with special emphasis on the skills needed to achieve at high levels on the online computer-adaptive Smarter Balanced Assessments. Using the Curriculum Unit Revision Infusing Technology (CURIT) methodology, DART provides solid models for incorporating educational technology into everyday instruction; therefore, mitigating the impact using technology for assessment can have on the final achievement results. Through a suite of services from device management to implementing Google Apps for Education, DART supports districts implementing Chromebook initiatives. DART has also expanded its consulting services beyond IT operational support to more strategic areas of systems planning and development. DART has conducted a number of extensive technology audits to assess districts' readiness for integrating 21st Century skills into the classroom while introducing ways to reduce operational risks and expenses. The IT team provides end-to-end as well as contract support for districts and non-profit organizations across the state, resulting in accolades and employee performance awards for outstanding service.

FINANCIAL INFORMATION

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

Single Audit

As a recipient of federal and state funds, CREC is required to undergo a single audit in conformance with: a) the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and b) 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, 2016 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 Department supports CREC's management in budget administration. CREC maintains a formal encumbrance system during the course of the fiscal year. Outstanding encumbrances lapse at year-end and are not recorded as budgetary expenditures. They may be re-encumbered in the succeeding year as expenditures against the newly adopted budget.

OTHER INFORMATION

Independent Audit

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Capitol Region Education Council for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. This was the twenty third consecutive year that CREC has received this award. In order to be awarded a Certificate of Achievement, CREC must publish an easily readable and efficiently organized CAFR that satisfies both accounting principles generally accepted in the United States and applicable legal requirements.

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

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

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

Finally, we thank the members of our Council and our Executive Director for their leadership and support of CREC's financial operations.

Respectfully submitted,



Sandra A. Cruz-Serrano
Deputy Executive Director



Jeffrey E. Ivory
Comptroller

Financial Section



Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Board of Directors and Council
Capitol Region Education Council

Report on the Financial Statements

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, 2016, and the related notes to the financial statements, which collectively comprise the Capitol Region Education Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2016 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 3 to the financial statements, during the fiscal year ended June 30, 2016, the Capitol Region Education Council adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the budgetary comparison information on page 46 and the pension schedule on page 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 section 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2016 on our consideration of the Capitol Region Education Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Capitol Region Education Council's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 1, 2016

**CAPITOL REGION EDUCATION COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

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, 2016. Readers should refer to the transmittal letter at the beginning of this report and the financial statements that immediately follow this section for additional information.

FINANCIAL HIGHLIGHTS

- The total cost of CREC's programs was \$298.2 million.
- The General Fund reported a fund balance this year of \$23.5 million, up from \$20.6 million last year.
- CREC's net position increased by \$33.9 million as a result of this year's operations, including school construction (capital), grants, and contributions, while the net position of our business-type activities decreased by \$818 thousand.
- Overall, the growth in CREC's net position reflected an increased magnet schools' student enrollment, increased demand by school districts for CREC's special education services, and increased use of CREC's other specialized services, which include new programs.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-Wide Financial Statements

CREC is analyzed as a whole in Exhibits I and II. Exhibit I, the Statement of Net Position, 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 position and changes in them. CREC's net position (the difference between assets and liabilities) is one way to measure CREC's financial health, or financial status. Over time, increases or decreases in CREC's net position are indicators of whether the agency's 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 fund most of these activities.
- *Business-type activities* - CREC provides products and direct services to the public and other governmental agencies in exchange for fees. CREC's business activities include technical assistance and brokering services, technology services, training, construction services, teaching and learning professional development workshops, Montessori training, regional efficiencies, community education, fingerprinting and other services.

Fund Financial Statements

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

- *Governmental Funds (Exhibits III and IV)* - Most of CREC's basic programs and services are reported in governmental funds, and the exhibits focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. A fund represents a group of related accounts that are segregated for specific activities or objectives. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of CREC's general governmental fund 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 89 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 fund statements are reported in the same way as the government-wide statements. CREC has two types of proprietary funds:

CREC's 13 enterprise funds provide products and services directly to other regional education service centers (RESCs), school districts and the public in exchange for fees. Regularly, CREC identifies specific service needs in the service area 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 position increased by \$33.1 million, or 8.2%, to \$434.3 million. This was mostly due to increased investment (as well as increased revenue) in capital assets, along with a demand for CREC services.

TABLE 1
NET POSITION
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current assets	\$ 84,776	\$ 82,176	\$ (981)	\$ (411)	\$ 83,795	\$ 81,765
Capital assets, net of accumulated depreciation	400,581	369,402	35	47	400,616	369,449
Total assets	<u>485,357</u>	<u>451,578</u>	<u>(946)</u>	<u>(364)</u>	<u>484,411</u>	<u>451,214</u>
Current liabilities	43,426	43,728	1,169	933	44,595	44,661
Long-term liabilities outstanding	5,521	5,312			5,521	5,312
Total liabilities	<u>48,947</u>	<u>49,040</u>	<u>1,169</u>	<u>933</u>	<u>50,116</u>	<u>49,973</u>
Net Position:						
Net investment in capital assets	400,568	369,072	35	47	400,603	369,119
Restricted for:						
Trust purposes:						
Nonexpendable	17	17			17	17
Unrestricted	<u>35,825</u>	<u>33,449</u>	<u>(2,150)</u>	<u>(1,344)</u>	<u>33,675</u>	<u>32,105</u>
Total Net Position	<u>\$ 436,410</u>	<u>\$ 402,538</u>	<u>\$ (2,115)</u>	<u>\$ (1,297)</u>	<u>\$ 434,295</u>	<u>\$ 401,241</u>

Net position of CREC's governmental activities increased 8.4%, to \$436.4 million, which reflected an increase in investment to capital assets net of related debt due mostly to construction, equipment purchases and leasehold improvements in the magnet schools. Net position of governmental activities, excluding the capital assets, increased \$2.7 million, primarily due to increased special education services, higher magnet student enrollment, and continued expenditure control measures.

With regard to the financial position of the business-type activities, net position decreased to negative \$2.1 million. This decrease was due to losses incurred in Technology Sale of Services, School Improvement Center, Office for Regional Efficiencies, Community Education and Conference Services. The net position was partially off-set by increases in the Montessori Training Center of New England, Learning Corridor Theater, Construction Services and Technical Assistance Brokering Services. Technology Sale of Services had a higher loss this year due to the launch of an application start-up program and the Office for Regional Efficiencies continues to work to bring in revenue.

Governmental unrestricted net position, the portion of net position that can be used to finance day-to-day operations without constraints established by debt covenants enabling legislation or other legal requirements, increased from \$33.4 million at June 30, 2015 to \$35.8 million at June 30, 2016.

The unrestricted net position of business-type activities decreased by \$806 thousand, from a deficit of \$1.3 million to a deficit of \$2.1 million. A sales decline in the Enterprise Fund in Technology Sale of Services, Office for Regional Efficiencies and Community Education, resulted in the increased deficit. Management continues to focus on monitoring and controlling expenses and finding new sources of revenues to support the Enterprise Fund.

The adjusted revenues in governmental activities, net of the State of Connecticut contribution for teachers' retirement, was \$311 million this year and \$346 million last year, representing a decrease of 10.1%. Expenses related to education increased 8.0% due to the expanding magnet schools program and to educating and providing services for CREC students and member districts. CREC's administrative activities represented 2.4% of total costs.

TABLE 2
CHANGES IN NET POSITION
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 101,271	\$ 98,239	\$ 5,210	\$ 3,998	\$ 106,481	\$ 102,237
Operating grants and contributions	155,649	157,758		510	155,649	158,268
Capital grants and contributions	68,885	103,220			68,885	103,220
General revenues:						
Grants and contributions not restricted to specific programs	153	175			153	175
Unrestricted investment earnings	53	34			53	34
Total revenues	<u>326,011</u>	<u>359,426</u>	<u>5,210</u>	<u>4,508</u>	<u>331,221</u>	<u>363,934</u>
Program Expenses:						
Education	283,980	264,503			283,980	264,503
Facilities	1,360	1,621			1,360	1,621
Administration	7,128	6,590			7,128	6,590
Interest on debt	7	26			7	26
Montessori Training Center of New England			378	136	378	136
Learning Corridor Theatre			78	50	78	50
Regional efficiencies			574	422	574	422
Regional fingerprinting services			139	166	139	166
Property rental				1	-	1
Conference services			118	180	118	180
Technology sale of services			868	523	868	523
Technical assistance and brokering services			330	324	330	324
Community education			274	337	274	337
Construction services			2,095	1,999	2,095	1,999
School improvement center			838	1,443	838	1,443
Total program expenses	<u>292,475</u>	<u>272,740</u>	<u>5,692</u>	<u>5,581</u>	<u>298,167</u>	<u>278,321</u>
Change in net position before transfers	33,536	86,686	(482)	(1,073)	33,054	85,613
Transfers	<u>336</u>	<u>114</u>	<u>(336)</u>	<u>(114)</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	33,872	86,800	(818)	(1,187)	33,054	85,613
Net Position at Beginning of Year	<u>402,538</u>	<u>315,738</u>	<u>(1,297)</u>	<u>(110)</u>	<u>401,241</u>	<u>315,628</u>
Net Position at End of Year	<u>\$ 436,410</u>	<u>\$ 402,538</u>	<u>\$ (2,115)</u>	<u>\$ (1,297)</u>	<u>\$ 434,295</u>	<u>\$ 401,241</u>

The most significant increases in government-wide expenses were in costs related to the expanding magnet schools program and improvements to existing schools. Salaries and employee benefits increased by \$8.7 million (5.6%). These increased costs were for additional teachers and paraprofessionals in the expanding magnet schools program. Also, significant increases due to new initiatives and SDE professional development contracts occurred.

Governmental Activities

Governmental activities revenue decreased by \$33.4 million, or 9.2%. Approximately, 31% of revenues came from charges for services and approximately 69% came from operating and capital grants and contributions. A significant decrease in capital grants and contributions of \$34.3 million was offset slightly by a modest increase in enrollments of 71 students and related tuitions.

Governmental expenditures increased by \$19.7 million, or 7.2%. This increase was related to expenditures for new and expanding programs, general increases in salaries and benefits, and higher utility and transportation costs.

Business-Type Activities

Revenues of CREC's business-type activities (see Table 2) increased by 15.6% (\$5.2 million in 2016 compared to \$4.5 million in 2015) and expenses increased by 2.0%. Expenses exceeded revenue by \$818 thousand (after transfers). Losses occurred in Technology Sale of Services as a result of decreased sales of service to districts, and losses in the School Improvement Center were a result of increased expenses for RESC shared services. Office for Regional Efficiencies produced a loss in its second year of operation. These losses were offset by gains in Montessori Training Center of New England, Construction Services and Technical Assistance Brokering Services. We continue efforts to 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 \$23.5 million, which increased slightly from last year's \$20.3 million.

In the General Fund, the Magnet School Division had combined expenditures exceeding revenues of \$1.4 million. The Museum Academy and the Greater Hartford Academy of the Arts have negative fund balances due to high operating costs of multi-site school facilities. The Montessori Magnet School, the Two Rivers High School, Ana Grace Academy of the Arts Elementary School, along with Academy of Aerospace and Engineering Elementary School, which had the largest deficit, continue to have a negative fund balance as a result of low student enrollment and/or higher operating costs. However, the General Fund was helped by charges for shared services, which was \$1.9 million greater than expenditures.

The Student Services Division, which operates special education schools and programs, had combined revenues exceeding expenditures of \$1.8 million providing fund balance growth in the General Fund. River Street School was the largest contributor to fund balance growth in this division because of increased needs for special education services.

The Grants and Contracts Fund had a net increase in fund balance of \$152 thousand. The gains in Special Services Support Team, Related Services, CT Technical High Schools and Birth to Three of \$300 thousand were offset by losses totaling \$148 thousand in the Training Employment Services Program.

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

		<u>Fund Balance June 30, 2016</u>		<u>Fund Balance June 30, 2015</u>
General fund	\$	23,540	\$	20,641
Grants and contracts fund		(1,578)		(1,730)
Special revenue funds		82		9
Capital projects funds		507		448
Debt service funds		925		934
Permanent fund		17		17
Totals	\$	23,493	\$	20,319

Grants and Contracts Fund

The increase of \$152 thousand in grants and contracts fund is, primarily, attributable to CREC’s Related Services Program and Special Services Support Team which support the needs of the districts.

Special Revenue Fund

The special revenue fund consists of the Capitol Region Education Council Foundation, Inc. The Foundation raises private funds in support of CREC’s mission to improve the quality of public education within Greater Hartford.

Capital Projects

The fund balance increased due to the special education schools construction. The magnet school construction projects will make up most of the Capital Projects fund activity in the coming years. CREC is working to recoup construction ineligibles through the State Department of Administrative Services.

The Debt Service Fund and Permanent Fund remained relatively unchanged.

Budget versus Actual

In the General Fund, an overestimation of expenditures for the Magnet School Cost Center, CREC’s transportation services, accounted for \$8.4 million variance in the budget-versus-actual amounts.

Original Budget versus Amended Budget

As in previous years, expanding enrollments and increased grant and contract revenue were major factors in the amended budget increases.

Proprietary Funds

Proprietary fund net position was \$15.8 million at the end of fiscal 2016, a decrease of \$1.0 million, or 6.2% from the previous year. As previously mentioned, the Enterprise Fund decreased by \$818 thousand primarily due to losses incurred in Technology Sale of Services, Office for Regional Efficiencies, School Improvement Center, Community Education and Conference Services.

TABLE 4
PROPRIETARY FUND NET POSITION
(In Thousands)

	<u>Balance</u> <u>June 30, 2016</u>	<u>Balance</u> <u>June 30, 2015</u>
Enterprise Fund	\$ (2,115)	\$ (1,297)
Internal Service Fund	<u>17,884</u>	<u>18,115</u>
Totals	<u>\$ 15,769</u>	<u>\$ 16,818</u>

The net position for the Internal Service Fund decreased \$231 thousand, or 1.3%. This was mostly attributable to CREC's self-insurance fund, which realized a \$1.4 million decrease in fund net position. Budgeted charges to CREC's programs for medical insurance remained flat; however, expenditures increased as a result of the number of employees in the expanding magnet school programs, higher employee utilization, and an increase in catastrophic claims. CREC's unemployment fund net position increased \$434 thousand along with the workers' compensation fund, which increased \$630 thousand, both increased due to lower than expected claims.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2016, CREC had \$400.6 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 \$31.2 million. Current year additions totaled \$96.8 million, which included construction in progress, leasehold and building improvements, technology, equipment and vehicles. Depreciation expense was \$9.3 million as of June 30, 2016. Magnet school construction, leasehold improvements and furniture and equipment purchases in the magnet schools 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)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 12,808	\$ 12,758	\$	\$	\$ 12,808	\$ 12,758
Buildings and improvements	119,553	74,164			119,553	74,164
Vehicles	494	590			494	590
Furniture, fixtures and equipment	3,529	2,557	35	47	3,564	2,604
Construction in progress	264,197	279,333			264,197	279,333
Total	<u>\$ 400,581</u>	<u>\$ 369,402</u>	<u>\$ 35</u>	<u>\$ 47</u>	<u>\$ 400,616</u>	<u>\$ 369,449</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, 2016, CREC had no bonds and notes outstanding versus \$275 thousand last year.

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

	Governmental Activities		Total	
	2016	2015	2016	2015
Bonds payable	\$	\$ 275	\$ -	\$ 275
Notes payable			-	-
Total	<u>\$ -</u>	<u>\$ 275</u>	<u>\$ -</u>	<u>\$ 275</u>

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

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

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

FACTORS AFFECTING CREC'S FUTURE

CREC continues to work with state legislators, SDE officials and magnet school stakeholders to address issues in magnet school operation and to achieve the stable funding formula (including transportation funding) needed to operate its magnet schools properly and at a manageable cost.

Choice and Interdistrict Grants funding have been reduced for 2017, even as the State continues with its commitment to respond to educational inequity in the Capitol Region. Future funding will rely on the state despite fiscal issues in the State of Connecticut.

CREC's continued financial strength is evident in its special education school programs, where traditional revenue growth is expected to remain steady, its nominal debt, and its relatively low central office costs and continued expense reduction programs will provide future benefits.

CREC's ability to develop and/or modify programs in special education, school diversity and student achievement, as well as its general provision of district needs, both directly and through regional service consortia, should provide continued growth for the agency even as the State of Connecticut struggles with its budgetary issues.

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 Sandra A. Cruz-Serrano, Deputy Executive Director, Finance & Operations, CREC, 111 Charter Oak Avenue, Hartford, CT 06106.

Basic Financial Statements

CAPITOL REGION EDUCATION COUNCIL
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 49,385,907	\$ 631,970	\$ 50,017,877
Investments	86,632		86,632
Receivables, net	31,310,904	1,943,125	33,254,029
Internal balances	3,636,083	(3,636,083)	-
Prepaid items	356,339	80,482	436,821
Noncurrent assets:			
Capital assets not being depreciated	277,004,878		277,004,878
Capital assets, net of accumulated depreciation	123,576,176	34,651	123,610,827
Total assets	<u>485,356,919</u>	<u>(945,855)</u>	<u>484,411,064</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	30,420,868	983,644	31,404,512
Unearned revenue	13,005,886	185,875	13,191,761
Noncurrent liabilities:			
Due within one year	244,448		244,448
Due in more than one year	5,276,196		5,276,196
Total liabilities	<u>48,947,398</u>	<u>1,169,519</u>	<u>50,116,917</u>
Net Position:			
Net investment in capital assets	400,567,472	34,651	400,602,123
Restricted for trust purposes:			
Nonexpendable	17,000		17,000
Unrestricted	35,825,049	(2,150,025)	33,675,024
Total Net Position	<u>\$ 436,409,521</u>	<u>\$ (2,115,374)</u>	<u>\$ 434,294,147</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, 2016**

Function/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Education	\$ 283,981,356	\$ 101,161,799	\$ 155,565,818	\$ 68,885,472	\$ 41,631,733	\$	\$ 41,631,733
Facilities	1,359,563	1,316			(1,358,247)		(1,358,247)
Administration	7,128,013	108,115	80,135		(6,939,763)		(6,939,763)
Interest expense	6,743		2,697		(4,046)		(4,046)
Total governmental activities	<u>292,475,675</u>	<u>101,271,230</u>	<u>155,648,650</u>	<u>68,885,472</u>	<u>33,329,677</u>	<u>-</u>	<u>33,329,677</u>
Business-type activities:							
Montessori Training Center of New England	378,417	376,993				(1,424)	(1,424)
Learning Corridor Theater	77,562	101,541				23,979	23,979
Cooperative Purchasing	573,763	347,659				(226,104)	(226,104)
Regional Fingerprinting Services	139,532	154,467				14,935	14,935
Conference Services	117,762	20,098				(97,664)	(97,664)
Technology Sale of Services	868,244	340,717				(527,527)	(527,527)
Technical Assistance Brokering Service	330,379	231,498				(98,881)	(98,881)
Community Education	274,076	139,864				(134,212)	(134,212)
Construction Services	2,094,823	2,595,307				500,484	500,484
School Improvement Center	838,381	902,228				63,847	63,847
Total business-type activities	<u>5,692,939</u>	<u>5,210,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(482,567)</u>	<u>(482,567)</u>
Total	<u>\$ 298,168,614</u>	<u>\$ 106,481,602</u>	<u>\$ 155,648,650</u>	<u>\$ 68,885,472</u>	<u>33,329,677</u>	<u>(482,567)</u>	<u>32,847,110</u>
General revenues:							
Grants and contributions not restricted to specific programs					152,871		152,871
Unrestricted investment earnings					53,258		53,258
Transfers					336,109	(336,109)	-
Total general revenues and transfers					<u>542,238</u>	<u>(336,109)</u>	<u>206,129</u>
Change in net position					33,871,915	(818,676)	33,053,239
Net Position at Beginning of Year					402,537,606	(1,296,698)	401,240,908
Net Position at End of Year					<u>\$ 436,409,521</u>	<u>\$ (2,115,374)</u>	<u>\$ 434,294,147</u>

The accompanying notes are an integral part of the financial statements

**CAPITOL REGION EDUCATION COUNCIL
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016**

	<u>General Fund</u>	<u>Grants and Contracts Fund</u>	<u>Museum Academy Construction</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 5,522,843	\$ 2,013,892	\$ 16,561,684	\$ 4,289,597	\$ 28,388,016
Investments	68,212			18,420	86,632
Accounts receivable, net	18,566,538	2,545,903	272,890	9,604,529	30,989,860
Due from other funds	17,723,991				17,723,991
Prepaid items	<u>193,372</u>	<u>8,082</u>		<u>50,000</u>	<u>251,454</u>
Total Assets	<u>\$ 42,074,956</u>	<u>\$ 4,567,877</u>	<u>\$ 16,834,574</u>	<u>\$ 13,962,546</u>	<u>\$ 77,439,953</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 17,737,284	\$ 2,299,444	\$ 5,766,167	\$ 1,067,790	\$ 26,870,685
Due to other funds		3,259,339	272,890	10,555,679	14,087,908
Unearned revenue	797,541	586,713	10,795,517	809,025	12,988,796
Total liabilities	<u>18,534,825</u>	<u>6,145,496</u>	<u>16,834,574</u>	<u>12,432,494</u>	<u>53,947,389</u>
Fund Balances:					
Nonspendable	193,372	8,082		67,000	268,454
Restricted		2,209,654		924,340	3,133,994
Committed				1,938,639	1,938,639
Assigned	5,606,277			82,303	5,688,580
Unassigned	17,740,482	(3,795,355)		(1,482,230)	12,462,897
Total fund balances	<u>23,540,131</u>	<u>(1,577,619)</u>	<u>-</u>	<u>1,530,052</u>	<u>23,492,564</u>
Total Liabilities and Fund Balances	<u>\$ 42,074,956</u>	<u>\$ 4,567,877</u>	<u>\$ 16,834,574</u>	<u>\$ 13,962,546</u>	<u>\$ 77,439,953</u>

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CAPITOL REGION EDUCATION COUNCIL
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2016

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

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

Fund balances - total governmental funds		\$ 23,492,564
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$ 458,476,948	
Less accumulated depreciation	<u>(58,029,088)</u>	
Net capital assets		400,447,860
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 position.		
		17,883,875
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences		(1,228,296)
Capital lease		(13,582)
Net OPEB obligation		<u>(4,172,900)</u>
Net Position of Governmental Activities (Exhibit I)		<u>\$ 436,409,521</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, 2016**

	General Fund	Grants and Contracts Funds	Museum Academy Construction	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Tuition	\$ 30,359,274	\$ 13,624	\$ -	\$ -	\$ 30,372,898
Grants in aid	145,605,089	26,830,000	21,165,667	29,765,058	223,365,814
Room and board	1,216,713				1,216,713
Sales of services	63,349,314	5,133,478			68,482,792
Investment income	53,250			8	53,258
Other local revenues	2,504,929	95,021			2,599,950
Total revenues	<u>243,088,569</u>	<u>32,072,123</u>	<u>21,165,667</u>	<u>29,765,066</u>	<u>326,091,425</u>
Expenditures:					
Current:					
Salaries	120,101,227	10,868,440			130,969,667
Employee benefits	43,947,340	2,401,130			46,348,470
Purchased professional and technical services	9,767,565	3,381,212			13,148,777
Purchased property services	17,059,797	250,206			17,310,003
Other purchased services	37,461,295	12,731,314			50,192,609
Supplies	11,619,175	391,451			12,010,626
Property	1,524,931	356,298			1,881,229
Other objects	338,068	24,092		312,473	674,633
Debt service:					
Principal				275,000	275,000
Interest and fiscal charges				9,281	9,281
Capital outlay			21,165,667	29,379,081	50,544,748
Total expenditures	<u>241,819,398</u>	<u>30,404,143</u>	<u>21,165,667</u>	<u>29,975,835</u>	<u>323,365,043</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,269,171</u>	<u>1,667,980</u>	<u>-</u>	<u>(210,769)</u>	<u>2,726,382</u>
Other Financing Sources (Uses):					
Transfers in	2,741,962	300,922		332,506	3,375,390
Transfers out	(1,112,074)	(1,816,025)			(2,928,099)
Total other financing sources (uses)	<u>1,629,888</u>	<u>(1,515,103)</u>	<u>-</u>	<u>332,506</u>	<u>447,291</u>
Net Change in Fund Balances	2,899,059	152,877	-	121,737	3,173,673
Fund Balances at Beginning of Year	<u>20,641,072</u>	<u>(1,730,496)</u>	<u>-</u>	<u>1,408,315</u>	<u>20,318,891</u>
Fund Balances at End of Year	<u>\$ 23,540,131</u>	<u>\$ (1,577,619)</u>	<u>\$ -</u>	<u>\$ 1,530,052</u>	<u>\$ 23,492,564</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, 2016**

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)	\$ 3,173,673
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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	43,322,459
Depreciation expense	(9,272,436)
Loss on disposals of capital assets	(2,841,222)

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	(79,944)
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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 position. 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	275,000
Capital lease payments	41,493

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	45,045
Accrued interest	2,578
Net OPEB expense	(563,600)

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>(231,131)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 33,871,915</u>
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The accompanying notes are an integral part of the financial statements

**CAPITOL REGION EDUCATION COUNCIL
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2016**

	Business-Type Activities				Governmental Activities
	Enterprise Funds				
	Technology Sale of Services	School Improvement Center	Nonmajor Enterprise Funds	Total	
Assets:					
Current:					
Cash and cash equivalents	\$	\$	\$ 631,970	\$ 631,970	\$ 20,997,891
Accounts receivable	17,480	233,809	1,691,836	1,943,125	321,044
Prepaid items			80,482	80,482	104,885
Total current assets	17,480	233,809	2,404,288	2,655,577	21,423,820
Noncurrent assets:					
Capital assets, net of accumulated depreciation	2,223	3,334	29,094	34,651	133,194
Total assets	19,703	237,143	2,433,382	2,690,228	21,557,014
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	30,463	86,659	752,253	869,375	3,550,183
Due to other funds	1,657,450	1,127,751	850,882	3,636,083	
Unearned revenues		55,016	130,859	185,875	17,090
Compensated absences	40,801	12,596	60,872	114,269	105,866
Total liabilities	1,728,714	1,282,022	1,794,866	4,805,602	3,673,139
Net Position:					
Net investment in capital assets	2,223	3,334	29,094	34,651	133,194
Unrestricted	(1,711,234)	(1,048,213)	609,422	(2,150,025)	17,750,681
Total Net Position	\$ (1,709,011)	\$ (1,044,879)	\$ 638,516	\$ (2,115,374)	\$ 17,883,875

The accompanying notes are an integral part of the financial statements

**CAPITOL REGION EDUCATION COUNCIL
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	Business-Type Activities				Governmental Activities
	Enterprise Funds				
	Technology Sale of Services	School Improvement Center	Nonmajor Enterprise Funds	Total	
Operating Revenues:					
Sales of services	\$ 340,717	\$ 902,228	\$ 3,966,427	\$ 5,209,372	\$ 30,740,619
Other local revenues			1,000	1,000	5,042,810
Total operating revenues	<u>340,717</u>	<u>902,228</u>	<u>3,967,427</u>	<u>5,210,372</u>	<u>35,783,429</u>
Operating Expenses:					
Salaries	516,312	582,618	1,761,662	2,860,592	2,530,469
Employee benefits	114,137	90,149	430,416	634,702	31,718,180
Purchased professional and technical services	29,242	30,955	587,885	648,082	82,540
Purchased property services	366	2,332	667,381	670,079	69,031
Other purchased services	198,051	103,344	427,948	729,343	1,376,137
Supplies	5,999	19,494	72,624	98,117	58,717
Property	1,627	5,951	7,689	15,267	15,509
Depreciation	445	2,920	11,239	14,604	49,522
Other	2,065	618	19,470	22,153	3,273
Total operating expenses	<u>868,244</u>	<u>838,381</u>	<u>3,986,314</u>	<u>5,692,939</u>	<u>35,903,378</u>
Income (Loss) Before Transfers	(527,527)	63,847	(18,887)	(482,567)	(119,949)
Transfers In	70,231	157,645	242,983	470,859	7,787
Transfers Out	<u>(59,648)</u>	<u>(221,921)</u>	<u>(525,399)</u>	<u>(806,968)</u>	<u>(118,969)</u>
Change in Net Position	(516,944)	(429)	(301,303)	(818,676)	(231,131)
Net Position at Beginning of Year	<u>(1,192,067)</u>	<u>(1,044,450)</u>	<u>939,819</u>	<u>(1,296,698)</u>	<u>18,115,006</u>
Net Position at End of Year	\$ <u><u>(1,709,011)</u></u>	\$ <u><u>(1,044,879)</u></u>	\$ <u><u>638,516</u></u>	\$ <u><u>(2,115,374)</u></u>	\$ <u><u>17,883,875</u></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, 2016**

	Business-Type Activities				Governmental Activities	
	Enterprise Funds			Total		Internal Service Funds
	Technology Sale of Services	School Improvement Center	Nonmajor Enterprise Funds			
Cash Flows from Operating Activities:						
Receipts from customers and users	\$ 378,620	\$ 843,117	\$ 3,132,816	\$ 4,354,553	\$ 36,234,224	
Receipts from interfund services provided	509,652	11,137	197,153	717,942		
Payments to suppliers	(261,659)	(122,409)	(1,596,546)	(1,980,614)	(1,477,555)	
Payments to employees	(634,528)	(667,569)	(2,178,687)	(3,480,784)	(34,241,882)	
Payments for interfund services used			380,996	380,996		
Net cash provided by (used in) operating activities	<u>(7,915)</u>	<u>64,276</u>	<u>(64,268)</u>	<u>(7,907)</u>	<u>514,787</u>	
Cash Flows from Noncapital Financing Activities:						
Transfers from other funds	70,231	157,645	242,983	470,859	7,787	
Transfers out to other funds	<u>(59,648)</u>	<u>(221,921)</u>	<u>(525,399)</u>	<u>(806,968)</u>	<u>(118,969)</u>	
Net cash provided by (used in) noncapital financing activities	<u>10,583</u>	<u>(64,276)</u>	<u>(282,416)</u>	<u>(336,109)</u>	<u>(111,182)</u>	
Cash Flows from Capital and Related Financing Activities:						
Additions to property, plant and equipment	<u>(2,668)</u>			<u>(2,668)</u>	<u>(20,089)</u>	
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	(346,684)	(346,684)	383,516	
Cash and Cash Equivalents at Beginning of Year	-	-	978,654	978,654	20,614,375	
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 631,970</u>	<u>\$ 631,970</u>	<u>\$ 20,997,891</u>	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Operating income (loss)	\$ <u>(527,527)</u>	\$ <u>63,847</u>	\$ <u>(18,887)</u>	\$ <u>(482,567)</u>	\$ <u>(119,949)</u>	
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	445	2,920	11,239	14,604	49,522	
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	37,903	(59,111)	(834,611)	(855,819)	450,795	
(Increase) decrease in other assets	1,820		(21,319)	(19,499)	44,122	
Increase (decrease) in accounts payable and accrued liabilities	4,109	26,206	228,712	259,027	87,983	
Increase (decrease) in due to other funds	509,652	11,137	578,149	1,098,938		
Increase (decrease) in deferred revenues	(30,238)	14,079	(20,942)	(37,101)	(4,453)	
Increase (decrease) in compensated absences	<u>(4,079)</u>	<u>5,198</u>	<u>13,391</u>	<u>14,510</u>	<u>6,767</u>	
Total adjustments	<u>519,612</u>	<u>429</u>	<u>(45,381)</u>	<u>474,660</u>	<u>634,736</u>	
Net Cash Provided by (Used in) Operating Activities	<u>\$ (7,915)</u>	<u>\$ 64,276</u>	<u>\$ (64,268)</u>	<u>\$ (7,907)</u>	<u>\$ 514,787</u>	

The accompanying notes are an integral part of the financial statements

**CAPITOL REGION EDUCATION COUNCIL
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2016**

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ <u>517,357</u>
Liabilities:	
Accounts payable	\$ 12,857
Fiduciary deposits	<u>504,500</u>
Total Liabilities	\$ <u>517,357</u>

The accompanying notes are an integral part of the financial statements

**CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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) is a non-profit organization incorporated under the laws of the State of Connecticut. The Corporation is presented as a blended component unit as the Corporation's governing body is substantively the same as the governing body of CREC. In addition CREC has operational responsibility for the Corporation. CREC manages the Corporations activities in the same manner that manages its own activities. 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 position 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.

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

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

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

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

CREC reports the following major governmental funds:

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

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

The *Museum Academy Construction Fund* is used to account for the site acquisition and construction of a school facility for the Museum Academy. Eligible and recognized costs are reimbursable by a State Department of Education facilities grant.

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 (CAC); and Connecticut Accountability for Learning Initiatives (CALI) and internal and external workshops.

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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, Office for Regional Efficiencies, Regional Fingerprinting Services, Staff Development, Property and Equipment Rental, Conference Services, Technical Assistance Brokering Service, Community Education and Construction Services.

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

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

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

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

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

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

D. Deposits and Investments

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

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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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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.

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

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

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. CREC does not report any deferred outflows of resources for the current year.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. CREC does not report any deferred inflows of resources for the current year.

I. 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.

J. 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 position.

K. Equity

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

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position

Net position 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 Position

This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

This balance represents amounts constrained for the intent to be used for a specific purpose by the Executive Director that has been delegated authority to assign amounts by the CREC Council. Assignments exist temporarily, so an additional action is not required to be taken for the removal of an assignment.

Unassigned Fund Balance

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

L. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

M. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 of \$4,266,883 and \$3,409,258 for the General Fund and the Grants and Contracts Funds, respectively, were necessary during the year as new grants were received and new programs added.

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The accompanying statement of revenues and expenditures - General Fund and Major Special Revenue Fund - budget and actual (non-GAAP budgetary basis) presents comparisons of the legally adopted budget with actual data on a budgetary basis. Also, CREC does not recognize the contribution by the State of Connecticut for teachers' retirement (as discussed in Note 13) for budgetary purposes. Since not all programs included in the General Fund financial statements are budgeted, a reconciliation of the resultant accounting basis entity differences in excess of revenues and other sources over expenditures and other uses for the General Fund for the year ended June 30, 2016 is presented below.

	<u>General Fund GAAP Basis</u>	<u>Interprogram Eliminations</u>	<u>Non-Budgeted CREC General Program</u>	<u>General Fund Non-GAAP Budgetary Basis</u>
General Fund:				
Revenues and other financing sources	\$ 245,830,531	\$ 29,401,698	\$ (25,021,083)	\$ 250,211,146
Expenditures and other financing uses	<u>242,931,472</u>	<u>29,401,698</u>	<u>(23,107,490)</u>	<u>249,225,680</u>
Net Change in Fund Balance	\$ <u>2,899,059</u>	\$ <u>-</u>	\$ <u>(1,913,593)</u>	\$ <u>985,466</u>

**CAPITOL REGION EDUCATION COUNCIL
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B. Deficit Fund Equity

Fund balance and net position deficits existed as of June 30, 2016 in the following funds/programs:

General Fund Programs:	
Grants and Development Office	\$ 545,844
Administrative Building Cost Center	2,895,164
Made in the Shade	5,110
Minority Teacher Recruiting	44,240
Project Literacy	48,023
Learning Corridor Cost Center	703,711
Montessori Magnet School	1,545,566
Public Safety Academy	1,014,450
University of Hartford Magnet School	278,821
Polaris Center	1,109,382
Magnet School Cost Center	971,389
Greater Hartford Academy of the Arts	9,122,749
Center for Creative Youth	4,929
School Transportation Management Services	95,196
Reggio Magnet School of the Arts	1,977,313
Medical Professions and Teacher Preparation Academy	272,827
Museum Academy	164,449
Ana Grace Academy of the Arts Elementary School	1,933,012
Two Rivers Magnet High School	2,529,779
Academy of Aerospace and Engineering Elementary School	1,469,547
Grants and Contracts Fund Programs:	
Capitol Region Choice Program	1,739,263
School to Career Initiatives	130
Youth Service Programs	2,722
Regional School Choice Office	679
Positive Parenting Program	57,149
Employment Training Program	836,100
Early Education Programs	442,935
Commissioner's Network	708,745
Capital Projects Funds:	
Public Safety Academy Construction	186,014
International Magnet Construction	113,007
Reggio Magnet School Construction	90,681
Soundbridge Construction	881,072
Medical Professions and Teacher Prep Construction	161,456
Technology Sale of Services	1,709,011
School Improvement Center	1,044,879
Nonmajor Enterprise Funds:	
Office for Regional Efficiencies	277,784
Regional Fingerprinting Services	11,627
Conference Services	136,667
Community Education	320,251

These deficits will be covered by CREC General program.

**CAPITOL REGION EDUCATION COUNCIL
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3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

A. Cash and Cash Equivalents

Deposits

Deposit Custodial Credit Risk

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

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$51,830,065 of CREC’s bank balance of \$52,580,065 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 46,572,059
Uninsured and collateral held by the pledging bank’s trust department, not in the CREC’s name	<u>5,258,006</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 51,830,065</u>

**CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS
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B. Investments

Investments as of June 30, 2016 in all funds are as follows:

<u>Investment Type</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	\$ 84,254	\$ 84,254	-	\$ -
Other investments:				
Common Stock	<u>2,378</u>			
Total Investments	\$ <u>86,632</u>			

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

Interest Rate Risk

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

Credit Risk - Investments

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

Concentration of Credit Risk

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

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to CREC or that sells investments to or buys them for CREC), CREC will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. CREC does not have a policy for custodial credit risk. At June 30, 2016, CREC did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent, that were not in CREC's name.

**CAPITOL REGION EDUCATION COUNCIL
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Fair Value

CREC adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. The new disclosure is presented below:

CREC categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). CREC has the following recurring fair value measurements as of June 30, 2016:

	<u>June 30, 2016</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Common Stock	\$ 2,378	\$ 2,378	\$ -	\$ -

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

4. RECEIVABLES

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

	<u>General</u>	<u>Grants and Contracts Funds</u>	<u>Museum Academy Construction</u>	<u>Technology Sale of Services</u>	<u>School Improvement Center</u>	<u>Aggregate Remaining Funds</u>	<u>Total</u>
Receivables:							
Accounts	\$ 10,422,209	\$ 2,545,903		\$ 17,480	\$ 233,809	\$ 2,012,880	\$ 15,232,281
Intergovernmental	8,597,248		272,890			9,604,529	18,474,667
Gross Receivables	<u>19,019,457</u>	<u>2,545,903</u>	<u>272,890</u>	<u>17,480</u>	<u>233,809</u>	<u>11,617,409</u>	<u>33,706,948</u>
Less allowance for uncollectible	<u>(452,919)</u>						<u>(452,919)</u>
Total Receivables	<u>\$ 18,566,538</u>	<u>\$ 2,545,903</u>	<u>\$ 272,890</u>	<u>\$ 17,480</u>	<u>\$ 233,809</u>	<u>\$ 11,617,409</u>	<u>\$ 33,254,029</u>

**CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS
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5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 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	\$ 12,758,175	\$ 50,000	\$	\$ 12,808,175
Construction in progress	<u>279,332,378</u>	<u>41,195,762</u>	<u>(56,331,437)</u>	<u>264,196,703</u>
Total capital assets not being depreciated	<u>292,090,553</u>	<u>41,245,762</u>	<u>(56,331,437)</u>	<u>277,004,878</u>
Capital assets being depreciated:				
Buildings and improvements	114,979,997	53,404,848		168,384,845
Vehicles	2,085,182	90,822	(49,493)	2,126,511
Furniture, fixtures and equipment	<u>9,357,052</u>	<u>2,107,888</u>		<u>11,464,940</u>
Total capital assets being depreciated	<u>126,422,231</u>	<u>55,603,558</u>	<u>(49,493)</u>	<u>181,976,296</u>
Less accumulated depreciation for:				
Buildings and improvements	(40,816,066)	(8,015,645)		(48,831,711)
Vehicles	(1,495,403)	(169,984)	32,936	(1,632,451)
Furniture, fixtures and equipment	<u>(6,799,629)</u>	<u>(1,136,329)</u>		<u>(7,935,958)</u>
Total accumulated depreciation	<u>(49,111,098)</u>	<u>(9,321,958)</u>	<u>32,936</u>	<u>(58,400,120)</u>
Total capital assets being depreciated, net	<u>77,311,133</u>	<u>46,281,600</u>	<u>(16,557)</u>	<u>123,576,176</u>
Governmental Activities Capital Assets, Net	<u>\$ 369,401,686</u>	<u>\$ 87,527,362</u>	<u>\$ (56,347,994)</u>	<u>\$ 400,581,054</u>
Business-type activities:				
Furniture, fixtures and equipment	\$ 138,233	\$ 2,668	\$	\$ 140,901
Less accumulated depreciation	<u>(91,646)</u>	<u>(14,604)</u>		<u>(106,250)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 46,587</u>	<u>\$ (11,936)</u>	<u>\$ -</u>	<u>\$ 34,651</u>

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

Governmental activities:	
Education	\$ 9,121,740
Facilities	189,975
Administration	<u>10,243</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 9,321,958</u>
Business-type activities:	
School Improvement Center	\$ 2,920
Technology Sale of Services	445
Learning Corridor Theater	1,518
Property and Equipment Rental	316
Construction Services	<u>9,405</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 14,604</u>

**CAPITOL REGION EDUCATION COUNCIL
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6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances reflected as due from/to other funds as of June 30, 2016 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Grants and Contracts Fund	\$ 3,259,339
	Museum Academy Construction	272,890
	Technology Sale of Services	1,657,450
	School Improvement Center	1,127,751
	Nonmajor Governmental Funds	10,555,679
	Nonmajor Enterprise Funds	<u>850,882</u>
Total		<u>\$ 17,723,991</u>

CREC pools cash for several funds. Negative share of the pooled cash accounts is reported as interfund liability. All balances are expected to be repaid within a year.

The interfund transfers that occurred during the year are as follows:

	<u>Transfers In</u>						<u>Total Transfer Out</u>
	<u>General Fund</u>	<u>Grants and Contracts Fund</u>	<u>Technology Sale of Services</u>	<u>School Improvement Center</u>	<u>Nonmajor Enterprise Funds</u>	<u>Nonmajor Governmental and Other Funds</u>	
Transfers out:							
General Fund	\$	\$ 300,922	\$ 70,231	\$ 157,645	\$ 242,983	\$ 340,293	\$ 1,112,074
Grants and Contracts Fund	1,816,025						1,816,025
Technology Sale of Services	59,648						59,648
School Improvement Center	221,921						221,921
Nonmajor Enterprise Funds	525,399						525,399
Internal Service Funds	<u>118,969</u>						<u>118,969</u>
Total Transfers In	<u>\$ 2,741,962</u>	<u>\$ 300,922</u>	<u>\$ 70,231</u>	<u>\$ 157,645</u>	<u>\$ 242,983</u>	<u>\$ 340,293</u>	<u>\$ 3,854,036</u>

Interfund transfers are used to 1) move unrestricted revenues from the general fund to finance various programs and activities accounted for in other funds in accordance with budgetary authorizations and 2) to move revenues collected from restricted sources to other funds to pay for direct expenses such as rent, workshops, professional development and other administrative.

**CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2016 was \$4,792,927.

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.

	<u>Governmental Activities</u>
Assets:	
Equipment	\$ 999,560
Building and improvement	<u>432,876</u>
Total assets	<u>1,432,436</u>
Less accumulated depreciation for:	
Equipment	(853,146)
Building and improvement	<u>(222,053)</u>
Total accumulated depreciation	<u>(1,075,199)</u>
Total	<u>\$ 357,237</u>

The future minimum lease obligations and the net present value of these payments as of June 30, 2016 were as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2017	\$ <u>13,850</u>
Total minimum lease payments	13,850
Less amount representing interest	<u>(268)</u>
Present Value of Minimum Lease Payments	<u>\$ 13,582</u>

**CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

8. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2016 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	\$ 275,000		\$ (275,000)	\$ -	
Capital leases	55,075		(41,493)	13,582	13,582
Net OPEB obligation	3,609,300	563,600		4,172,900	
Compensated absences	<u>1,372,440</u>	<u>6,767</u>	<u>(45,045)</u>	<u>1,334,162</u>	<u>230,866</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 5,311,815</u>	<u>\$ 570,367</u>	<u>\$ (361,538)</u>	<u>\$ 5,520,644</u>	<u>\$ 244,448</u>

For the governmental activities, compensated absences and net OPEB obligations are generally liquidated by the General Fund.

CREC has a credit line agreement that provides for borrowings up to \$25,000,000 as a revolving line of credit, with interest charged at the London Interbank Offering Rate. There was no balance due at June 30, 2016. The agreement contains various financial covenants.

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, 2016 based on claims received subsequent to year-end within the allowable claim period. Claims of \$1,678,130 are reflected in the accrued expenses of the Internal Service Fund at June 30, 2016. All claims are reflected in the statement of net position 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.

**CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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>
2014-15	\$ 1,321,775	\$ 25,450,757	\$ 25,283,494	\$ 1,489,038
2015-16	1,489,038	28,243,947	28,054,855	1,678,130

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, 2016 were \$352,254.

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

10. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2016 are as follows:

	<u>General Fund</u>	<u>Grants and Contracts Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Prepays	\$ 193,372	\$ 8,082	\$ 50,000	\$ 251,454
Narkin Scholarship			17,000	17,000
Restricted for:				
Education		2,209,654		2,209,654
Debt obligations			924,340	924,340
Committed to:				
School construction projects			1,938,639	1,938,639
Assigned to:				
Future obligations	3,631,277			3,631,277
Debt obligations	800,000			800,000
Capital improvements	50,000			50,000
Legal costs	50,000			50,000
Venture capital	75,000			75,000
Payroll	1,000,000			1,000,000
Education			82,303	82,303
Unassigned	17,740,482	(3,795,355)	(1,482,230)	12,462,897
Total Fund Balances	\$ <u>23,540,131</u>	\$ <u>(1,577,619)</u>	\$ <u>1,530,052</u>	\$ <u>23,492,564</u>

11. CONTINGENT LIABILITIES

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

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

12. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

At July 1, 2014, plan membership consisted of the following:

	Retiree Health Plan
Retired members	18
Spouses of retired members	9
Active plan members	<u>700</u>
Total Participants	<u><u>727</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, 2016, CREC has not established a trust fund to irrevocably segregate assets to fund the liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. Retired plan members and beneficiaries currently receiving benefits are required to contribute 100% of the cost for medical coverage. Spouse coverage continues on the death of the retiree as COBRA benefit.

**CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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 No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of 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)	\$ 949,900
Interest on net OPEB obligation	144,400
Adjustment to annual required contribution	<u>(200,700)</u>
Annual OPEB cost	893,600
Contributions made	<u>330,000</u>
Change in net OPEB obligation	563,600
Net OPEB obligation, beginning of year	<u>3,609,300</u>
Net OPEB Obligation, End of Year	<u>\$ 4,172,900</u>

CREC's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2016 are presented below:

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2014	\$ 739,900	\$ 155,900	21.1 %	\$ 3,022,000
6/30/2015	882,300	295,000	33.4	3,609,300
6/30/2016	893,600	330,000	36.9	4,172,900

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.

**CAPITOL REGION EDUCATION COUNCIL
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2016**

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UFAL as a % of Covered Payroll ((b-a)/c)</u>
1/1/2010	\$ -	\$ 4,737,000	0%	\$ 37,110,259	12.8 %
1/1/2012	-	5,569,000	0%	45,344,800	12.3
1/1/2014	-	7,230,000	0%	55,170,605	13.1

Schedule of Employer Contributions

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
6/30/2011	\$ 633,800	\$ 185,000	29.2 %
6/30/2012	648,200	66,300	10.2
6/30/2013	760,500	13,000	1.7
6/30/2014	778,000	155,900	20.0
6/30/2015	929,500	295,000	31.7
6/30/2016	949,900	330,000	34.7

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, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The ARC reflects a 30-year, open, level dollar amortization of the unfunded actuarial accrued liability (AAL). The actuarial assumptions include a 4.0% investment rate of return. The annual healthcare cost trend rate is 8.5% initially, reduced by decrements of .5% per year to an ultimate rate of 4.5% for fiscal year 2022 and thereafter.

13. EMPLOYEE RETIREMENT PLAN

Defined Contribution Pension Plan

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

**CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2016, there were 1,428 plan members. Diversified Investment Advisors administers 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, 2016 were \$1,946,720 and \$6,018,804, respectively.

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

Teachers Retirement

A. Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System, a cost sharing multiple-employer defined benefit pension plan administered by the Teachers Retirement Board. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at www.ct.gov.

B. Benefit Provisions

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement

Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

C. Contributions

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

**CAPITOL REGION EDUCATION COUNCIL
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2016**

Employer (School Districts)

School District employers are not required to make contributions to the plan.

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, CREC reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by CREC as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with CREC were as follows:

CREC's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with CREC	<u>189,673,526</u>
Total	<u>\$ 189,673,526</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. At June 30, 2016, CREC has no proportionate share of the net pension liability.

For the year ended June 30, 2016, CREC recognized pension expense and revenue of \$15,197,628 in Exhibit II for on-behalf amounts for the benefits provided by the State.

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increase	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

**CAPITOL REGION EDUCATION COUNCIL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Future cost-of-living increases for members who retire on or after September 1, 1992 are assumed to be an annual cost-of-living adjustment of 2%.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. equities	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Emerging markets (Non-U.S.)	9.0%	8.3%
Core fixed income	7.0%	1.3%
Inflation linked bond fund	3.0%	1.0%
Emerging market bond	5.0%	3.7%
High yield bonds	5.0%	3.9%
Real estate	7.0%	5.1%
Private equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Cash	6.0%	0.4%
Total	100.0%	

F. Discount Rate

The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

CREC's proportionate share of the net pension liability is \$0 and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

H. Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as CREC has no obligation to contribute to the plan.

**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, 2016**

	General Fund				Grants and Contracts Fund			
	Budget Amounts		Actual	Variance Positive (Negative)	Budget Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Tuition	\$ 31,231,497	\$ 31,316,497	\$ 30,359,274	\$ (957,223)	\$	\$	\$ 13,624	\$ 13,624
Grants in aid	136,511,411	139,761,099	130,171,949	(9,589,150)	30,217,998	32,220,256	26,830,000	(5,390,256)
Room and board	1,784,553	1,784,553	1,216,713	(567,840)				-
Sales of services	66,227,808	66,876,089	63,349,314	(3,526,775)	3,941,225	5,348,225	5,133,478	(214,747)
Investment income				-				-
Other local revenues	1,808,918	2,286,397	2,504,929	218,532			95,021	95,021
Transfers in	21,628,448	21,434,883	22,608,967	1,174,084	200,000	200,000	300,922	100,922
Total revenues	259,192,635	263,459,518	250,211,146	(13,248,372)	34,359,223	37,768,481	32,373,045	(5,395,436)
Expenditures:								
Current:								
Special programs	249,738,533	254,005,416	240,484,326	13,521,090	34,359,223	37,768,481	32,220,168	5,548,313
Facilities	1,771,820	1,771,820	1,317,022	454,798				-
Administration	7,682,282	7,682,282	7,424,332	257,950				-
Total expenditures	259,192,635	263,459,518	249,225,680	14,233,838	34,359,223	37,768,481	32,220,168	5,548,313
Deficiency of Revenues over Expenditures	\$ -	\$ -	985,466	\$ 985,466	\$ -	\$ -	152,877	\$ 152,877
Budgetary deficiency of revenues over expenditures is different than GAAP net change in fund balance because:								
Revenues and expenditures for CREC General Program are not budgeted			1,913,593					
Total Net Change in Fund Balance - GAAP Basis			\$ 2,899,059				\$ 152,877	

**CAPITOL REGION EDUCATION COUNCIL
SCHEDULE OF CREC'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST TWO FISCAL YEARS**

	<u>2016</u>	<u>2015</u>
CREC's proportion of the net pension liability	0.00%	0.00%
CREC's proportionate share of the net pension liability	\$ -	\$ -
State's proportionate share of the net pension liability associated with CREC	<u>189,673,526</u>	<u>175,315,163</u>
Total	<u>\$ 189,673,526</u>	<u>\$ 175,315,163</u>
CREC's covered-employee payroll	\$ 76,634,678	\$ 67,967,228
CREC's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	59.50%	61.51%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed market

Combining and Individual Fund Statements and Schedules

General Fund

GENERAL FUND ADMINISTRATION PROGRAMS

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

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

ASSISTANT EXECUTIVE DIRECTOR - The Assistant Executive Director directs the Commissioner's Network Turnaround grant, oversees a new Hartford Public Safety Initiative project in collaboration with the City of Hartford, as well as, other state directed initiatives.

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

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

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

STUDENT SERVICES - Student Services manages programs that offer highly specialized services for children with autism, adolescents experiencing emotional and/or behavioral difficulties, children who are deaf or hard of hearing, and students who are developmentally delayed or medically fragile. The division also offers an array of early childhood services, including services to children from birth to age three who demonstrate developmental difficulties or hearing loss. 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 Hartford Detention Center. The Student Services' Integrated Program Model program provides occupational therapy, physical therapy and speech therapy to districts and families in need. The division also runs a community based vocational program for young adults with disabilities ages 18-21.

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

FACILITIES

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

SPECIAL PROGRAMS

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

MADE IN THE SHADE - CREC works in collaboration with the local school districts in the Farmington Valley to provide an extended school year program for students with disabilities entering first through fifth grade. The Made in the Shade program serves up to 12 students who are experiencing challenges in peer and adult interactions, behavioral and recreational activities.

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 Hartford, CT. Students placed in this center are held while the courts determine their longer-term placements. The capacity of the center is approximately 70 students at a time, with an average length of stay ranging from one or two days to three months.

STRIVE - The Southern Transition Real-World and Independent Vocational Education Program (STRIVE) is a community-based (Clinton, CT) program for students with disabilities ages 18-21 years old. Students spend a majority of their day in community-based work experiences developing independent living, social and employment skills.

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

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

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

LEARNING CORRIDOR COST CENTER - Services provided at the Learning Corridor campus are centralized, and costs are charged back to the Montessori Magnet School, Two Rivers Magnet High School 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, CT. As Connecticut's first interdistrict Montessori public magnet school serving grades PreK-6, its mission is to provide a unique educational opportunity for children in a diverse learning environment.

GLASTONBURY/EAST HARTFORD MAGNET SCHOOL - CREC manages and operates the Glastonbury /East Hartford Magnet School in Glastonbury, CT. This grade PreK-5 school emphasizes science, computer and global education.

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

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

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

CREC PUBLIC SAFETY ACADEMY - CREC manages and operates the CREC Public Safety Academy in Enfield, CT. The school is the first of its kind in Connecticut and was developed in partnership with state and local public safety agencies. The school serves grades 6-12 students. The 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, CT. The curriculum focus for UHMS is the infusion of Dr. Howard Gardner's Theory of Multiple Intelligences into a PreK-5 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 115 school districts, with more than 90% of the children served in their home districts. The program also operates an Early Childhood Learning Center for typical and hearing impaired three-to-five year olds.

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

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

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

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

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

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

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

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

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 the International Magnet School for Global Citizenship, which is located in South Windsor, CT. This school, serving grades PreK-5, 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 the Reggio Magnet School of the Arts, which is located in Avon, CT. This school, serving grades PreK-5, is based on four guiding principles: children must have control over the direction of their learning; children must be able to learn through experiences of touching, moving, listening, seeing and hearing; children have a relationship with other children and with material items in the world that children must be allowed to explore; and children must have endless ways and opportunities to express themselves.

LINCOLN ACADEMY - Working in collaboration with 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 5.5 hour day of instructional, recreational and group activities. Individual, group and family counseling, as well as ongoing psychiatric consultation, is provided to the students.

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

DISCOVERY ACADEMY - CREC manages and operates the Discovery Academy, which is located in Wethersfield, CT. This school is serving grades PreK-4, and, in the future, will serve grades PreK-5. The Academy focuses on developing strong foundational knowledge for students in four interrelated domains of STEM literacy: science, technology, engineering and mathematics.

MUSEUM ACADEMY - CREC manages and operates the Museum Academy, which is located in Bloomfield, CT. The Academy is serving grades PreK-5 and focuses on providing a culturally diverse learning environment in collaboration with museums throughout the community.

ANA GRACE ACADEMY OF THE ARTS ELEMENTARY MAGNET SCHOOL - CREC manages and operates the Ana Grace Academy of the Arts Elementary Magnet School, which is located in Avon, CT. This elementary school currently serves grades PreK-3 and will expand to grades PreK-5. The school provides students with the opportunity to explore vocal and instrumental music, visual art, dance, theatre, creative writing and interdisciplinary arts.

GREATER HARTFORD ACADEMY OF THE ARTS MIDDLE SCHOOL - CREC manages and operates the Greater Hartford Academy of the Arts Middle School, which is located in Hartford, CT. This middle school serves grades 6-8. The school provides students with the opportunity to explore vocal and instrumental music, visual art, dance, theatre, creative writing and interdisciplinary arts.

TWO RIVERS MAGNET HIGH SCHOOL - CREC manages and operates the Two Rivers Magnet High School, which is located in Hartford, CT. The high school serves grades 9-12. The school focuses on environmental science and environmental engineering. Utilizing research-based teaching and learning practices in reading, mathematics, science and technology, students make interdisciplinary connections.

ACADEMY OF AEROSPACE AND ENGINEERING ELEMENTARY SCHOOL - CREC manages and operates the Academy of Aerospace and Engineering Elementary School, which is located in Rocky Hill, CT. This elementary school opened in September 2013 and will expand to grades PreK-5. The school provides students with the foundational knowledge in four interrelated domains of STEM literacy: Science, Technology, Engineering, and Mathematics. The curricula provides students with significant and meaningful opportunities to conduct investigations, gather and use information, and solve problems using scientific methods of thinking and technology as tools.

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM
JUNE 30, 3016**

	Administration								
	CREC General	Executive Director	Assistant Executive Director	Business Services	Human Resources	Communications	Student Services	Grants and Development Office	Total
ASSETS									
Cash and cash equivalents	\$	\$ 11,210	\$ 15,316	\$ 403,487	\$ 178,177	\$ 65,081	\$ 39,773	\$	\$ 713,044
Investments									
Accounts receivable, net		9,989		500,000		12,725	1,000		523,714
Due from other funds	23,004,642								23,004,642
Prepaid items				56,400					56,400
Total Assets	\$ 23,004,642	\$ 21,199	\$ 15,316	\$ 959,887	\$ 178,177	\$ 77,806	\$ 40,773	\$ -	\$ 24,297,800
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 1,028,018	\$ 16,642	\$ 13,070	\$ 514,443	\$ 44,819	\$ 40,590	\$ 20,554	\$ 13,357	\$ 1,691,493
Due to other funds								532,487	532,487
Unearned revenues									
Total liabilities	1,028,018	16,642	13,070	514,443	44,819	40,590	20,554	545,844	2,223,980
Fund Balances:									
Nonspendable				56,400					56,400
Assigned	5,606,277								5,606,277
Unassigned	16,370,347	4,557	2,246	389,044	133,358	37,216	20,219	(545,844)	16,411,143
Total fund balances	21,976,624	4,557	2,246	445,444	133,358	37,216	20,219	(545,844)	22,073,820
Total Liabilities and Fund Balances	\$ 23,004,642	\$ 21,199	\$ 15,316	\$ 959,887	\$ 178,177	\$ 77,806	\$ 40,773	\$ -	\$ 24,297,800

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**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 3016**

	<u>Facilities</u>		<u>Special Programs</u>						<u>Allied Health Career Collaborative</u>	
	<u>Administrative Buildings Cost Center</u>	<u>Interdistrict Grant Office</u>	<u>Made in the Shade</u>	<u>Minority Teacher Recruiting</u>	<u>Juvenile Detention Center</u>	<u>STRIVE</u>	<u>Coltsville Facility</u>	<u>Project Literacy</u>		
ASSETS										
Cash and cash equivalents	\$	\$ 19,784	\$	\$	\$ 715,649	\$ 58,110	\$ 39,597	\$	\$ 8,682	
Investments										
Accounts receivable, net		248		1,650	232,641			2,400		
Due from other funds										
Prepaid items		4,550	500							
Total Assets	\$	4,798	\$ 19,784	\$ 500	\$ 1,650	\$ 948,290	\$ 58,110	\$ 39,597	\$ 2,400	\$ 8,682
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable and accrued liabilities	\$	66,211	\$ 1,835	\$ 2,039	\$ 12,189	\$ 72,067	\$ 19,520	\$ 39,597	\$ 303	\$
Due to other funds		2,833,751		3,571	33,701				50,120	
Unearned revenues							38,590			
Total liabilities		2,899,962	1,835	5,610	45,890	72,067	58,110	39,597	50,423	-
Fund Balances:										
Nonspendable		4,550		500						
Assigned										
Unassigned		(2,899,714)	17,949	(5,610)	(44,240)	876,223			(48,023)	8,682
Total fund balances		(2,895,164)	17,949	(5,110)	(44,240)	876,223	-	-	(48,023)	8,682
Total Liabilities and Fund Balances	\$	4,798	\$ 19,784	\$ 500	\$ 1,650	\$ 948,290	\$ 58,110	\$ 39,597	\$ 2,400	\$ 8,682

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**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2016**

	Special Programs						
	Learning Corridor Cost Center	Montessori Magnet School	Glastonbury/ East Hartford Magnet School	Academy of Aerospace and Engineering/ GHAMAS Magnet School	Metropolitan Learning Center Magnet School	Two Rivers Magnet Middle School	CREC Public Safety Academy
ASSETS							
Cash and cash equivalents	\$	\$	\$ 487,502	\$ 522,728	\$ 1,151,027	\$	\$ 1,089
Investments							
Accounts receivable, net	677,697	213,732	88,758	381,070	286,643	855,292	436,296
Due from other funds			884,944			3,857,138	
Prepaid items	50			1,900		31,870	385
Total Assets	\$ 677,747	\$ 213,732	\$ 1,461,204	\$ 905,698	\$ 1,437,670	\$ 4,744,300	\$ 437,770
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 268,425	\$ 270,792	\$ 365,645	\$ 784,498	\$ 750,805	\$ 735,648	\$ 626,349
Due to other funds	1,113,033	1,488,506					825,251
Unearned revenues			30,313	6,705	15,182	1,057	620
Total liabilities	1,381,458	1,759,298	395,958	791,203	765,987	736,705	1,452,220
Fund Balances:							
Nonspendable	50			1,900		31,870	385
Assigned							
Unassigned	(703,761)	(1,545,566)	1,065,246	112,595	671,683	3,975,725	(1,014,835)
Total fund balances	(703,711)	(1,545,566)	1,065,246	114,495	671,683	4,007,595	(1,014,450)
Total Liabilities and Fund Balances	\$ 677,747	\$ 213,732	\$ 1,461,204	\$ 905,698	\$ 1,437,670	\$ 4,744,300	\$ 437,770

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**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 3016**

	Special Programs							
	University of Hartford Magnet School	Soundbridge	River Street School	Polaris Center	Magnet School Cost Center	Integrated Program Model	Farmington Valley Diagnostic Center	Special Education Transportation
ASSETS								
Cash and cash equivalents	\$ 72,091	\$ 313,516	\$ 24,295	\$ 5,346	\$	\$	\$ 141,199	\$ 563,593
Investments		12,921						
Accounts receivable, net	231,682	531,308	2,426,394	1,589,527	2,120,620	494,719	117,608	199,383
Due from other funds			14,013,227			1,304,121		
Prepaid items	1,214		63,650	2,010	15,767		6,500	
Total Assets	\$ 304,987	\$ 857,745	\$ 16,527,566	\$ 1,596,883	\$ 2,136,387	\$ 1,798,840	\$ 265,307	\$ 762,976
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 583,808	\$ 524,729	\$ 1,620,217	\$ 355,528	\$ 2,631,849	\$ 216,311	\$ 40,051	\$ 111,719
Due to other funds				2,350,737	317,284			
Unearned revenues		32,115			158,643		225,256	6,000
Total liabilities	583,808	556,844	1,620,217	2,706,265	3,107,776	216,311	265,307	117,719
Fund Balances:								
Nonspendable	1,214		63,650	2,010	15,767		6,500	
Assigned								
Unassigned	(280,035)	300,901	14,843,699	(1,111,392)	(987,156)	1,582,529	(6,500)	645,257
Total fund balances	(278,821)	300,901	14,907,349	(1,109,382)	(971,389)	1,582,529	-	645,257
Total Liabilities and Fund Balances	\$ 304,987	\$ 857,745	\$ 16,527,566	\$ 1,596,883	\$ 2,136,387	\$ 1,798,840	\$ 265,307	\$ 762,976

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CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 3016

	Special Programs							
	Greater Hartford Academy of the Arts	Center for Creative Youth	School Transportation Management Services	International Magnet School for Global Citizenship	Reggio Magnet School of the Arts	Lincoln Academy	Medical Professions and Teacher Prep Academy	Discovery Academy
ASSETS								
Cash and cash equivalents	\$	\$ 56,997	\$	\$ 529	\$ 1,000	\$ 15,604	\$ 181,409	\$ 306,235
Investments		2,378						
Accounts receivable, net		111,983		4,566,642	118,222	361,167	51,612	125,379
Due from other funds				2,892,614				152,965
Prepaid items		435		2,467			215	
Total Assets	\$	<u>114,796</u>	\$	<u>4,569,109</u>	\$	<u>362,167</u>	\$	<u>459,200</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$ 639,662	\$ 6,163	\$ 1,618,251	\$ 434,203	\$ 423,856	\$ 38,930	\$ 552,504
Due to other funds		8,589,909		3,046,054		1,915,624		261,374
Unearned revenues		7,974		133,676				27,326
Total liabilities		<u>9,237,545</u>		<u>4,664,305</u>		<u>2,339,480</u>		<u>579,830</u>
Fund Balances:								
Nonspendable		435		2,467				215
Assigned								
Unassigned		(9,123,184)		(97,663)		(1,977,313)		(273,042)
Total fund balances		<u>(9,122,749)</u>		<u>(95,196)</u>		<u>(1,977,313)</u>		<u>(272,827)</u>
Total Liabilities and Fund Balances	\$	<u>114,796</u>	\$	<u>4,569,109</u>	\$	<u>362,167</u>	\$	<u>459,200</u>

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**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 3016**

	<u>Special Programs</u>							
	<u>Museum Academy</u>	<u>Ana Grace Academy of the Arts Elementary School</u>	<u>Greater Hartford Academy of the Arts Middle School</u>	<u>Two Rivers Magnet High School</u>	<u>Academy of Aerospace and Engineering Elementary School</u>	<u>Total</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS								
Cash and cash equivalents	\$ 107,886	\$ 6,237	\$ 5,258	\$ 4,436		\$ 4,809,799		\$ 5,522,843
Investments						68,212		68,212
Accounts receivable, net	154,239	146,318	1,004,845	227,444	109,340	18,042,576		18,566,538
Due from other funds						22,952,044	(28,232,695)	17,723,991
Prepaid items	4,911	39		50	459	132,422		193,372
Total Assets	\$ 267,036	\$ 152,594	\$ 1,010,103	\$ 231,930	\$ 109,799	\$ 46,005,053	\$ (28,232,695)	\$ 42,074,956
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 427,253	\$ 346,420	\$ 310,024	\$ 660,763	\$ 226,253	\$ 15,979,580		\$ 17,737,284
Due to other funds		1,733,865	7,074	2,100,946	1,290,782	24,866,457	(28,232,695)	-
Unearned revenues	4,232	5,321	42,220		62,311	797,541		797,541
Total liabilities	431,485	2,085,606	359,318	2,761,709	1,579,346	41,643,578	(28,232,695)	18,534,825
Fund Balances:								
Nonspendable	4,911	39		50	459	132,422		193,372
Assigned						-		5,606,277
Unassigned	(169,360)	(1,933,051)	650,785	(2,529,829)	(1,470,006)	4,229,053		17,740,482
Total fund balances	(164,449)	(1,933,012)	650,785	(2,529,779)	(1,469,547)	4,361,475	-	23,540,131
Total Liabilities and Fund Balances	\$ 267,036	\$ 152,594	\$ 1,010,103	\$ 231,930	\$ 109,799	\$ 46,005,053	\$ (28,232,695)	\$ 42,074,956

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2016**

	Administration								Total
	CREC General	Executive Director	Assistant Executive Director	Business Services	Human Resources	Communications	Student Services	Grants and Development Office	
Revenues:									
Tuition	\$	\$	\$	\$	\$	\$	\$	\$	\$ -
Grants in aid	15,433,140			76,000					15,509,140
Room and board									-
Sales of services				40,042			37,956	1,450	79,448
Investment income	53,250								53,250
Other local revenues		28,235		4,567					32,802
Total revenues	15,486,390	28,235	-	120,609	-	-	37,956	1,450	15,674,640
Expenditures:									
Current:									
Salaries		228,128	184,855	2,090,145	770,865	589,678	376,481	199,791	4,439,943
Employee benefits	15,197,628	85,237	16,794	606,787	195,414	170,098	50,055	41,603	16,363,616
Purchased professional and technical services		24,406	2,980	370,766	17,457	17,002	12,634	1,243	446,488
Purchased property services		13,401		1,857	132				15,390
Other purchased services	393,512	13,094	7,402	325,369	20,447	50,361	22,030	4,706	836,921
Supplies		1,515	1,261	31,672	5,990	14,699	3,912	4,722	63,771
Property		6,921	454	123,017	1,156				131,548
Other uses of funds		3,034	414	28,935	1,668	8,332	1,029	1,868	45,280
Total expenditures	15,591,140	375,736	214,160	3,578,548	1,013,129	850,170	466,141	253,933	22,342,957
Excess (Deficiency) of Revenues over Expenditures	(104,750)	(347,501)	(214,160)	(3,457,939)	(1,013,129)	(850,170)	(428,185)	(252,483)	(6,668,317)
Other Financing Sources (Uses):									
Transfers in	9,534,693	373,257	261,662	4,232,029	1,098,419	940,932	453,526	263,401	17,157,919
Transfers out	(7,516,350)	(25,756)	(47,502)	(397,739)	(75,950)	(90,762)	(25,341)	(9,465)	(8,188,865)
Total other financing sources (uses)	2,018,343	347,501	214,160	3,834,290	1,022,469	850,170	428,185	253,936	8,969,054
Net Change in Fund Balances	1,913,593	-	-	376,351	9,340	-	-	1,453	2,300,737
Fund Balances at Beginning of Year	20,063,031	4,557	2,246	69,093	124,018	37,216	20,219	(547,297)	19,773,083
Fund Balances at End of Year	\$ 21,976,624	\$ 4,557	\$ 2,246	\$ 445,444	\$ 133,358	\$ 37,216	\$ 20,219	\$ (545,844)	\$ 22,073,820

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**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

	Facilities		Special Programs						
	Administrative Buildings Cost Center	Interdistrict Grant Office	Made in the Shade	Minority Teacher Recruiting	Juvenile Detention Center	STRIVE	Project Literacy	Allied Health Career Collaborative	Learning Corridor Cost Center
Revenues:									
Tuition	\$	\$	\$ 28,800	\$	\$ 1,076,301	\$	\$	\$	\$
Grants in aid				300,000	97,731				
Room and board									
Sales of services	1,316	10,362		14,850		387,474	22,800		725,678
Investment income									
Other local revenues									
Total revenues	1,316	10,362	28,800	314,850	1,174,032	387,474	22,800	-	725,678
Expenditures:									
Current:									
Salaries	190,236	24,986	15,232	58,075	860,500	197,881			49,822
Employee benefits	66,688	10,877	1,000	16,468	189,274	68,417			17,110
Purchased professional and technical services	16,453	81		55,500	34,659	12,586	18,709		20,374
Purchased property services	628,774				5,886	25,304			1,932,528
Other purchased services	40,590	156	1,009	149,331	4,324	9,656	2,501		39,550
Supplies	205,162		786	319	13,666	7,070			1,671,677
Property	30,515				7,865				4,994
Other uses of funds	3,150			2,000	224				4,781
Total expenditures	1,181,568	36,100	18,027	281,693	1,116,398	320,914	21,210	-	3,740,836
Excess (Deficiency) of Revenues over Expenditures	(1,180,252)	(25,738)	10,773	33,157	57,634	66,560	1,590	-	(3,015,158)
Other Financing Sources (Uses):									
Transfers in	1,553,127	25,738					1,200		3,024,694
Transfers out	(135,454)		(15,883)	(33,157)	(149,064)	(66,560)	(2,778)		
Total other financing sources (uses)	1,417,673	25,738	(15,883)	(33,157)	(149,064)	(66,560)	(1,578)	-	3,024,694
Net Change in Fund Balances	237,421	-	(5,110)	-	(91,430)	-	12	-	9,536
Fund Balances at Beginning of Year	(3,132,585)	17,949	-	(44,240)	967,653	-	(48,035)	8,682	(713,247)
Fund Balances at End of Year	<u>\$ (2,895,164)</u>	<u>\$ 17,949</u>	<u>\$ (5,110)</u>	<u>\$ (44,240)</u>	<u>\$ 876,223</u>	<u>\$ -</u>	<u>\$ (48,023)</u>	<u>\$ 8,682</u>	<u>\$ (703,711)</u>

(Continued on next page)

CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016

	Special Programs							Soundbridge
	Montessori Magnet School	Glastonbury/East Hartford Magnet School	Academy of Aerospace and Engineering/GHAMAS Magnet School	Metropolitan Learning Center Magnet School	Two Rivers Magnet Middle School	CREC Public Safety Academy	University of Hartford Magnet School	
Revenues:								
Tuition	\$	\$	\$	\$	\$	\$	\$	\$ 1,939,663
Grants in aid	4,007,049	4,894,237	7,957,087	7,688,450	7,031,529	4,955,866	5,092,672	609,557
Room and board								
Sales of services	1,546,928	1,900,280	5,048,606	3,732,124	3,387,962	3,469,237	2,693,259	4,154,945
Investment income								
Other local revenues	1,733	400	34,080	29,457	54,530	191,669	210,912	42,999
Total revenues	5,555,710	6,794,917	13,039,773	11,450,031	10,474,021	8,616,772	7,996,843	6,747,164
Expenditures:								
Current:								
Salaries	3,367,991	3,852,786	7,718,561	6,821,701	6,082,365	5,583,042	4,962,223	3,939,438
Employee benefits	978,322	963,088	1,449,931	1,324,974	1,159,800	1,195,848	1,141,808	1,089,297
Purchased professional and technical services	159,684	243,623	353,035	326,041	252,168	290,558	312,511	131,692
Purchased property services	11,837	331,169	905,085	705,007	577,193	620,088	481,460	157,604
Other purchased services	28,171	44,508	191,054	213,434	143,342	139,476	51,928	281,027
Supplies	121,743	352,435	753,501	725,983	501,412	626,050	460,187	331,784
Property	19,298	29,808	60,817	117,948	112,524		28,563	176,121
Other uses of funds	2,269	3,007	13,911	32,761	17,877	7,206	1,350	
Total expenditures	4,689,315	5,820,424	11,445,895	10,267,849	8,846,681	8,462,268	7,440,030	6,106,963
Excess (Deficiency) of Revenues over Expenditures	866,395	974,493	1,593,878	1,182,182	1,627,340	154,504	556,813	640,201
Other Financing Sources (Uses):								
Transfers in					5,000			135,846
Transfers out	(1,334,226)	(658,015)	(1,221,235)	(1,142,289)	(1,012,684)	(864,473)	(764,970)	(760,672)
Total other financing sources (uses)	(1,334,226)	(658,015)	(1,221,235)	(1,142,289)	(1,007,684)	(864,473)	(764,970)	(624,826)
Net Change in Fund Balances	(467,831)	316,478	372,643	39,893	619,656	(709,969)	(208,157)	15,375
Fund Balances at Beginning of Year	(1,077,735)	748,768	(258,148)	631,790	3,387,939	(304,481)	(70,664)	285,526
Fund Balances at End of Year	\$ (1,545,566)	\$ 1,065,246	\$ 114,495	\$ 671,683	\$ 4,007,595	\$ (1,014,450)	\$ (278,821)	\$ 300,901

(Continued on next page)

CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016

	Special Programs							
	River Street School	Polaris Center	Magnet School Cost Center	Integrated Program Model	Farmington Valley Diagnostic Center	Special Education Transportation	Greater Hartford Academy of the Arts	Center for Creative Youth
Revenues:								
Tuition	\$ 21,215,805	\$ 3,898,442	\$	\$ 1,304,692	\$ 676,776	\$	\$	\$ 218,795
Grants in aid		150,694	21,517,678				6,220,925	215,000
Room and board	1,216,713							
Sales of services	7,419,940	452,128	219,620	2,042,404	506,607	937,736	4,062,491	2,255
Investment income								
Other local revenues	15,873	584,391	43,532	71,559	2,594		205,994	6,213
Total revenues	<u>29,868,331</u>	<u>5,085,655</u>	<u>21,780,830</u>	<u>3,418,655</u>	<u>1,185,977</u>	<u>937,736</u>	<u>10,489,410</u>	<u>442,263</u>
Expenditures:								
Current:								
Salaries	18,167,229	3,162,078	6,362,128	2,288,443	766,128	1,112,830	6,156,839	170,900
Employee benefits	5,185,170	842,585	919,274	537,489	178,880	206,302	1,559,205	29,441
Purchased professional and technical services	487,228	151,542	2,016,514	23,298	18,023	128,938	260,142	7,510
Purchased property services	1,651,351	80,168	110,875	56,171	66,100	98,894	1,324,806	359
Other purchased services	200,469	60,412	18,965,322	26,278	10,787	258,529	108,408	249,923
Supplies	627,221	365,778	228,752	11,202	35,804	142,194	497,025	6,953
Property	58,548	26,445	52,883		1,220		67,255	297
Other uses of funds	7,064	1,452	136,766		149	1,224	17,254	
Total expenditures	<u>26,384,280</u>	<u>4,690,460</u>	<u>28,792,514</u>	<u>2,942,881</u>	<u>1,077,091</u>	<u>1,948,911</u>	<u>9,990,934</u>	<u>465,383</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,484,051</u>	<u>395,195</u>	<u>(7,011,684)</u>	<u>475,774</u>	<u>108,886</u>	<u>(1,011,175)</u>	<u>498,476</u>	<u>(23,120)</u>
Other Financing Sources (Uses):								
Transfers in	23,729	292,509	8,232,290	135,216		1,528,527	300	
Transfers out	(2,465,263)	(583,292)	(1,282,754)	(203,823)	(108,886)	(195,653)	(1,871,387)	(29,554)
Total other financing sources (uses)	<u>(2,441,534)</u>	<u>(290,783)</u>	<u>6,949,536</u>	<u>(68,607)</u>	<u>(108,886)</u>	<u>1,332,874</u>	<u>(1,871,087)</u>	<u>(29,554)</u>
Net Change in Fund Balances	1,042,517	104,412	(62,148)	407,167	-	321,699	(1,372,611)	(52,674)
Fund Balances at Beginning of Year	13,864,832	(1,213,794)	(909,241)	1,175,362	-	323,558	(7,750,138)	47,745
Fund Balances at End of Year	<u>\$ 14,907,349</u>	<u>\$ (1,109,382)</u>	<u>\$ (971,389)</u>	<u>\$ 1,582,529</u>	<u>\$ -</u>	<u>\$ 645,257</u>	<u>\$ (9,122,749)</u>	<u>\$ (4,929)</u>

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CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016

	Special Programs						
	School Transportation Management Services	International Magnet School for Global Citizenship	Reggio Magnet School of the Arts	Lincoln Academy	Medical Professions and Teacher Prep Academy	Discovery Academy	Museum Academy
Revenues:							
Tuition	\$	\$	\$	\$	\$	\$	\$
Grants in aid	16,999,142	5,168,515	5,182,042		5,610,420	4,467,000	5,225,499
Room and board							
Sales of services		2,097,392	2,558,960	607,132	2,901,227	2,137,546	2,159,162
Investment income							
Other local revenues		202,911	229,132		20,500	5,142	
Total revenues	<u>16,999,142</u>	<u>7,468,818</u>	<u>7,970,134</u>	<u>607,132</u>	<u>8,532,147</u>	<u>6,609,688</u>	<u>7,384,661</u>
Expenditures:							
Current:							
Salaries	99,261	3,715,995	3,984,935	386,407	5,002,828	3,056,293	4,023,861
Employee benefits	16,735	1,035,203	1,079,837	104,572	1,077,184	829,601	1,028,121
Purchased professional and technical services	1,807,683	196,096	346,456	20,888	285,274	191,274	293,335
Purchased property services	78,474	394,138	358,871	2,100	597,769	398,331	1,370,128
Other purchased services	14,633,306	67,432	72,500	3,716	168,584	62,157	84,510
Supplies	18,650	353,347	679,439	10,579	467,078	353,965	255,684
Property	1,279	3,770	878	1,126	3,685	5,360	59,678
Other uses of funds	5	9,810	846		7,855	1,417	1,176
Total expenditures	<u>16,655,393</u>	<u>5,775,791</u>	<u>6,523,762</u>	<u>529,388</u>	<u>7,610,257</u>	<u>4,898,398</u>	<u>7,116,493</u>
Excess (Deficiency) of Revenues over Expenditures	<u>343,749</u>	<u>1,693,027</u>	<u>1,446,372</u>	<u>77,744</u>	<u>921,890</u>	<u>1,711,290</u>	<u>268,168</u>
Other Financing Sources (Uses):							
Transfers in				27,565			
Transfers out	<u>(343,749)</u>	<u>(851,864)</u>	<u>(715,421)</u>	<u>(54,214)</u>	<u>(815,448)</u>	<u>(667,771)</u>	<u>(718,766)</u>
Total other financing sources (uses)	<u>(343,749)</u>	<u>(851,864)</u>	<u>(715,421)</u>	<u>(26,649)</u>	<u>(815,448)</u>	<u>(667,771)</u>	<u>(718,766)</u>
Net Change in Fund Balances	-	841,163	730,951	51,095	106,442	1,043,519	(450,598)
Fund Balances at Beginning of Year	<u>(95,196)</u>	<u>1,735,999</u>	<u>(2,708,264)</u>	<u>(22,809)</u>	<u>(379,269)</u>	<u>(845,693)</u>	<u>286,149</u>
Fund Balances at End of Year	<u>\$ (95,196)</u>	<u>\$ 2,577,162</u>	<u>\$ (1,977,313)</u>	<u>\$ 28,286</u>	<u>\$ (272,827)</u>	<u>\$ 197,826</u>	<u>\$ (164,449)</u>

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CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016

	Special Programs				Total	Eliminations	Total
	Ana Grace Academy of the Arts Elementary School	Greater Hartford Academy of the Arts Middle School	Two Rivers Magnet High School	Academy of Aerospace and Engineering Elementary School			
Revenues:							
Tuition	\$	\$	\$	\$	\$ 30,359,274	\$	\$ 30,359,274
Grants in aid	4,085,783	4,097,749	4,642,169	3,879,155	130,095,949		145,605,089
Room and board					1,216,713		1,216,713
Sales of services	1,707,764	2,243,060	2,560,439	1,558,182	63,268,550		63,349,314
Investment income					-		53,250
Other local revenues	201,795	160,820	155,812	79	2,472,127		2,504,929
Total revenues	5,995,342	6,501,629	7,358,420	5,437,416	227,412,613	-	243,088,569
Expenditures:							
Current:							
Salaries	3,265,306	3,399,763	3,972,768	2,842,453	115,471,048		120,101,227
Employee benefits	924,243	791,764	811,114	754,102	27,517,036		43,947,340
Purchased professional and technical services	206,847	184,864	297,526	169,965	9,304,624		9,767,565
Purchased property services	1,152,304	1,223,260	751,697	946,676	16,415,633		17,059,797
Other purchased services	43,713	49,608	188,085	30,578	36,583,784		37,461,295
Supplies	527,167	307,922	547,325	347,544	11,350,242		11,619,175
Property	71,869	43,805	242,525	164,307	1,362,868		1,524,931
Other uses of funds	340	3,041	14,555	1,298	289,638		338,068
Total expenditures	6,191,789	6,004,027	6,825,595	5,256,923	218,294,873	-	241,819,398
Excess (Deficiency) of Revenues over Expenditures	(196,447)	497,602	532,825	180,493	9,117,740	-	1,269,171
Other Financing Sources (Uses):							
Transfers in					13,432,614	(29,401,698)	2,741,962
Transfers out	(580,159)	(570,090)	(1,572,887)	(532,466)	(22,189,453)	29,401,698	(1,112,074)
Total other financing sources (uses)	(580,159)	(570,090)	(1,572,887)	(532,466)	(8,756,839)	-	1,629,888
Net Change in Fund Balances	(776,606)	(72,488)	(1,040,062)	(351,973)	360,901	-	2,899,059
Fund Balances at Beginning of Year	(1,156,406)	723,273	(1,489,717)	(1,117,574)	4,000,574	-	20,641,072
Fund Balances at End of Year	\$ (1,933,012)	\$ 650,785	\$ (2,529,779)	\$ (1,469,547)	\$ 4,361,475	\$ -	\$ 23,540,131

**CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

EXHIBIT A-3

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Special Programs:				
Tuition	\$ 31,231,497	\$ 31,316,497	\$ 30,359,274	\$ (957,223)
Grants in aid	136,511,411	139,761,099	130,095,949	(9,665,150)
Room and board	1,784,553	1,784,553	1,216,713	(567,840)
Sales of services	66,227,808	66,876,089	63,268,550	(3,607,539)
Other local revenues	1,808,918	2,286,397	2,472,127	185,730
Transfers	12,174,351	11,980,782	13,432,614	1,451,832
Total special programs	<u>249,738,538</u>	<u>254,005,417</u>	<u>240,845,227</u>	<u>(13,160,190)</u>
Administration/Facilities:				
Grants in aid			76,000	76,000
Sales of services			80,764	80,764
Other local revenues			32,802	32,802
Transfers	9,454,097	9,454,101	9,176,353	(277,748)
Total administration/facilities	<u>9,454,097</u>	<u>9,454,101</u>	<u>9,365,919</u>	<u>(88,182)</u>
Total revenues	<u>259,192,635</u>	<u>263,459,518</u>	<u>250,211,146</u>	<u>(13,248,372)</u>
Expenditures:				
Administration:				
Executive Director	401,757	401,757	401,492	265
Assistant Executive Director	261,662	261,662	261,662	-
Business Services	4,224,629	4,224,629	3,976,287	248,342
Human Resources	1,098,419	1,098,419	1,089,079	9,340
Communications Services	940,932	940,932	940,932	-
Student Services	491,482	491,482	491,482	-
Grants and Development Office	263,401	263,401	263,398	3
Total administration	<u>7,682,282</u>	<u>7,682,282</u>	<u>7,424,332</u>	<u>257,950</u>
Facilities:				
Administrative Building Cost Center	<u>1,771,820</u>	<u>1,771,820</u>	<u>1,317,022</u>	<u>454,798</u>
Special Programs:				
Interdistrict Grant Office	48,873	48,873	36,100	12,773
Made in the Shade	46,246	46,246	33,910	12,336
Minority Teacher Recruiting	319,500	319,500	314,850	4,650
Juvenile Detention Center	1,397,487	1,397,487	1,265,462	132,025
STRIVE	426,064	426,064	387,474	38,590
Coltsville Facility	1,414,400	1,414,400		1,414,400
Project Literacy	37,500	37,500	23,988	13,512
Learning Corridor Cost Center	3,752,000	3,752,000	3,740,836	11,164
Montessori Magnet School	5,994,652	6,070,970	6,023,541	47,429
Glastonbury/East Hartford Magnet School	6,531,498	6,603,455	6,478,439	125,016
Academy of Aerospace and Engineering/ GHAMAS Magnet School	12,548,250	12,680,389	12,667,130	13,259

(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, 2016**

EXHIBIT A-3

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Special Programs (Continued):				
Metropolitan Learning Center Magnet School	\$ 11,570,468	\$ 11,725,284	\$ 11,410,138	\$ 315,146
Two Rivers Magnet Middle School	10,000,786	10,136,850	9,859,365	277,485
CREC Public Safety Academy	9,648,074	9,817,717	9,326,741	490,976
University of Hartford Magnet School Soundbridge	8,276,416	8,388,058	8,205,000	183,058
River Street School	6,374,479	6,867,649	6,867,635	14
Polaris Center	28,851,127	28,851,127	28,849,543	1,584
Magnet School Cost Center	4,800,280	5,273,755	5,273,752	3
Integrated Program Model	34,301,314	34,301,314	30,075,268	4,226,046
Farmington Valley Diagnostic Center	3,146,710	3,146,710	3,146,704	6
Special Education Transportation	1,185,985	1,185,985	1,185,977	8
Greater Hartford Academy of the Arts	2,364,525	2,364,525	2,144,564	219,961
Center for Creative Youth	12,065,197	12,181,636	11,862,321	319,315
School Transportation Management Services	525,600	525,600	494,937	30,663
International Magnet School for Global Citizenship	21,158,200	21,158,200	16,999,142	4,159,058
Reggio Magnet School of the Arts	6,733,869	6,832,428	6,627,655	204,773
Lincoln Academy	7,250,770	7,355,871	7,239,183	116,688
Medical Professions	596,360	596,360	583,602	12,758
Discovery Academy	8,815,869	8,938,414	8,425,705	512,709
Museum Academy	5,669,745	5,730,364	5,566,169	164,195
Ana Grace Academy of the Arts	7,741,665	7,856,360	7,835,259	21,101
Elementary School	6,631,068	7,040,429	6,771,948	268,481
Greater Hartford Academy of the Arts				
Middle School	6,184,363	6,659,203	6,574,117	85,086
Two Rivers Magnet High School	7,547,115	8,436,793	8,398,482	38,311
Aerospace Academy Elementary School	5,782,078	5,837,900	5,789,389	48,511
Total special programs	<u>249,738,533</u>	<u>254,005,416</u>	<u>240,484,326</u>	<u>13,521,090</u>
Total expenditures	<u>259,192,635</u>	<u>263,459,518</u>	<u>249,225,680</u>	<u>14,233,838</u>
Deficiency of Revenues over Expenditures	\$ <u>-</u>	\$ <u>-</u>	985,466	\$ <u>985,466</u>
Budgetary deficiency of revenues over expenditures is different than GAAP net change in fund balance:				
Revenues and expenditures for CREC General Program are not budgeted. Net change in fund balance for CREC General program is:			<u>1,913,593</u>	
Net Change in Fund Balance - GAAP Basis			\$ <u>2,899,059</u>	

Special Revenue Fund

SPECIAL REVENUE FUND

GRANTS AND CONTRACTS FUND

4 + FITNESS-NUTRITION & PE PILLARS FOR DIVERSE LEARNING (PEP) GRANT - CREC was awarded a three-year \$1,000,000 grant from the U.S. Department of Education for developing a set of operational pillars reflecting the diverse and rigorous physical education and nutritional mandates for public schools. The grant will eventually benefit 7,000 magnet students and up to 120,000 Connecticut students and families.

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

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

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

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

TECHNOLOGY GRANTS - CREC received a grant from CT State Department of Education from Governor Malloy's \$24 million in grants to school districts to bring more computers into classrooms and increase Internet bandwidth.

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

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

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

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

YOUTH SERVICE PROGRAMS - CREC's Youth Service Program provides a variety of professional development training and on-site technical assistance to schools and community partners on family engagement, school family compacts, welcoming schools, school governance councils, truancy prevention, and positive youth and work readiness programming.

RAISE THE GRADE - CREC implemented a two year pilot program with the CT Department of Children and Families (DCF) and United School District #2. The program was designed to improve the educational achievements for students in DCF care.

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

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

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

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

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

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

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

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

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

EARLY EDUCATION PROGRAMS - The CREC Early Education initiative works to support, coordinate, enhance and expand the existing state and regional 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 quality early education programs that will expand the opportunities for all children in need. Major funding initiatives within these programs are Early Beginnings for the Hartford Regional Open Choice Office, awarded Quality Enhancement Grant funding from the City of Hartford and the Accreditation Facilitation Project (AFP) through the National Association of Education for Young Children (NAEYC).

SUPPLEMENTAL SERVICES - Supplemental Services through the CREC Institute of Teaching and Learning includes multiple programs that provide far reaching services in the CREC region and the state. CREC received a contract to support the new Teacher Education and Mentoring (TEAM) program by developing the professional growth modules, delivering training for mentors and other district personnel; and providing technical assistance in creating TEAM infrastructures. CREC also received a grant to provide professional development for the Sheff Management Plan. These funds are used for a professional development continuum known as Blended Solutions. Title II and III consortium monies are managed by CREC under Supplemental Services. CREC also received a grant to provide leadership, fiscal management, training and technical assistance in the development of teacher and administrator evaluation systems for the pilot year implementation of SEED (CT System for Educator Evaluation and Development).

TWENTY-FIRST CENTURY LEARNING CENTERS - CREC is the recipient of a three year grant from the CT State Department of Education for before and after school programs. Ana Grace Elementary School of the Arts, Reggio Magnet School of the Arts, and Greater Hartford Middle School of the Arts will share in a grant to help improve academic achievement while providing enrichment opportunities to students.

COMMISSIONER'S NETWORK - CREC received a grant from the CT State Department of Education to provide various services to the Commissioner's Network. Services include designing and implementing a comprehensive program for early childhood education; evaluating student service programs; implementing a technology audit; designing and implementing a comprehensive plan for community and family engagement; and managing the upgrading of the facility.

HARTFORD PUBLIC SAFETY INITIATIVE - CREC is partnering with the City of Hartford in a multi-year youth public safety program for Hartford students. CREC provides preparation training for public safety exams and pathways to public safety careers.

**CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
BALANCE SHEET - BY PROGRAM
JUNE 30, 2016**

	Grants and Contracts Fund								
	Fitness - Nutrition & Pillars for Wellness	Interdistrict Grants	Project PACT	Special Services Support Team	Related Services	Technology Grants	Connecticut Technical High Schools Professional Development	Summer Youth Employment	Capitol Region Choice Program
ASSETS									
Cash and cash equivalents	\$	\$ 29,884	\$ 40,605	\$ 190,952	\$ 514,078	\$ 189,951	\$	\$ 7,367	\$
Accounts receivable	110,306			414,611	684,013		194,085		9,850
Prepaid items				450					2,467
Total Assets	\$ 110,306	\$ 29,884	\$ 40,605	\$ 606,013	\$ 1,198,091	\$ 189,951	\$ 194,085	\$ 7,367	\$ 12,317
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 27,859	\$ 1,597	\$ 40,605	\$ 149,680	\$ 127,042	\$ 189,951	\$ 19,276	\$ 524	\$ 1,192,024
Due to other funds	82,447						24,408		492,482
Unearned revenues		24,808		151,335					67,074
Total liabilities	110,306	26,405	40,605	301,015	127,042	189,951	43,684	524	1,751,580
Fund Balances:									
Nonspendable				450					2,467
Restricted		3,479		304,548	1,071,049		150,401	6,843	
Unassigned									(1,741,730)
Total fund balances	-	3,479	-	304,998	1,071,049	-	150,401	6,843	(1,739,263)
Total Liabilities and Fund Balances	\$ 110,306	\$ 29,884	\$ 40,605	\$ 606,013	\$ 1,198,091	\$ 189,951	\$ 194,085	\$ 7,367	\$ 12,317

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CAPITOL REGION EDUCATION COUNCIL
 SPECIAL REVENUE FUND
 BALANCE SHEET - BY PROGRAM (CONTINUED)
 JUNE 30, 2016

	Grants and Contracts Fund								
	<u>School to Career Initiatives</u>	<u>Youth Service Programs</u>	<u>Raise the Grade</u>	<u>Entitlement Grants Funds</u>	<u>Department of Corrections Professional Development</u>	<u>Community Education</u>	<u>EQUAL Summer</u>	<u>Regional School Choice Office</u>	<u>Positive Parenting Program</u>
ASSETS									
Cash and cash equivalents	\$ 15,441	\$ 234,583	\$ 5,736	\$	\$ 56,449	\$	\$ 1,897	\$ 79,332	\$
Accounts receivable	335	3,125		412,447	1,478	106,962			
Prepaid items		5,165							
Total Assets	<u>\$ 15,776</u>	<u>\$ 242,873</u>	<u>\$ 5,736</u>	<u>\$ 412,447</u>	<u>\$ 57,927</u>	<u>\$ 106,962</u>	<u>\$ 1,897</u>	<u>\$ 79,332</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 15,906	\$ 73,245	\$	\$ 10,083	\$ 144	\$ 32,528	\$	\$ 80,011	\$ 5,065
Due to other funds				365,385		57,541			47,479
Unearned revenues		172,350				8,904			4,605
Total liabilities	<u>15,906</u>	<u>245,595</u>	<u>-</u>	<u>375,468</u>	<u>144</u>	<u>98,973</u>	<u>-</u>	<u>80,011</u>	<u>57,149</u>
Fund Balances:									
Nonspendable		5,165							
Restricted			5,736	36,979	57,783	7,989	1,897		
Unassigned	(130)	(7,887)						(679)	(57,149)
Total fund balances	<u>(130)</u>	<u>(2,722)</u>	<u>5,736</u>	<u>36,979</u>	<u>57,783</u>	<u>7,989</u>	<u>1,897</u>	<u>(679)</u>	<u>(57,149)</u>
Total Liabilities and Fund Balances	<u>\$ 15,776</u>	<u>\$ 242,873</u>	<u>\$ 5,736</u>	<u>\$ 412,447</u>	<u>\$ 57,927</u>	<u>\$ 106,962</u>	<u>\$ 1,897</u>	<u>\$ 79,332</u>	<u>\$ -</u>

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CAPITOL REGION EDUCATION COUNCIL
 SPECIAL REVENUE FUND
 BALANCE SHEET - BY PROGRAM (CONTINUED)
 JUNE 30, 2016

	Grants and Contracts Fund								
	Hartford Association for the Education of Young Children	Birth to Three	Employment Training Program	Early Education Programs	Supplemental Services	Twenty-First Century Learning Centers	Commissioner's Network	Hartford Public Safety Initiative	Total
ASSETS									
Cash and cash equivalents	\$ 11,896	\$ 409,164	\$ -	\$ -	\$ 226,492	\$ 65	\$ -	\$ -	\$ 2,013,892
Accounts receivable		175,464	183,210		112,337	10,780		126,900	2,545,903
Prepaid items									8,082
Total Assets	\$ 11,896	\$ 584,628	\$ 183,210	\$ -	\$ 338,829	\$ 10,845	\$ -	\$ 126,900	\$ 4,567,877
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 9,478	\$ 87,516	\$ 42,084	\$ 65,043	\$ 121,368	\$ 7,249	\$ -	\$ 1,166	\$ 2,299,444
Due to other funds			977,226	377,892			708,745	125,734	3,259,339
Unearned revenues	1,888	54,065			98,088	3,596			586,713
Total liabilities	11,366	141,581	1,019,310	442,935	219,456	10,845	708,745	126,900	6,145,496
Fund Balances:									
Nonspendable									8,082
Restricted	530	443,047			119,373				2,209,654
Unassigned			(836,100)	(442,935)			(708,745)		(3,795,355)
Total fund balances	530	443,047	(836,100)	(442,935)	119,373	-	(708,745)	-	(1,577,619)
Total Liabilities and Fund Balances	\$ 11,896	\$ 584,628	\$ 183,210	\$ -	\$ 338,829	\$ 10,845	\$ -	\$ 126,900	\$ 4,567,877

**CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2016**

	Grants and Contracts Fund								
	Fitness - Nutrition & Pillars for Wellness	Interdistrict Grants	Project PACT	Special Services Support Team	Related Services	Technology Grants	Connecticut Technical High Schools Professional Development	Summer Youth Employment	Capitol Region Choice Program
Revenues:									
Tuition	\$	\$	\$	\$	\$	\$	\$	\$	\$
Grants in aid	324,748	329,967	45,810	12,174	1,062,734	179,488	645,338	368,157	13,028,246
Sales of services				38,614	2,580,144				245
Other local revenues				2,243,375					12,584
Total revenues	324,748	329,967	45,810	2,294,163	3,642,878	179,488	645,338	368,157	13,041,075
Expenditures:									
Current:									
Salaries	109,675	3,164	3,100	1,556,312	1,531,677		73,621	308,908	964,274
Employee benefits	22,925	363	228	272,438	387,851		19,756	36,156	232,578
Purchased professional and technical services	2,420	19,734	15,616	126,802	1,173,154		296,495	1,847	1,492,793
Purchased property services	958			99	564				143,200
Other purchased services	5,326	282,050	2,896	147,254	14,929		197,554	11,803	9,698,988
Supplies	57,494	7,294	16,956	39,830	21,799		1,048	3,983	52,210
Property	119,293		5,797	3,848	2,912	179,488			18,410
Other objects				7,535	351				8
Total expenditures	318,091	312,605	44,593	2,154,118	3,133,237	179,488	588,474	362,697	12,602,461
Excess (Deficiency) of Revenues over Expenditures	6,657	17,362	1,217	140,045	509,641	-	56,864	5,460	438,614
Other Financing Sources (Uses):									
Transfers in				176,681	78,473				5,100
Transfers out	(6,657)	(17,362)	(1,217)	(230,093)	(411,475)		(49,114)	(5,460)	(438,635)
Total other financing sources (uses)	(6,657)	(17,362)	(1,217)	(53,412)	(333,002)	-	(49,114)	(5,460)	(433,535)
Net Change in Fund Balances	-	-	-	86,633	176,639	-	7,750	-	5,079
Fund Balances at Beginning of Year	-	3,479	-	218,365	894,410	-	142,651	6,843	(1,744,342)
Fund Balances at End of Year	\$ -	\$ 3,479	\$ -	\$ 304,998	\$ 1,071,049	\$ -	\$ 150,401	\$ 6,843	\$ (1,739,263)

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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, 2016**

	Grants and Contracts Fund									
	School to Career Initiatives	Youth Service Programs	Raise the Grade	Entitlement Grants Funds	Department of Corrections Professional Development	Community Education	Metacomet Ridge Academy	EQUAL Summer	Regional School Choice Office	Positive Parenting Program
Revenues:										
Tuition	\$	\$ 1,450	\$	\$	\$	\$	\$	\$	\$	\$
Grants in aid	161,254	687,956		364,066	66,276	677,371	20,000		1,924,214	120,587
Sales of services	20,187	73,083				37,033				
Other local revenues										
Total revenues	181,441	762,489	-	364,066	66,276	714,404	20,000	-	1,924,214	120,587
Expenditures:										
Current:										
Salaries	81,363	331,486		108,310	37,451	482,581	10,296		1,360,855	77,138
Employee benefits	21,221	93,005		19,395	12,381	120,544	983		334,693	27,407
Purchased professional and technical services	7,167	18,706		72,571	13,012	4,924		2,295		275
Purchased property services						3,000				5,039
Other purchased services	53,549	304,672		24,125	821	72,703	6,307		165,322	3,570
Supplies	481	6,897		22,984		6,488			23,502	358
Property	725	1,950							4,020	
Other objects	14,593			219		221				60
Total expenditures	179,099	756,716	-	247,604	63,665	690,461	17,586	-	1,890,687	113,847
Excess (Deficiency) of Revenues over Expenditures	2,342	5,773	-	116,462	2,611	23,943	2,414	-	33,527	6,740
Other Financing Sources (Uses):										
Transfers in	5,143	26,425				5,000				
Transfers out	(7,938)	(32,198)		(116,462)	(2,636)	(28,943)	(2,414)		(33,527)	(6,740)
Total other financing sources (uses)	(2,795)	(5,773)	-	(116,462)	(2,636)	(23,943)	(2,414)	-	(33,527)	(6,740)
Net Change in Fund Balances	(453)	-	-	-	(25)	-	-	-	-	-
Fund Balances at Beginning of Year	323	(2,722)	5,736	36,979	57,808	7,989	-	1,897	(679)	(57,149)
Fund Balances at End of Year	\$ (130)	\$ (2,722)	\$ 5,736	\$ 36,979	\$ 57,783	\$ 7,989	\$ -	\$ 1,897	\$ (679)	\$ (57,149)

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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, 2016

	Grants and Contracts Fund								
	Hartford Association for the Education of Young Children	Birth to Three	Employment Training Program	Early Education Programs	Supplemental Services	Twenty-First Century Learning Centers	Commissioner's Network	Hartford Public Safety Initiative	Total
Revenues:									
Tuition	\$	\$	\$	\$	\$	\$	\$	\$	\$
Grants in aid	177,000	1,950,995	508,164	2,107,805	1,637,261	303,949		100,000	13,624
Sales of services		2,944	1,569		174,898				26,830,000
Other local revenues		82,437							5,133,478
									95,021
Total revenues	177,000	2,036,376	509,733	2,107,805	1,812,159	303,949	-	100,000	32,072,123
Expenditures:									
Current:									
Salaries	125,694	1,371,016	383,366	800,473	946,006	162,414		39,260	10,868,440
Employee benefits	18,085	359,473	96,803	170,418	126,388	14,766		13,273	2,401,130
Purchased professional and technical services	4,307	16,619	1,023	9,658	30,302	47,492		24,000	3,381,212
Purchased property services		17,104	79,648			594			250,206
Other purchased services	15,077	75,418	40,817	1,096,504	487,064	14,904		9,661	12,731,314
Supplies	2,716	3,552	25,213	24,244	60,747	13,064		591	391,451
Property	3,168			791	958	14,256		682	356,298
Other objects	198	350		370	187				24,092
Total expenditures	169,245	1,843,532	626,870	2,102,458	1,651,652	267,490	-	87,467	30,404,143
Excess (Deficiency) of Revenues over Expenditures	7,755	192,844	(117,137)	5,347	160,507	36,459	-	12,533	1,667,980
Other Financing Sources (Uses):									
Transfers in			4,000		100				300,922
Transfers out	(7,755)	(167,810)	(34,643)	(5,347)	(160,607)	(36,459)		(12,533)	(1,816,025)
Total other financing sources (uses)	(7,755)	(167,810)	(30,643)	(5,347)	(160,507)	(36,459)	-	(12,533)	(1,515,103)
Net Change in Fund Balances	-	25,034	(147,780)	-	-	-	-	-	152,877
Fund Balances at Beginning of Year	530	418,013	(688,320)	(442,935)	119,373	-	(708,745)	-	(1,730,496)
Fund Balances at End of Year	\$ 530	\$ 443,047	\$ (836,100)	\$ (442,935)	\$ 119,373	\$ -	\$ (708,745)	\$ -	\$ (1,577,619)

**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, 2016**

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Grants and Contracts Fund				
Fitness-Nutrition & Pillars for Wellness				
Revenues:				
Grants in aid	\$ 490,326	\$ 490,326	\$ 324,748	\$ (165,578)
Total expenditures	490,326	490,326	324,748	165,578
Excess of Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -
Interdistrict Grants				
Revenues:				
Grants in aid	\$ 750,172	\$ 750,172	\$ 329,967	\$ (420,205)
Total expenditures	750,172	750,172	329,967	420,205
Excess of Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -
Project PACT				
Revenues:				
Grants in aid	\$ 26,836	\$ 45,810	\$ 45,810	\$ -
Total expenditures	26,836	45,810	45,810	-
Excess of Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -
Special Services Support Team				
Revenues:				
Tuition	\$	\$	\$ 12,174	\$ 12,174
Grants in aid			38,614	38,614
Sales of services	2,116,750	2,666,750	2,243,375	(423,375)
Transfers	200,000	200,000	176,681	(23,319)
Total revenues	2,316,750	2,866,750	2,470,844	(395,906)
Total expenditures	2,316,750	2,866,750	2,384,211	482,539
Excess of Revenues over Expenditures	\$ -	\$ -	\$ 86,633	\$ 86,633

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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, 2016**

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Related Services				
Revenues:				
Grants in aid	\$ 610,250	\$ 1,090,250	\$ 1,062,734	\$ (27,516)
Sales of services	1,810,725	2,482,725	2,580,144	97,419
Transfers			78,473	78,473
Total revenues	<u>2,420,975</u>	<u>3,572,975</u>	<u>3,721,351</u>	<u>148,376</u>
Total expenditures	<u>2,420,975</u>	<u>3,572,975</u>	<u>3,544,712</u>	<u>28,263</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,639</u>	<u>\$ 176,639</u>
Technology Grants				
Revenues:				
Grants in aid	\$ 179,488	\$ 179,488	\$ 179,488	\$ -
Total expenditures	<u>179,488</u>	<u>179,488</u>	<u>179,488</u>	<u>-</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Connecticut Technical High Schools				
Revenues:				
Grants in aid	\$ 600,000	\$ 700,000	\$ 645,338	\$ (54,662)
Total expenditures	<u>600,000</u>	<u>700,000</u>	<u>637,588</u>	<u>62,412</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,750</u>	<u>\$ 7,750</u>
Summer Youth Employment				
Revenues:				
Grants in aid	\$ 441,506	\$ 441,506	\$ 368,157	\$ (73,349)
Total expenditures	<u>441,506</u>	<u>441,506</u>	<u>368,157</u>	<u>73,349</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capitol Region Choice Program				
Revenues:				
Grants in aid	\$ 16,027,697	\$ 16,027,697	\$ 13,028,246	\$ (2,999,451)
Sales of services			245	245
Other local revenues			12,584	12,584
Transfers			5,100	5,100
Total revenues	<u>16,027,697</u>	<u>16,027,697</u>	<u>13,046,175</u>	<u>(2,981,522)</u>
Total expenditures	<u>16,027,697</u>	<u>16,027,697</u>	<u>13,041,096</u>	<u>2,986,601</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,079</u>	<u>\$ 5,079</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, 2016**

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
School to Career Initiatives				
Revenues:				
Grants in aid	\$ 280,000	\$ 261,026	\$ 161,254	\$ (99,772)
Sales of service	13,750	13,750	20,187	6,437
Transfers			5,143	5,143
Total revenues	<u>293,750</u>	<u>274,776</u>	<u>186,584</u>	<u>(88,192)</u>
Total expenditures	<u>293,750</u>	<u>274,776</u>	<u>187,037</u>	<u>87,739</u>
Deficiency of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (453)</u>	<u>\$ (453)</u>
Youth Service Programs				
Revenues:				
Tuition	\$	\$	\$ 1,450	\$ 1,450
Grants in aid	985,272	985,272	687,956	(297,316)
Sales of services			73,083	73,083
Transfers			26,425	26,425
Total revenues	<u>985,272</u>	<u>985,272</u>	<u>788,914</u>	<u>(196,358)</u>
Total expenditures	<u>985,272</u>	<u>985,272</u>	<u>788,914</u>	<u>196,358</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entitlement Grants				
Revenues:				
Grants in aid	\$	\$ 390,487	\$ 364,066	\$ (26,421)
Total expenditures		<u>390,487</u>	<u>364,066</u>	<u>26,421</u>
Deficiency of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Department of Corrections Professional Development				
Revenues:				
Grants in aid	\$ 272,100	\$ 272,100	\$ 66,276	\$ (205,824)
Total expenditures	<u>272,100</u>	<u>272,100</u>	<u>66,301</u>	<u>205,799</u>
Deficiency of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25)</u>	<u>\$ (25)</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, 2016**

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Community Education				
Revenues:				
Grants in aid	\$ 793,010	\$ 793,010	\$ 677,371	\$ (115,639)
Sales of services			37,033	37,033
Transfers			5,000	5,000
Total revenues	<u>793,010</u>	<u>793,010</u>	<u>719,404</u>	<u>(73,606)</u>
Total expenditures	<u>793,010</u>	<u>793,010</u>	<u>719,404</u>	<u>73,606</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Metacomet Ridge Academy				
Revenues:				
Grants in aid	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Regional School Choice Office				
Revenues:				
Grants in aid	\$ 1,932,014	\$ 1,932,014	\$ 1,924,214	\$ (7,800)
Total expenditures	<u>1,932,014</u>	<u>1,932,014</u>	<u>1,924,214</u>	<u>7,800</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Positive Parenting Program				
Revenues:				
Grants in aid	\$ 125,195	\$ 125,195	\$ 120,587	\$ (4,608)
Total expenditures	<u>125,195</u>	<u>125,195</u>	<u>120,587</u>	<u>4,608</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Hartford Association for the Education of Young Children (HAEYC)				
Revenues:				
Grants in aid	\$ 160,000	\$ 177,000	\$ 177,000	\$ -
Total expenditures	<u>160,000</u>	<u>177,000</u>	<u>177,000</u>	<u>-</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, 2016**

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Birth to Three				
Revenues:				
Grants in aid	\$ 2,023,027	\$ 2,023,027	\$ 1,950,995	\$ (72,032)
Sales of services			2,944	2,944
Other local revenues			82,437	82,437
Total revenues	<u>2,023,027</u>	<u>2,023,027</u>	<u>2,036,376</u>	<u>13,349</u>
Total expenditures	<u>2,023,027</u>	<u>2,023,027</u>	<u>2,011,342</u>	<u>11,685</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,034</u>	<u>\$ 25,034</u>
Employment Training Program				
Revenues:				
Grants in aid	\$ 982,014	\$ 982,014	\$ 508,164	\$ (473,850)
Sales of services			1,569	1,569
Transfers			4,000	4,000
Total revenues	<u>982,014</u>	<u>982,014</u>	<u>513,733</u>	<u>(468,281)</u>
Total expenditures	<u>982,014</u>	<u>982,014</u>	<u>661,513</u>	<u>320,501</u>
Deficiency of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (147,780)</u>	<u>\$ (147,780)</u>
Early Education Programs				
Revenues:				
Grants in aid	\$ 2,231,330	\$ 2,231,330	\$ 2,107,805	\$ (123,525)
Total expenditures	<u>2,231,330</u>	<u>2,231,330</u>	<u>2,107,805</u>	<u>123,525</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Supplemental Services				
Revenues:				
Grants in aid	\$ 663,882	\$ 1,678,653	\$ 1,637,261	\$ (41,392)
Sales of services		185,000	174,898	(10,102)
Transfers			100	100
Total revenues	<u>663,882</u>	<u>1,863,653</u>	<u>1,812,259</u>	<u>(51,394)</u>
Total expenditures	<u>663,882</u>	<u>1,863,653</u>	<u>1,812,259</u>	<u>51,394</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Twenty-First Century Learning Centers				
Revenues:				
Grants in aid	\$ 397,442	\$ 397,442	\$ 303,949	\$ (93,493)
Total expenditures	<u>397,442</u>	<u>397,442</u>	<u>303,949</u>	<u>93,493</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, 2016

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Hartford Public Safety Initiative				
Revenues:				
Grants in aid	\$ 226,437	\$ 226,437	\$ 100,000	\$ (126,437)
Total expenditures	226,437	226,437	100,000	126,437
Deficiency of Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -

**Nonmajor
Governmental Funds**

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUND

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

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

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

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

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

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

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

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

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

ANA GRACE ACADEMY OF THE ARTS ELEMENTARY MAGNET SCHOOL - Accounts for the site acquisition and construction of a school facility for the Ana Grace Academy of the Arts Elementary Magnet School. Eligible and recognized costs are reimbursable by a SDE facilities grant.

GREATER HARTFORD ACADEMY OF THE ARTS MIDDLE SCHOOL CONSTRUCTION - Accounts for the site acquisition and construction of a school facility for the Greater Hartford Academy of the Arts Middle School. Eligible and recognized costs are reimbursable by a SDE facilities grant.

TWO RIVERS HIGH SCHOOL CONSTRUCTION - Accounts for the site acquisition and construction of a school facility for the Two Rivers High School. Eligible and recognized costs are reimbursable by a SDE facilities grant.

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

GREATER HARTFORD ACADEMY OF THE ARTS HIGH SCHOOL CONSTRUCTION - Accounts for the site acquisition and construction of a school facility for the Greater Hartford Academy of the Arts High School. Eligible and recognized costs are reimbursable by a SDE facilities grant.

PERMANENT FUND

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

DEBT SERVICE FUNDS

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, 2016**

	Capital Projects Funds					
	<u>Special Education Schools Capital Projects</u>	<u>Public Safety Academy Construction</u>	<u>Academy of Aerospace and Engineering Construction</u>	<u>International Magnet Construction</u>	<u>Reggio Magnet School Construction</u>	<u>Soundbridge Construction</u>
ASSETS						
Cash and cash equivalents	\$ 1,184,544	\$	\$	\$	\$	\$
Investments						
Accounts receivable		2,686,804	2,267,461	1,645,519	1,215,803	
Prepaid items						
Total Assets	\$ 1,184,544	\$ 2,686,804	\$ 2,267,461	\$ 1,645,519	\$ 1,215,803	\$ -
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$	\$ 14,963	\$ 16,215	\$	\$ 570	\$
Due to other funds		2,857,855	2,251,246	1,758,526	1,305,914	881,072
Unearned revenues						
Total liabilities	-	2,872,818	2,267,461	1,758,526	1,306,484	881,072
Fund Balances:						
Nonspendable						
Committed	1,184,544					
Assigned						
Unassigned		(186,014)		(113,007)	(90,681)	(881,072)
Total fund balances	1,184,544	(186,014)	-	(113,007)	(90,681)	(881,072)
Total Liabilities and Fund Balances	\$ 1,184,544	\$ 2,686,804	\$ 2,267,461	\$ 1,645,519	\$ 1,215,803	\$ -

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**CAPITOL REGION EDUCATION COUNCIL
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
COMBINING BALANCE SHEET
JUNE 30, 2016**

	Capital Projects Funds					
	Medical Professions and Teacher Prep Construction	River Street Construction	Discovery Academy Construction	Ana Grace Academy of the Arts Elementary School Construction	GHA of the Arts Middle School Construction	Two Rivers High School Construction
ASSETS						
Cash and cash equivalents	\$	\$ 754,095	\$	\$ 342,243	\$ 586,989	\$ 418,021
Investments						
Accounts receivable	962,009		597,251			
Prepaid items						50,000
Total Assets	\$ 962,009	\$ 754,095	\$ 597,251	\$ 342,243	\$ 586,989	\$ 468,021
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 162,605	\$	\$ 282,950	\$ 137,413	\$ 10,759	\$ 440,056
Due to other funds	960,860		314,301			
Unearned revenues				204,830	576,230	27,965
Total liabilities	1,123,465	-	597,251	342,243	586,989	468,021
Fund Balances:						
Nonspendable						50,000
Committed		754,095				
Assigned						
Unassigned	(161,456)					(50,000)
Total fund balances	(161,456)	754,095	-	-	-	-
Total Liabilities and Fund Balances	\$ 962,009	\$ 754,095	\$ 597,251	\$ 342,243	\$ 586,989	\$ 468,021

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**CAPITOL REGION EDUCATION COUNCIL
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
COMBINING BALANCE SHEET
JUNE 30, 2016**

	Capital Projects Funds			Permanent Fund	Debt Service Fund	Special Revenues	Total Nonmajor Governmental Funds
	Aerospace Elementary School Construction	Greater Hartford Academy of Arts School Construction	Total Capital Projects Funds	Narkin Scholarship Fund	Bond Issue Cost Center	CREC Foundation Inc.	
ASSETS							
Cash and cash equivalents	\$	\$	\$ 3,285,892	\$	\$ 924,340	\$ 79,365	\$ 4,289,597
Investments			-	18,420			18,420
Accounts receivable	92,501	134,243	9,601,591			2,938	9,604,529
Prepaid items			50,000				50,000
Total Assets	\$ 92,501	\$ 134,243	\$ 12,937,483	\$ 18,420	\$ 924,340	\$ 82,303	\$ 13,962,546
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 1,810	\$	\$ 1,067,341	\$ 449	\$	\$	\$ 1,067,790
Due to other funds	90,691	134,243	10,554,708	971			10,555,679
Unearned revenues			809,025				809,025
Total liabilities	92,501	134,243	12,431,074	1,420	-	-	12,432,494
Fund Balances:							
Nonspendable			50,000	17,000			67,000
Committed			1,938,639				1,938,639
Assigned			-			82,303	82,303
Unassigned			(1,482,230)				(1,482,230)
Total fund balances	-	-	506,409	17,000	924,340	82,303	1,530,052
Total Liabilities and Fund Balances	\$ 92,501	\$ 134,243	\$ 12,937,483	\$ 18,420	\$ 924,340	\$ 82,303	\$ 13,962,546

**CAPITOL REGION EDUCATION COUNCIL
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016**

	Capital Projects Funds					
	Special Education Schools Capital Projects	Public Safety Academy Construction	Academy of Aerospace and Engineering Construction	International Magnet Construction	Reggio Magnet School Construction	Soundbridge Construction
Revenues:						
Grants in aid	\$	\$ 1,526,352	\$ 12,004,730	\$ 312,396	\$ 725,315	\$
Investment income						
Total revenues	<u>-</u>	<u>1,526,352</u>	<u>12,004,730</u>	<u>312,396</u>	<u>725,315</u>	<u>-</u>
Expenditures:						
Current:						
Other objects						
Debt service:						
Principal						
Interest and fiscal charges						
Capital outlay		<u>1,526,352</u>	<u>12,004,730</u>	<u>312,396</u>	<u>725,315</u>	
Total expenditures	<u>-</u>	<u>1,526,352</u>	<u>12,004,730</u>	<u>312,396</u>	<u>725,315</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-	-	-
Other Financing Sources:						
Transfers in	<u>58,443</u>					
Net Change in Fund Balances	58,443	-	-	-	-	-
Fund Balances at Beginning of Year	<u>1,126,101</u>	<u>(186,014)</u>	<u>-</u>	<u>(113,007)</u>	<u>(90,681)</u>	<u>(881,072)</u>
Fund Balances at End of Year	<u>\$ 1,184,544</u>	<u>\$ (186,014)</u>	<u>\$ -</u>	<u>\$ (113,007)</u>	<u>\$ (90,681)</u>	<u>\$ (881,072)</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, 2016**

	Capital Projects Funds					
	Medical Professions and Teacher Prep Construction	River Street Construction	Discovery Academy Construction	Ana Grace Academy of the Arts Elementary School Construction	GHA of the Arts Middle School Construction	Two Rivers High School Construction
Revenues:						
Grants in aid	\$ 832,982	\$ -	\$ 10,650,754	\$ 450,738	\$ 141,439	\$ 2,479,612
Investment income						
Total revenues	<u>832,982</u>	<u>-</u>	<u>10,650,754</u>	<u>450,738</u>	<u>141,439</u>	<u>2,479,612</u>
Expenditures:						
Current:						
Other objects						
Debt service:						
Principal						
Interest and fiscal charges						
Capital outlay	<u>832,982</u>	<u>-</u>	<u>10,650,754</u>	<u>450,738</u>	<u>141,439</u>	<u>2,479,612</u>
Total expenditures	<u>832,982</u>	<u>-</u>	<u>10,650,754</u>	<u>450,738</u>	<u>141,439</u>	<u>2,479,612</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-	-	-
Other Financing Sources:						
Transfers in						
Net Change in Fund Balances	-	-	-	-	-	-
Fund Balances at Beginning of Year	<u>(161,456)</u>	<u>754,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ (161,456)</u>	<u>\$ 754,095</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2016**

	Capital Projects Funds			Permanent Fund	Debt Service Fund	Special Revenues	Total Nonmajor Governmental Funds
	Aerospace Elementary School Construction	Greater Hartford Academy of Arts School Construction	Total Capital Projects Funds	Narkin Scholarship Fund	Bond Issue Cost Center	CREC Foundation Inc.	
Revenues:							
Grants in aid	\$ 167,574	\$ 87,189	\$ 29,379,081	\$ -	\$ -	\$ 385,977	\$ 29,765,058
Investment income			-		8		8
Total revenues	<u>167,574</u>	<u>87,189</u>	<u>29,379,081</u>	<u>-</u>	<u>8</u>	<u>385,977</u>	<u>29,765,066</u>
Expenditures:							
Current:							
Other objects			-			312,473	312,473
Debt service:							
Principal			-		275,000		275,000
Interest and fiscal charges			-		9,281		9,281
Capital outlay	<u>167,574</u>	<u>87,189</u>	<u>29,379,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,379,081</u>
Total expenditures	<u>167,574</u>	<u>87,189</u>	<u>29,379,081</u>	<u>-</u>	<u>284,281</u>	<u>312,473</u>	<u>29,975,835</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-	(284,273)	73,504	(210,769)
Other Financing Sources:							
Transfers in			<u>58,443</u>		<u>274,063</u>		<u>332,506</u>
Net Change in Fund Balances	-	-	58,443	-	(10,210)	73,504	121,737
Fund Balances at Beginning of Year	-	-	<u>447,966</u>	<u>17,000</u>	<u>934,550</u>	<u>8,799</u>	<u>1,408,315</u>
Fund Balances at End of Year	\$ -	\$ -	\$ <u>506,409</u>	\$ <u>17,000</u>	\$ <u>924,340</u>	\$ <u>82,303</u>	\$ <u>1,530,052</u>

**Nonmajor
Enterprise Funds**

NONMAJOR ENTERPRISE FUNDS

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

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

OFFICE FOR REGIONAL EFFICIENCIES - CREC's Regional Efficiencies 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.

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

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

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

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

**CAPITOL REGION EDUCATION COUNCIL
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2016**

	<u>Montessori Training Center of New England</u>	<u>Learning Corridor Theater</u>	<u>Office for Regional Efficiencies</u>	<u>Regional Fingerprinting Services</u>	<u>Property and Equipment Rental</u>
Assets:					
Current:					
Cash and cash equivalents	\$ 205,666	\$ 75,661	\$	\$ 200	\$ 32,381
Accounts receivable	33,850	14,240	27,022	5,520	
Prepaid items	18,514				
Total current assets	<u>258,030</u>	<u>89,901</u>	<u>27,022</u>	<u>5,720</u>	<u>32,381</u>
Noncurrent:					
Capital assets, net		3,530			
Total assets	<u>258,030</u>	<u>93,431</u>	<u>27,022</u>	<u>5,720</u>	<u>32,381</u>
Liabilities:					
Current:					
Accounts payable and accrued liabilities	21,081	1,481	138,274	9,627	
Due to other funds			166,532	7,720	
Unearned revenue	126,859	4,000			
Compensated absences					
Total current liabilities	<u>147,940</u>	<u>5,481</u>	<u>304,806</u>	<u>17,347</u>	<u>-</u>
Net Position:					
Net investment in capital assets		3,530			
Unrestricted	<u>110,090</u>	<u>84,420</u>	<u>(277,784)</u>	<u>(11,627)</u>	<u>32,381</u>
Total Net Position	<u>\$ 110,090</u>	<u>\$ 87,950</u>	<u>\$ (277,784)</u>	<u>\$ (11,627)</u>	<u>\$ 32,381</u>

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**CAPITOL REGION EDUCATION COUNCIL
 NONMAJOR ENTERPRISE FUNDS
 COMBINING STATEMENT OF NET POSITION (CONTINUED)
 JUNE 30, 2016**

	<u>Conference Services</u>	<u>Technical Assistance Brokering Services</u>	<u>Community Education</u>	<u>Construction Services</u>	<u>Total</u>
Assets:					
Current:					
Cash and cash equivalents	\$	\$ 318,062	\$	\$	\$ 631,970
Accounts receivable	425	39,595	17,170	1,554,014	1,691,836
Prepaid items		10,970		50,998	80,482
Total current assets	<u>425</u>	<u>368,627</u>	<u>17,170</u>	<u>1,605,012</u>	<u>2,404,288</u>
Noncurrent:					
Capital assets, net		1,184		24,380	29,094
Total assets	<u>425</u>	<u>369,811</u>	<u>17,170</u>	<u>1,629,392</u>	<u>2,433,382</u>
Liabilities:					
Current:					
Accounts payable and accrued liabilities	18	6,070	12,329	563,373	752,253
Due to other funds	137,074		325,092	214,464	850,882
Unearned revenue					130,859
Compensated absences				60,872	60,872
Total current liabilities	<u>137,092</u>	<u>6,070</u>	<u>337,421</u>	<u>838,709</u>	<u>1,794,866</u>
Net Position:					
Net investment in capital assets		1,184		24,380	29,094
Unrestricted	<u>(136,667)</u>	<u>362,557</u>	<u>(320,251)</u>	<u>766,303</u>	<u>609,422</u>
Total Net Position	<u>\$ (136,667)</u>	<u>\$ 363,741</u>	<u>\$ (320,251)</u>	<u>\$ 790,683</u>	<u>\$ 638,516</u>

**CAPITOL REGION EDUCATION COUNCIL
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016**

	Montessori Training Center of New England	Learning Corridor Theater	Office for Regional Efficiencies	Regional Fingerprinting Services	Property and Equipment Rental
Operating Revenues:					
Sales of services	\$ 376,993	\$ 101,541	\$ 347,659	\$ 154,467	\$ -
Other local revenues					
Total operating revenues	<u>376,993</u>	<u>101,541</u>	<u>347,659</u>	<u>154,467</u>	<u>-</u>
Operating Expenses:					
Salaries	227,460	64,030	321,690	51,383	
Employee benefits	46,589	8,363	74,527	23,912	
Purchased professional and technical services	45,071		156,709		
Purchased property services	1,486	736	84	3,730	
Other purchased services	26,517	2,609	12,582	59,686	
Supplies	21,670	306	1,215	170	
Property	949		1,853	651	
Depreciation		1,518			
Other	8,675		5,103		
Total operating expenses	<u>378,417</u>	<u>77,562</u>	<u>573,763</u>	<u>139,532</u>	<u>-</u>
Income (Loss) Before Transfers	(1,424)	23,979	(226,104)	14,935	-
Transfers In	41,850	4,906	3,750		
Transfers Out	<u>(52,846)</u>	<u>(2,332)</u>	<u>(25,816)</u>		
Change in Net Position	(12,420)	26,553	(248,170)	14,935	-
Net Position at Beginning of Year	<u>122,510</u>	<u>61,397</u>	<u>(29,614)</u>	<u>(26,562)</u>	<u>32,381</u>
Net Position at End of Year	<u>\$ 110,090</u>	<u>\$ 87,950</u>	<u>\$ (277,784)</u>	<u>\$ (11,627)</u>	<u>\$ 32,381</u>

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**CAPITOL REGION EDUCATION COUNCIL
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Conference Services</u>	<u>Technical Assistance Brokering Services</u>	<u>Community Education</u>	<u>Construction Services</u>	<u>Total</u>
Operating Revenues:					
Sales of services	\$ 20,098	\$ 231,498	\$ 138,864	\$ 2,595,307	\$ 3,966,427
Other local revenues			1,000		1,000
Total operating revenues	<u>20,098</u>	<u>231,498</u>	<u>139,864</u>	<u>2,595,307</u>	<u>3,967,427</u>
Operating Expenses:					
Salaries	60,696	74,232	178,542	783,629	1,761,662
Employee benefits	19,867	20,885	38,322	197,951	430,416
Purchased professional and technical services	125	20,474	545	364,961	587,885
Purchased property services			21,788	639,557	667,381
Other purchased services	2,316	210,605	33,565	80,068	427,948
Supplies	34,758	526	1,314	12,665	72,624
Property		3,341		895	7,689
Depreciation		316		9,405	11,239
Other				5,692	19,470
Total operating expenses	<u>117,762</u>	<u>330,379</u>	<u>274,076</u>	<u>2,094,823</u>	<u>3,986,314</u>
Income (Loss) Before Transfers	(97,664)	(98,881)	(134,212)	500,484	(18,887)
Transfers In	44,285	96,250	51,942		242,983
Transfers Out		(6,685)	(24,906)	(412,814)	(525,399)
Change in Net Position	(53,379)	(9,316)	(107,176)	87,670	(301,303)
Net Position at Beginning of Year	<u>(83,288)</u>	<u>373,057</u>	<u>(213,075)</u>	<u>703,013</u>	<u>939,819</u>
Net Position at End of Year	<u>\$ (136,667)</u>	<u>\$ 363,741</u>	<u>\$ (320,251)</u>	<u>\$ 790,683</u>	<u>\$ 638,516</u>

**CAPITOL REGION EDUCATION COUNCIL
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Montessori Training Center of New England</u>	<u>Learning Corridor Theater</u>	<u>Office for Regional Efficiencies</u>	<u>Regional Fingerprinting Services</u>	<u>Property and Equipment Rental</u>
Cash Flows from Operating Activities:					
Cash received from customers and users	\$ 372,443	\$ 95,686	\$ 337,619	\$ 150,747	\$ -
Cash received from interfund services provided				(115)	
Cash payments to suppliers	(155,226)	(161)	(110,560)	(75,337)	
Cash payments to employees	(274,049)	(72,393)	(396,217)	(75,295)	
Cash payments for interfund services used			166,532		
Net cash provided by (used in) operating activities	<u>(56,832)</u>	<u>23,132</u>	<u>(2,626)</u>	<u>-</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities:					
Grants in aid					
Transfers from other funds	41,850	4,906	3,750		
Transfers to other funds	(52,846)	(2,332)	(25,816)		
Net cash provided by (used in) noncapital financing activities	<u>(10,996)</u>	<u>2,574</u>	<u>(22,066)</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(67,828)	25,706	(24,692)	-	-
Cash and Cash Equivalents at Beginning of Year	<u>273,494</u>	<u>49,955</u>	<u>24,692</u>	<u>200</u>	<u>32,381</u>
Cash and Cash Equivalents at End of Year	<u>\$ 205,666</u>	<u>\$ 75,661</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 32,381</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ (1,424)	\$ 23,979	\$ (226,104)	\$ 14,935	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation		1,518			
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(4,550)	(5,855)	(10,040)	(3,720)	
(Increase) decrease in other assets	(18,514)				
Increase (decrease) in accounts payable and accrued liabilities	(12,102)	(510)	71,686	(11,100)	
Increase (decrease) in due to other funds			166,532	(115)	
Increase (decrease) in deferred revenues	(20,242)	4,000	(4,700)		
Increase (decrease) in compensated absences					
Total adjustments	<u>(55,408)</u>	<u>(847)</u>	<u>223,478</u>	<u>(14,935)</u>	<u>-</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (56,832)</u>	<u>\$ 23,132</u>	<u>\$ (2,626)</u>	<u>\$ -</u>	<u>\$ -</u>

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**CAPITOL REGION EDUCATION COUNCIL
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Conference Services</u>	<u>Technical Assistance Brokering Services</u>	<u>Community Education</u>	<u>Construction Services</u>	<u>Total</u>
Cash Flows from Operating Activities:					
Cash received from customers and users	\$ 22,469	\$ 215,483	\$ 128,528	\$ 1,809,841	\$ 3,132,816
Cash received from interfund services provided	61,037		136,231		197,153
Cash payments to suppliers	(44,098)	(244,522)	(74,931)	(891,711)	(1,596,546)
Cash payments to employees	(83,693)	(95,117)	(216,864)	(965,059)	(2,178,687)
Cash payments for interfund services used				214,464	380,996
Net cash provided by (used in) operating activities	<u>(44,285)</u>	<u>(124,156)</u>	<u>(27,036)</u>	<u>167,535</u>	<u>(64,268)</u>
Cash Flows from Noncapital Financing Activities:					
Grants in aid					-
Transfers from other funds	44,285	96,250	51,942		242,983
Transfers to other funds		(6,685)	(24,906)	(412,814)	(525,399)
Net cash provided by (used in) noncapital financing activities	<u>44,285</u>	<u>89,565</u>	<u>27,036</u>	<u>(412,814)</u>	<u>(282,416)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	(34,591)	-	(245,279)	(346,684)
Cash and Cash Equivalents at Beginning of Year	<u>-</u>	<u>352,653</u>	<u>-</u>	<u>245,279</u>	<u>978,654</u>
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ 318,062</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 631,970</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ (97,664)	\$ (98,881)	\$ (134,212)	\$ 500,484	\$ (18,887)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation		316		9,405	11,239
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	2,371	(16,015)	(11,336)	(785,466)	(834,611)
(Increase) decrease in other assets	6,943	(8,750)		(998)	(21,319)
Increase (decrease) in accounts payable and accrued liabilities	(13,842)	(826)	(17,719)	213,125	228,712
Increase (decrease) in due to other funds	61,037		136,231	214,464	578,149
Increase (decrease) in deferred revenues					(20,942)
Increase (decrease) in compensated absences	(3,130)			16,521	13,391
Total adjustments	<u>53,379</u>	<u>(25,275)</u>	<u>107,176</u>	<u>(332,949)</u>	<u>(45,381)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (44,285)</u>	<u>\$ (124,156)</u>	<u>\$ (27,036)</u>	<u>\$ 167,535</u>	<u>\$ (64,268)</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 noncertified employees of CREC. CREC matches eligible member contributions up to 5% of covered salary.

**CAPITOL REGION EDUCATION COUNCIL
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2016**

	<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	\$ 250,518	\$ 124,160	\$ 182,348	\$ 13,734,698	\$ 2,802,591	\$ 2,036,767	\$ 1,866,809	\$ 20,997,891
Accounts receivable	2,000	296,229		22,815				321,044
Prepaid items	11,070	5,598	23,217			65,000		104,885
Total current assets	<u>263,588</u>	<u>425,987</u>	<u>205,565</u>	<u>13,757,513</u>	<u>2,802,591</u>	<u>2,101,767</u>	<u>1,866,809</u>	<u>21,423,820</u>
Noncurrent:								
Capital assets, net		109,858	8,824	14,512				133,194
Total assets	<u>263,588</u>	<u>535,845</u>	<u>214,389</u>	<u>13,772,025</u>	<u>2,802,591</u>	<u>2,101,767</u>	<u>1,866,809</u>	<u>21,557,014</u>
Liabilities:								
Current:								
Accounts payable and accrued liabilities	3,531	124,834	4,675	1,832,481	28,709	1,482,192	73,761	3,550,183
Unearned revenue	17,090							17,090
Compensated absences		86,122	992	17,627		1,125		105,866
Total current liabilities	<u>20,621</u>	<u>210,956</u>	<u>5,667</u>	<u>1,850,108</u>	<u>28,709</u>	<u>1,483,317</u>	<u>73,761</u>	<u>3,673,139</u>
Net Position:								
Net investment in capital assets		109,858	8,824	14,512				133,194
Unrestricted	<u>242,967</u>	<u>215,031</u>	<u>199,898</u>	<u>11,907,405</u>	<u>2,773,882</u>	<u>618,450</u>	<u>1,793,048</u>	<u>17,750,681</u>
Total Net Position	<u>\$ 242,967</u>	<u>\$ 324,889</u>	<u>\$ 208,722</u>	<u>\$ 11,921,917</u>	<u>\$ 2,773,882</u>	<u>\$ 618,450</u>	<u>\$ 1,793,048</u>	<u>\$ 17,883,875</u>

**CAPITOL REGION EDUCATION COUNCIL
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016**

	CREC Staff Development	CREC Wide Area Network	Copy Center	Self Insurance	CREC Unemployment	Workers' Compensation	Employee Benefit Fund	Total
Operating Revenues:								
Sales of services	\$ 255,352	\$ 3,052,013	\$ 180,713	\$ 22,588,316	\$ 793,181	\$ 2,114,105	\$ 1,756,939	\$ 30,740,619
Other local revenues	87,926			4,954,884				5,042,810
Total operating revenues	<u>343,278</u>	<u>3,052,013</u>	<u>180,713</u>	<u>27,543,200</u>	<u>793,181</u>	<u>2,114,105</u>	<u>1,756,939</u>	<u>35,783,429</u>
Operating Expenses:								
Salaries	99,862	1,828,165	49,041	481,820		71,581		2,530,469
Employee benefits	10,428	547,189	17,225	28,243,947	352,254	1,014,818	1,532,319	31,718,180
Purchased professional and technical services	1,474	15,611		58,544	6,911			82,540
Purchased property services		25,496	43,392	143				69,031
Other purchased services	133,622	665,162	84,915	94,795		397,643		1,376,137
Supplies	4,582	1,591	14,667	37,686		191		58,717
Property	1,872	10,756		2,881				15,509
Depreciation		47,362	2,160					49,522
Other		1,360		1,913				3,273
Total operating expenses	<u>251,840</u>	<u>3,142,692</u>	<u>211,400</u>	<u>28,921,729</u>	<u>359,165</u>	<u>1,484,233</u>	<u>1,532,319</u>	<u>35,903,378</u>
Income (Loss) Before Transfers	91,438	(90,679)	(30,687)	(1,378,529)	434,016	629,872	224,620	(119,949)
Transfers In	400		5,137	2,250				7,787
Transfers Out	(90,664)	(28,028)		(277)				(118,969)
Change in Net Position	1,174	(118,707)	(25,550)	(1,376,556)	434,016	629,872	224,620	(231,131)
Net Position at Beginning of Year	241,793	443,596	234,272	13,298,473	2,339,866	(11,422)	1,568,428	18,115,006
Net Position at End of Year	<u>\$ 242,967</u>	<u>\$ 324,889</u>	<u>\$ 208,722</u>	<u>\$ 11,921,917</u>	<u>\$ 2,773,882</u>	<u>\$ 618,450</u>	<u>\$ 1,793,048</u>	<u>\$ 17,883,875</u>

**CAPITOL REGION EDUCATION COUNCIL
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016**

	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	\$ 341,278	\$ 3,059,533	\$ 180,713	\$ 27,541,734	\$ 793,181	\$ 2,560,846	\$ 1,756,939	\$ 36,234,224
Cash payments to suppliers	(158,937)	(775,981)	(156,786)	45,918	(22,413)	(418,862)	9,506	(1,477,555)
Cash payments to employees	(110,290)	(2,373,970)	(65,274)	(28,718,814)	(352,254)	(1,088,961)	(1,532,319)	(34,241,882)
Net cash provided by (used in) operating activities	<u>72,051</u>	<u>(90,418)</u>	<u>(41,347)</u>	<u>(1,131,162)</u>	<u>418,514</u>	<u>1,053,023</u>	<u>234,126</u>	<u>514,787</u>
Cash Flows from Noncapital Financing Activities:								
Transfers from other funds	400		5,137	2,250				7,787
Transfers to other funds	(90,664)	(28,028)		(277)				(118,969)
Net cash provided by (used in) noncapital financing activities	<u>(90,264)</u>	<u>(28,028)</u>	<u>5,137</u>	<u>1,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(111,182)</u>
Cash Flows from Capital and Related Financing Activities:								
Additions to property, plant and equipment		(1,382)	(4,195)	(14,512)				(20,089)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(1,382)</u>	<u>(4,195)</u>	<u>(14,512)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,089)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(18,213)	(119,828)	(40,405)	(1,143,701)	418,514	1,053,023	234,126	383,516
Cash and Cash Equivalents at Beginning of Year	268,731	243,988	222,753	14,878,399	2,384,077	983,744	1,632,683	20,614,375
Cash and Cash Equivalents at End of Year	<u>\$ 250,518</u>	<u>\$ 124,160</u>	<u>\$ 182,348</u>	<u>\$ 13,734,698</u>	<u>\$ 2,802,591</u>	<u>\$ 2,036,767</u>	<u>\$ 1,866,809</u>	<u>\$ 20,997,891</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:								
Operating income (loss)	\$ 91,438	\$ (90,679)	\$ (30,687)	\$ (1,378,529)	\$ 434,016	\$ 629,872	\$ 224,620	\$ (119,949)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation		47,362	2,160					49,522
Change in assets and liabilities:								
(Increase) decrease in accounts receivable	(2,000)	7,520		(1,466)		446,741		450,795
(Increase) decrease in prepaid items	(11,070)	(5,598)	(6,686)	17,601		49,875		44,122
Increase (decrease) in accounts payable and accrued liabilities	(1,864)	(50,407)	(7,126)	224,279	(15,502)	(70,903)	9,506	87,983
Increase (decrease) in deferred revenues	(4,453)							(4,453)
Increase (decrease) in compensated absences		1,384	992	6,953		(2,562)		6,767
Total adjustments	<u>(19,387)</u>	<u>261</u>	<u>(10,660)</u>	<u>247,367</u>	<u>(15,502)</u>	<u>423,151</u>	<u>9,506</u>	<u>634,736</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 72,051</u>	<u>\$ (90,418)</u>	<u>\$ (41,347)</u>	<u>\$ (1,131,162)</u>	<u>\$ 418,514</u>	<u>\$ 1,053,023</u>	<u>\$ 234,126</u>	<u>\$ 514,787</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 held by CREC on behalf of the River Street School students.

GREATER HARTFORD ACADEMY OF THE ARTS MIDDLE SCHOOL - Funds held on behalf of the students of the school.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MEDICAL PROFESSIONS AND TEACHER PREPARATION ACADEMY ESCROW - Student activity funds held on behalf of the students of the school.

ACADEMY OF AEROSPACE AND ENGINEERING ELEMENTARY MAGNET SCHOOL ESCROW - Student activity funds held on behalf of the students of the school.

ANA GRACE ACADEMY OF THE ARTS ELEMENTARY SCHOOL ESCROW – Student activity funds held on behalf of the student of the school.

MUSEUM ACADEMY ESCROW - Student activity funds held on behalf of the student of the school.

**CAPITOL REGION EDUCATION COUNCIL
 FIDUCIARY FUNDS
 AGENCY FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016**

	<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>Greater Hartford Academy of the Arts Middle School</u>	<u>Statewide RESCS Escrow</u>
Assets:								
Cash and cash equivalents	\$ <u>17,549</u>	\$ <u>16,375</u>	\$ <u>113,544</u>	\$ <u>13,913</u>	\$ <u>71,041</u>	\$ <u>116,646</u>	\$ <u>932</u>	\$ <u>2,264</u>
Liabilities:								
Accounts payable	\$	\$	\$	\$	\$	\$ 1,025	\$	\$ 412
Fiduciary deposits	<u>17,549</u>	<u>16,375</u>	<u>113,544</u>	<u>13,913</u>	<u>71,041</u>	<u>115,621</u>	<u>932</u>	<u>1,852</u>
Total Liabilities	\$ <u>17,549</u>	\$ <u>16,375</u>	\$ <u>113,544</u>	\$ <u>13,913</u>	\$ <u>71,041</u>	\$ <u>116,646</u>	\$ <u>932</u>	\$ <u>2,264</u>

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**CAPITOL REGION EDUCATION COUNCIL
 FIDUCIARY FUNDS
 AGENCY FUNDS
 COMBINING BALANCE SHEET (CONTINUED)
 JUNE 30, 2016**

	<u>Academy of Aerospace and Engineering/ GHAMAS Magnet School Escrow</u>	<u>Integrated Program Model</u>	<u>Glastonbury/ East Hartford 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>
Assets:									
Cash and cash equivalents	\$ <u>12,708</u>	\$ <u>235</u>	\$ <u>4,925</u>	\$ <u>744</u>	\$ <u>4,965</u>	\$ <u>3,608</u>	\$ <u>2,498</u>	\$ <u>10,941</u>	\$ <u>9,830</u>
Liabilities:									
Accounts payable	\$	\$	\$	\$	\$	\$ 592	\$	\$	\$
Fiduciary deposits	<u>12,708</u>	<u>235</u>	<u>4,925</u>	<u>744</u>	<u>4,965</u>	<u>3,016</u>	<u>2,498</u>	<u>10,941</u>	<u>9,830</u>
Total Liabilities	\$ <u>12,708</u>	\$ <u>235</u>	\$ <u>4,925</u>	\$ <u>744</u>	\$ <u>4,965</u>	\$ <u>3,608</u>	\$ <u>2,498</u>	\$ <u>10,941</u>	\$ <u>9,830</u>

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**CAPITOL REGION EDUCATION COUNCIL
 FIDUCIARY FUNDS
 AGENCY FUNDS
 COMBINING BALANCE SHEET (CONTINUED)
 JUNE 30, 2016**

	<u>IMS for Global Citizenship Escrow</u>	<u>HASA Escrow</u>	<u>Two Rivers High School Escrow</u>	<u>Public Safety Academy Escrow</u>	<u>Medical Professions Teacher Prep Escrow</u>	<u>Aerospace Elementary Escrow</u>	<u>Ana Grace Escrow</u>	<u>Museum Academy Escrow</u>	<u>Total</u>
Assets:									
Cash and cash equivalents	\$ <u>1,770</u>	\$ <u>34,556</u>	\$ <u>47,686</u>	\$ <u>17,687</u>	\$ <u>-</u>	\$ <u>5,850</u>	\$ <u>5,000</u>	\$ <u>2,090</u>	\$ <u>517,357</u>
Liabilities:									
Accounts payable	\$	\$ 3,408	\$ 4,497	\$	\$ 2,923	\$	\$	\$	\$ 12,857
Fiduciary deposits	<u>1,770</u>	<u>31,148</u>	<u>43,189</u>	<u>17,687</u>	<u>(2,923)</u>	<u>5,850</u>	<u>5,000</u>	<u>2,090</u>	<u>504,500</u>
Total Liabilities	\$ <u>1,770</u>	\$ <u>34,556</u>	\$ <u>47,686</u>	\$ <u>17,687</u>	\$ <u>-</u>	\$ <u>5,850</u>	\$ <u>5,000</u>	\$ <u>2,090</u>	\$ <u>517,357</u>

**CAPITOL REGION EDUCATION COUNCIL
FIDUCIARY FUNDS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
RSS Equipment Escrow				
ASSETS:				
Cash and Cash Equivalents	\$ 11,740	\$ 5,809	\$ -	\$ 17,549
LIABILITIES:				
Fiduciary Deposits	\$ 11,740	\$ 5,809	\$ -	\$ 17,549
River Street/Coltsville				
ASSETS:				
Cash and Cash Equivalents	\$ 16,375	\$ -	\$ -	\$ 16,375
LIABILITIES:				
Fiduciary Deposits	\$ 16,375	\$ -	\$ -	\$ 16,375
Greater Hartford Arts Academy				
ASSETS:				
Cash and Cash Equivalents	\$ 113,322	\$ 93,072	\$ 92,850	\$ 113,544
LIABILITIES:				
Accounts Payable	\$ 16,747	\$ -	\$ 16,747	\$ -
Fiduciary Deposits	96,575	93,072	76,103	113,544
Total Liabilities	\$ 113,322	\$ 93,072	\$ 92,850	\$ 113,544
Metropolitan Learning Center				
ASSETS:				
Cash and Cash Equivalents	\$ 26,046	\$ -	\$ 12,133	\$ 13,913
LIABILITIES:				
Fiduciary Deposits	\$ 26,046	\$ -	\$ 12,133	\$ 13,913
Special Education Escrow				
ASSETS:				
Cash and Cash Equivalents	\$ 145,840	\$ 145,729	\$ 220,528	\$ 71,041
LIABILITIES:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Fiduciary Deposits	145,840	145,729	220,528	71,041
Total Liabilities	\$ 145,840	\$ 145,729	\$ 220,528	\$ 71,041
River Street School				
ASSETS:				
Cash and Cash Equivalents	\$ 111,360	\$ 9,995	\$ 4,709	\$ 116,646
LIABILITIES:				
Accounts Payable	\$ 1,875	\$ -	\$ 850	\$ 1,025
Fiduciary Deposits	109,485	9,995	3,859	115,621
Total Liabilities	\$ 111,360	\$ 9,995	\$ 4,709	\$ 116,646

(Continued on next page)

CAPITOL REGION EDUCATION COUNCIL
 FIDUCIARY FUNDS
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
Greater Hartford Academy of the Arts Middle School				
ASSETS:				
Cash and Cash Equivalents	\$ 932	\$ -	\$ -	\$ 932
LIABILITIES:				
Fiduciary Deposits	\$ 932	\$ -	\$ -	\$ 932
Statewide RESCS Escrow				
ASSETS:				
Cash and Cash Equivalents	\$ 872	\$ 67,001	\$ 65,609	\$ 2,264
LIABILITIES:				
Accounts Payable	\$ 467	\$ -	\$ 55	\$ 412
Fiduciary Deposits	405	67,001	65,554	1,852
Total Liabilities	\$ 872	\$ 67,001	\$ 65,609	\$ 2,264
Academy of Aerospace and Engineering/ GHAMAS Magnet School Escrow				
ASSETS:				
Cash and Cash Equivalents	\$ 11,305	\$ 4,320	\$ 2,917	\$ 12,708
LIABILITIES:				
Accounts Payable	\$ 1,103	\$ -	\$ 1,103	\$ -
Fiduciary Deposits	10,202	4,320	1,814	12,708
Total Liabilities	\$ 11,305	\$ 4,320	\$ 2,917	\$ 12,708
Integrated Program Model				
ASSETS:				
Cash and Cash Equivalents	\$ 235	\$ -	\$ -	\$ 235
LIABILITIES:				
Fiduciary Deposits	\$ 235	\$ -	\$ -	\$ 235
Glastonbury/East Hartford Magnet School Escrow				
ASSETS:				
Cash and Cash Equivalents	\$ 4,320	\$ 2,387	\$ 1,782	\$ 4,925
LIABILITIES:				
Fiduciary Deposits	\$ 4,320	\$ 2,387	\$ 1,782	\$ 4,925
RESC Alliance Minority Recruiting				
ASSETS:				
Cash and Cash Equivalents	\$ 744	\$ -	\$ -	\$ 744
LIABILITIES:				
Fiduciary Deposits	\$ 744	\$ -	\$ -	\$ 744

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
FIDUCIARY FUNDS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
CREC Charter Oak Escrow				
ASSETS:				
Cash and Cash Equivalents	\$ <u>5,040</u>	\$ <u>175</u>	\$ <u>250</u>	\$ <u>4,965</u>
LIABILITIES:				
Fiduciary Deposits	\$ <u>5,040</u>	\$ <u>175</u>	\$ <u>250</u>	\$ <u>4,965</u>
Polaris Student Activity Fund				
ASSETS:				
Cash and Cash Equivalents	\$ <u>5,479</u>	\$ <u>2,004</u>	\$ <u>3,875</u>	\$ <u>3,608</u>
LIABILITIES:				
Accounts Payable	\$ 1,368		\$ 776	\$ 592
Fiduciary Deposits	<u>4,111</u>	<u>2,004</u>	<u>3,099</u>	<u>3,016</u>
Total Liabilities	\$ <u>5,479</u>	\$ <u>2,004</u>	\$ <u>3,875</u>	\$ <u>3,608</u>
Choice Escrow				
ASSETS:				
Cash and Cash Equivalents	\$ <u>-</u>	\$ <u>4,074</u>	\$ <u>1,576</u>	\$ <u>2,498</u>
LIABILITIES:				
Accounts Payable	\$ 1,576		\$ 1,576	\$ -
Fiduciary Deposits	<u>(1,576)</u>	<u>4,074</u>	<u>-</u>	<u>2,498</u>
Total Liabilities	\$ <u>-</u>	\$ <u>4,074</u>	\$ <u>1,576</u>	\$ <u>2,498</u>
Two Rivers Escrow				
ASSETS:				
Cash and Cash Equivalents	\$ <u>12,998</u>	\$ <u>-</u>	\$ <u>2,057</u>	\$ <u>10,941</u>
LIABILITIES:				
Fiduciary Deposits	\$ <u>12,998</u>	\$ <u>-</u>	\$ <u>2,057</u>	\$ <u>10,941</u>
Montessori Magnet School				
ASSETS:				
Cash and Cash Equivalents	\$ <u>13,808</u>	\$ <u>780</u>	\$ <u>4,758</u>	\$ <u>9,830</u>
LIABILITIES:				
Accounts Payable	\$ 1,448		\$ 1,448	\$ -
Fiduciary Deposits	<u>12,360</u>	<u>780</u>	<u>3,310</u>	<u>9,830</u>
Total Liabilities	\$ <u>13,808</u>	\$ <u>780</u>	\$ <u>4,758</u>	\$ <u>9,830</u>
IMS for Global Citizenship Escrow				
ASSETS:				
Cash and Cash Equivalents	\$ <u>1,770</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,770</u>
LIABILITIES:				
Fiduciary Deposits	\$ <u>1,770</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,770</u>

(Continued on next page)

CAPITOL REGION EDUCATION COUNCIL
 FIDUCIARY FUNDS
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
Reggio Magnet School of the Arts Escrow				
ASSETS:				
Cash and Cash Equivalents	\$ 6,792	\$ -	\$ 6,792	\$ -
LIABILITIES:				
Fiduciary Deposits	\$ 6,792	\$ -	\$ 6,792	\$ -
HASA Escrow				
ASSETS:				
Cash and Cash Equivalents	\$ 31,019	\$ 16,437	\$ 12,900	\$ 34,556
LIABILITIES:				
Accounts Payable	\$ 96	\$ 3,312	\$ -	\$ 3,408
Fiduciary Deposits	30,923	13,125	12,900	31,148
Total Liabilities	\$ 31,019	\$ 16,437	\$ 12,900	\$ 34,556
Discovery Academy Escrow				
ASSETS:				
Cash and Cash Equivalents	\$ -	\$ 739	\$ 739	\$ -
LIABILITIES:				
Fiduciary Deposits	\$ -	\$ 739	\$ 739	\$ -
Two Rivers High School Escrow				
ASSETS:				
Cash and Cash Equivalents	\$ 11,218	\$ 55,454	\$ 18,986	\$ 47,686
LIABILITIES:				
Accounts Payable	\$ -	\$ 4,497	\$ -	\$ 4,497
Fiduciary Deposits	11,218	50,957	18,986	43,189
Total Liabilities	\$ 11,218	\$ 55,454	\$ 18,986	\$ 47,686
Public Safety Academy Escrow				
ASSETS:				
Cash and Cash Equivalents	\$ 17,646	\$ 41	\$ -	\$ 17,687
LIABILITIES:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Fiduciary Deposits	17,646	41	-	17,687
Total Liabilities	\$ 17,646	\$ 41	\$ -	\$ 17,687
Medical Professions Teacher Prep Escrow				
ASSETS:				
Cash and Cash Equivalents	\$ 926	\$ 31,212	\$ 32,138	\$ -
LIABILITIES:				
Accounts Payable	\$ -	\$ 2,923	\$ -	\$ 2,923
Fiduciary Deposits	926	28,289	32,138	(2,923)
Total Liabilities	\$ 926	\$ 31,212	\$ 32,138	\$ -

(Continued on next page)

**CAPITOL REGION EDUCATION COUNCIL
FIDUCIARY FUNDS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
Aerospace Elementary Escrow				
ASSETS:				
Cash and Cash Equivalents	\$ 5,475	\$ 15,195	\$ 14,820	\$ 5,850
LIABILITIES:				
Accounts Payable	\$ 50	\$	\$ 50	\$ -
Fiduciary Deposits	5,425	15,195	14,770	5,850
Total Liabilities	<u>5,475</u>	<u>15,195</u>	<u>14,820</u>	<u>5,850</u>
Ana Grace Escrow				
ASSETS:				
Cash and Cash Equivalents	\$ 4,475	\$ 2,729	\$ 2,204	\$ 5,000
LIABILITIES:				
Fiduciary Deposits	\$ 4,475	\$ 2,729	\$ 2,204	\$ 5,000
Museum Academy Escrow				
ASSETS:				
Cash and Cash Equivalents	\$ -	\$ 2,090	\$ -	\$ 2,090
LIABILITIES:				
Fiduciary Deposits	<u>-</u>	<u>2,090</u>	<u>-</u>	<u>2,090</u>
TOTAL				
ASSETS:				
Cash and Cash Equivalents	\$ 559,737	\$ 459,243	\$ 501,623	\$ 517,357
Total Assets	<u>\$ 559,737</u>	<u>\$ 459,243</u>	<u>\$ 501,623</u>	<u>\$ 517,357</u>
LIABILITIES:				
Accounts Payable	\$ 24,730	\$ 10,732	\$ 22,605	\$ 12,857
Fiduciary Deposits	535,007	448,511	479,018	504,500
Total Liabilities	<u>\$ 559,737</u>	<u>\$ 459,243</u>	<u>\$ 501,623</u>	<u>\$ 517,357</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, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
Governmental Funds Capital Assets:		
Land	\$ 12,808,175	\$ 12,758,175
Buildings and improvements	168,384,845	114,979,998
Vehicles	2,126,511	2,085,182
Furniture, fixtures and improvements	10,960,714	8,873,832
Construction in progress	<u>264,196,703</u>	<u>279,332,378</u>
Total	<u>\$ 458,476,948</u>	<u>\$ 418,029,565</u>
Investments in Governmental Funds Capital Assets by Source:		
General Fund	\$ 12,790,837	\$ 10,753,387
Special Revenue Fund	296,388	205,627
Capital Projects Fund	<u>445,389,723</u>	<u>407,070,551</u>
Total	<u>\$ 458,476,948</u>	<u>\$ 418,029,565</u>

**CAPITOL REGION EDUCATION COUNCIL
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2016**

	<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	\$ 12,476,175	\$ 162,851,432	\$ 2,112,076	\$ 10,218,277	\$ 264,196,703	\$ 451,854,663
Facilities	332,000	5,529,324	14,435	470,013		6,345,772
Administration		4,089		272,424		276,513
Total	<u>\$ 12,808,175</u>	<u>\$ 168,384,845</u>	<u>\$ 2,126,511</u>	<u>\$ 10,960,714</u>	<u>\$ 264,196,703</u>	<u>\$ 458,476,948</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, 2016**

	Governmental Funds Capital Assets July 1, 2015	Additions	Deductions	Governmental Funds Capital Assets June 30, 2016
Education	\$ 411,414,349	\$ 96,821,244	\$ (56,380,930)	\$ 451,854,663
Facilities	6,345,772			6,345,772
Administration	<u>269,444</u>	<u>7,069</u>		<u>276,513</u>
Total	<u>\$ 418,029,565</u>	<u>\$ 96,828,313</u>	<u>\$ (56,380,930)</u>	<u>\$ 458,476,948</u>

Statistical Section

Statistical Section Information

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

Statistical section information is presented in the following categories:

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

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

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

CAPITOL REGION EDUCATION COUNCIL
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities:										
Net investment in capital assets	\$ 400,568	\$ 369,072	\$ 282,783	\$ 163,888	\$ 76,673	\$ 59,554	\$ 56,113	\$ 55,600	\$ 49,911	\$ 51,159
Restricted	17	17	17	17	17	17	17	17	17	17
Unrestricted	<u>35,825</u>	<u>33,449</u>	<u>32,938</u>	<u>30,280</u>	<u>28,592</u>	<u>22,322</u>	<u>17,526</u>	<u>17,688</u>	<u>18,917</u>	<u>17,039</u>
Total Governmental Activities Net Position	<u>\$ 436,410</u>	<u>\$ 402,538</u>	<u>\$ 315,738</u>	<u>\$ 194,185</u>	<u>\$ 105,282</u>	<u>\$ 81,893</u>	<u>\$ 73,656</u>	<u>\$ 73,305</u>	<u>\$ 68,845</u>	<u>\$ 68,215</u>
Business-type activities:										
Net investment in capital assets	\$ 35	\$ 47	\$ 60	\$ 39	\$ 26	\$ 14	\$ 12	\$ 8	\$ 9	\$ 13
Unrestricted	<u>(2,150)</u>	<u>(1,344)</u>	<u>(170)</u>	<u>194</u>	<u>273</u>	<u>(150)</u>	<u>(456)</u>	<u>(759)</u>	<u>(929)</u>	<u>(849)</u>
Total Business-Type Activities Net Position	<u>\$ (2,115)</u>	<u>\$ (1,297)</u>	<u>\$ (110)</u>	<u>\$ 233</u>	<u>\$ 299</u>	<u>\$ (136)</u>	<u>\$ (444)</u>	<u>\$ (751)</u>	<u>\$ (920)</u>	<u>\$ (836)</u>
Primary government:										
Net investment in capital assets	\$ 400,603	\$ 369,119	\$ 282,843	\$ 163,927	\$ 76,699	\$ 59,568	\$ 56,125	\$ 55,608	\$ 49,920	\$ 51,172
Restricted	17	17	17	17	17	17	17	17	17	17
Unrestricted	<u>33,675</u>	<u>32,105</u>	<u>32,768</u>	<u>30,474</u>	<u>28,865</u>	<u>22,172</u>	<u>17,070</u>	<u>16,929</u>	<u>17,988</u>	<u>16,190</u>
Total Primary Government Net Position	<u>\$ 434,295</u>	<u>\$ 401,241</u>	<u>\$ 315,628</u>	<u>\$ 194,418</u>	<u>\$ 105,581</u>	<u>\$ 81,757</u>	<u>\$ 73,212</u>	<u>\$ 72,554</u>	<u>\$ 67,925</u>	<u>\$ 67,379</u>

Notes:

Schedule prepared on the accrual basis of accounting.

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

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses:										
Governmental activities:										
Education	\$ 283,980	\$ 264,503	\$ 247,907	\$ 216,321	\$ 182,121	\$ 152,266	\$ 132,199	\$ 126,040	\$ 125,235	\$ 94,926
Facilities	1,360	1,621	1,517	911	911	824	736	796	908	731
Administration	7,128	6,590	5,502	5,480	5,422	5,235	5,116	5,354	5,031	4,639
Interest on debt	7	26	46	65	87	114	148	149	222	216
Total governmental activities expenses	<u>292,475</u>	<u>272,740</u>	<u>254,972</u>	<u>222,777</u>	<u>188,541</u>	<u>158,439</u>	<u>138,199</u>	<u>132,339</u>	<u>131,396</u>	<u>100,512</u>
Business-type activities:										
Montessori Training Center of New England	378	136	151	105	159	176	158	241	143	123
Learning Corridor Theater	78	50	75	51	93	74	48	76	63	52
Cooperative Purchasing	574	422	133	133	50	32	28	19	14	13
Regional Fingerprinting Service	139	166	166	141	136	123	95	89	74	80
Office of Communications									3	1
Staff Development									2	3
BEST Services								15	19	4
Property Rental		1	1	1	1	1	1	1	1	1
CASBO Support Services					1	2	3	6	10	13
Conference Services	118	180	168	170	186	196	193	201	188	181
Technology Sale of Services	868	523	541	457	367	383	356	306	493	604
Farmington Valley Director										
Technical Assistance Brokering Service	330	324	189	194	222	202	211	300	347	439
Understanding By Design										
Community Education	274	337	210	240	201	143	177	205	248	310
School Facility Services	2,095	1,999	2,702	658	501	881	564	309	283	273
School Improvement Center	838	1,443	822	742	962	749	724	839	795	991
Total business-type activities expenses	<u>5,692</u>	<u>5,581</u>	<u>5,158</u>	<u>2,892</u>	<u>2,879</u>	<u>2,962</u>	<u>2,558</u>	<u>2,607</u>	<u>2,683</u>	<u>3,088</u>
Total Primary Government Expenses	<u>\$ 298,167</u>	<u>\$ 278,321</u>	<u>\$ 260,130</u>	<u>\$ 225,669</u>	<u>\$ 191,420</u>	<u>\$ 161,401</u>	<u>\$ 140,757</u>	<u>\$ 134,946</u>	<u>\$ 134,079</u>	<u>\$ 103,600</u>
Program revenues:										
Governmental activities:										
Charges for services:										
Education	\$ 101,162	\$ 98,153	\$ 86,684	\$ 78,858	\$ 73,213	\$ 65,377	\$ 61,538	\$ 60,747	\$ 58,383	\$ 50,013
Other activities	109	86	53	41	48	67	81	208	306	187
Operating grants and contributions	155,649	15,758	157,652	124,371	108,671	99,498	74,329	70,327	72,011	50,100
Capital grants and contributions	68,885	103,220	132,345	107,845	29,897	1,761	2,463	4,803	427	
Total governmental activities program revenues	<u>325,805</u>	<u>217,217</u>	<u>376,734</u>	<u>311,115</u>	<u>211,829</u>	<u>166,703</u>	<u>138,411</u>	<u>136,085</u>	<u>131,127</u>	<u>100,300</u>
Business-type activities:										
Charges for services										
Operating grants and contributions	5,210	3,998	4,363	3,103	3,043	2,906	2,538	2,833	2,592	2,853
Total business-type activities program revenues	<u>5,210</u>	<u>4,508</u>	<u>4,382</u>	<u>3,115</u>	<u>3,120</u>	<u>2,984</u>	<u>2,696</u>	<u>3,007</u>	<u>2,746</u>	<u>2,971</u>
Total Primary Government Program Revenues	<u>\$ 331,015</u>	<u>\$ 221,725</u>	<u>\$ 381,116</u>	<u>\$ 314,230</u>	<u>\$ 214,949</u>	<u>\$ 169,687</u>	<u>\$ 141,107</u>	<u>\$ 139,092</u>	<u>\$ 133,873</u>	<u>\$ 103,271</u>
Net (expense) revenue:										
Governmental activities	\$ 33,330	\$ 86,477	\$ 121,762	\$ 88,338	\$ 23,288	\$ 8,264	\$ 212	\$ 3,746	\$ (269)	\$ (212)
Business-type activities	(482)	(1,073)	(776)	223	241	22	138	400	63	(117)
Total Primary Government Net (Expense) Revenue	<u>\$ 32,848</u>	<u>\$ 85,404</u>	<u>\$ 120,986</u>	<u>\$ 88,561</u>	<u>\$ 23,529</u>	<u>\$ 8,286</u>	<u>\$ 350</u>	<u>\$ 4,146</u>	<u>\$ (206)</u>	<u>\$ (329)</u>
General revenues and other changes in net assets:										
Governmental activities:										
Grants and contributions not restricted to specific purposes										
Unrestricted investment earnings	\$ 153	\$ 175	\$ 188	\$ 217	\$ 226	\$ 217	\$ 296	\$ 368	\$ 368	\$ 359
Extraordinary items	53	34	36	59	69	42	12	115	384	539
Transfers	336	114	(433)	289	(194)	(286)	(169)	232	147	101
Total governmental activities	<u>542</u>	<u>323</u>	<u>(209)</u>	<u>565</u>	<u>101</u>	<u>(27)</u>	<u>139</u>	<u>715</u>	<u>899</u>	<u>999</u>
Business-type activities:										
Transfers										
Total business-type activities	<u>(336)</u>	<u>(114)</u>	<u>433</u>	<u>(289)</u>	<u>194</u>	<u>286</u>	<u>169</u>	<u>(232)</u>	<u>(147)</u>	<u>(101)</u>
Total Primary Government	<u>\$ 206</u>	<u>\$ 209</u>	<u>\$ 224</u>	<u>\$ 276</u>	<u>\$ 295</u>	<u>\$ 259</u>	<u>\$ 308</u>	<u>\$ 483</u>	<u>\$ 752</u>	<u>\$ 898</u>
Changes in net position:										
Governmental activities	\$ 33,872	\$ 86,800	\$ 121,553	\$ 88,903	\$ 23,389	\$ 8,237	\$ 351	\$ 4,461	\$ 630	\$ 787
Business-type activities	(818)	(1,187)	(343)	(66)	435	308	307	168	(84)	(218)
Total Primary Government	<u>\$ 33,054</u>	<u>\$ 85,613</u>	<u>\$ 121,210</u>	<u>\$ 88,837</u>	<u>\$ 23,824</u>	<u>\$ 8,545</u>	<u>\$ 658</u>	<u>\$ 4,629</u>	<u>\$ 546</u>	<u>\$ 569</u>

Notes:

Schedule prepared on the accrual basis of accounting.

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

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$	\$ 34	\$ 34	\$ 34	\$ 34
Unreserved							11,015	11,335	11,147	10,805
Nonspendable	193	162	7,499	4,362	1,950	128				
Assigned	5,606	5,412	5,002	5,111	4,925	4,860				
Unassigned	17,740	15,067	7,115	9,385	12,311	9,439				
Total General Fund	\$ <u>23,539</u>	\$ <u>20,641</u>	\$ <u>19,616</u>	\$ <u>18,858</u>	\$ <u>19,186</u>	\$ <u>14,427</u>	\$ <u>11,049</u>	\$ <u>11,369</u>	\$ <u>11,181</u>	\$ <u>10,839</u>
All other governmental funds:										
Reserved	\$	\$	\$	\$	\$	\$	\$ 958	\$ 985	\$ 987	\$ 1,014
Unreserved, reported in:										
Special revenue funds							(1,258)	(970)	(630)	(361)
Capital projects funds							760	1,076	1,205	101
Nonspendable	75	96	78	200	37	123				
Restricted	3,134	2,846	2,693	2,192	2,033	1,807				
Committed	1,939	1,880	1,725	1,628	1,532	1,435				
Assigned	82	9	3		1					
Unassigned	(5,276)	(5,153)	(4,382)	(3,573)	(3,113)	(3,109)				
Total All Other Governmental Funds	\$ <u>(46)</u>	\$ <u>(322)</u>	\$ <u>117</u>	\$ <u>447</u>	\$ <u>490</u>	\$ <u>256</u>	\$ <u>460</u>	\$ <u>1,091</u>	\$ <u>1,562</u>	\$ <u>754</u>

Notes:

1. Schedule prepared on the modified accrual basis of accounting.
2. CREC began to report new categories of fund balance in fiscal year 2011 when GASB Statement No. 54 was implemented

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

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
Tuition	\$ 30,373	\$ 30,756	\$ 29,435	\$ 29,649	\$ 28,759	\$ 28,129	\$ 27,526	\$ 28,930	\$ 28,653	\$ 24,881
Grants in aid	223,366	260,352	288,583	230,446	136,951	99,529	75,506	73,515	67,768	46,153
Room and board	1,217	916	1,287	1,455	1,502	1,545	1,441	1,740	3,916	4,195
Sales of services	68,483	64,878	55,274	47,523	42,639	36,041	32,858	31,108	30,509	25,218
Investment income	53	34	36	59	69	42	12	112	381	537
Other local revenues	2,600	2,571	2,430	2,377	2,292	1,795	1,506	1,279	768	330
Total revenues	<u>326,092</u>	<u>359,507</u>	<u>377,045</u>	<u>311,509</u>	<u>212,212</u>	<u>167,081</u>	<u>138,849</u>	<u>136,684</u>	<u>131,995</u>	<u>101,314</u>
Expenditures:										
Current:										
Special Programs	249,011	256,736	242,117	212,019	173,674	148,445	125,660	120,088	103,156	90,594
Facilities/Service Center	1,182	1,479	1,519	2,636	926	831	746	804	762	673
Administration	22,343	19,734	21,626	17,649	15,410	12,070	11,154	10,724	25,919	7,843
Debt service:										
Principal	275	291	291	291	396	396	396	396	396	396
Interest	9	29	48	68	91	118	144	170	247	223
Capital outlay	50,545	80,918	110,791	79,608	17,075	2,347	2,398	5,704	1,205	780
Total expenditures	<u>323,365</u>	<u>359,187</u>	<u>376,392</u>	<u>312,271</u>	<u>207,572</u>	<u>164,207</u>	<u>140,498</u>	<u>137,886</u>	<u>131,685</u>	<u>100,509</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,727</u>	<u>320</u>	<u>653</u>	<u>(762)</u>	<u>4,640</u>	<u>2,874</u>	<u>(1,649)</u>	<u>(1,202)</u>	<u>310</u>	<u>805</u>
Other Financing Sources (Uses):										
Transfers in	3,375	4,292	3,771	3,620	3,289	3,153	2,624	2,005	3,107	2,540
Transfers out	(2,928)	(4,026)	(3,996)	(3,229)	(3,417)	(3,427)	(2,720)	(1,735)	(3,043)	(2,382)
Proceeds from capital lease					480	575	795	649	775	780
Total other financing sources (uses)	<u>447</u>	<u>266</u>	<u>(225)</u>	<u>391</u>	<u>352</u>	<u>301</u>	<u>699</u>	<u>919</u>	<u>839</u>	<u>938</u>
Net Change in Fund Balances	<u>\$ 3,174</u>	<u>\$ 586</u>	<u>\$ 428</u>	<u>\$ (371)</u>	<u>\$ 4,992</u>	<u>\$ 3,175</u>	<u>\$ (950)</u>	<u>\$ (283)</u>	<u>\$ 1,149</u>	<u>\$ 1,743</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>0.1%</u>	<u>0.1%</u>	<u>0.1%</u>	<u>0.2%</u>	<u>0.3%</u>	<u>0.3%</u>	<u>0.4%</u>	<u>0.4%</u>	<u>0.5%</u>	<u>0.6%</u>

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

TABLE 5

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

Member Boards of Education	2016	2015	2014	2013	2012
Avon	\$ 1,011,200	1,000,064	\$ 948,333	\$ 801,443	\$ 651,844
Berlin	619,080	972,012	744,405	690,955	629,152
Bloomfield	2,252,938	1,799,441	1,279,091	1,147,567	1,239,409
Bolton	157,653	300,505	310,512	271,642	223,071
Bristol	2,478,851	2,151,848	1,869,092	1,567,546	1,469,510
Canton	275,983	243,372	257,621	213,008	216,982
Cromwell	322,713	276,017	202,280	195,420	194,919
East Granby	271,334	451,079	384,556	318,208	295,638
East Hartford	4,472,961	3,973,997	3,503,055	3,266,151	2,534,687
East Windsor	830,552	806,687	726,907	643,871	676,268
Ellington	1,408,675	1,268,555	1,404,239	1,117,922	785,844
Enfield	2,045,357	2,018,795	1,812,166	1,411,448	1,210,901
Farmington	726,883	758,869	833,200	1,216,430	1,130,747
Glastonbury	2,371,500	2,656,580	2,325,881	2,454,646	2,267,880
Granby	388,356	401,708	441,360	487,988	331,702
Hartford	22,938,894	22,519,684	17,821,036	14,368,889	12,560,787
Hartland	128,549	77,828	20,743	14,375	8,615
Manchester	2,571,547	2,571,897	2,389,342	2,532,153	2,772,705
New Britain	5,082,912	4,448,046	3,534,659	3,718,940	3,254,495
New Hartford	132,999	268,577	159,805	61,657	61,174
Newington	1,260,489	1,319,272	1,061,744	1,124,477	1,085,962
Plainville	332,911	317,651	248,804	347,332	410,035
Portland	250,019	237,238	325,633	264,884	211,394
Rocky Hill	1,245,717	1,148,924	1,036,437	952,396	792,657
Simsbury	1,395,595	1,605,945	1,688,762	1,351,266	1,608,598
Somers	613,559	816,830	748,601	521,166	580,707
South Windsor	1,867,646	2,107,603	1,791,074	1,564,610	1,539,400
Southington	1,775,302	2,169,082	2,083,196	2,358,781	2,354,062
Suffield	1,236,977	1,003,886	905,433	933,425	923,902
Vernon	1,462,832	1,582,371	1,710,386	1,716,606	1,251,977
West Hartford	2,177,022	2,148,714	1,820,598	1,944,583	1,996,819
Wethersfield	2,668,322	2,692,313	2,275,776	1,971,300	1,653,503
Windsor	3,023,713	3,084,011	2,975,493	2,832,801	2,671,224
Windsor Locks	753,004	786,923	1,136,538	947,143	927,056
Regional District #10	635,094	660,808	545,892	319,496	357,633
Revenue from Member Boards of Education	71,187,139	70,647,132	61,322,650	55,650,525	50,881,259
Other Sources					
Other LEAs and Agencies	83,858,270	77,225,368	86,530,944	67,010,327	63,284,540
State Grants	201,111,063	240,765,566	254,060,663	208,488,805	114,197,251
Federal Grants	5,831,686	5,772,865	7,237,436	8,547,029	8,314,740
Other Special Revenues	5,097,068	4,245,192	3,658,863	3,203,035	2,700,557
Revenue from Other Sources	295,898,087	328,008,991	351,487,906	287,249,196	188,497,088
Total Revenues	\$ 367,085,226	\$ 398,656,123	\$ 412,810,556	\$ 342,899,721	\$ 239,378,347

Source: Capitol Region Education Council Business Services Department

TABLE 6

**CAPITOL REGION EDUCATION COUNCIL
PRINCIPAL REVENUE PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Clients	2016	2007
Hartford	\$ 22,938,894	\$ 8,503,666
New Britain	5,082,912	1,054,410
East Hartford	4,472,961	910,516
Windsor	3,023,713	1,262,231
Wethersfield	2,668,322	669,057
Manchester	2,571,547	1,729,777
Bristol	2,478,851	915,772
Glastonbury	2,371,500	1,480,456
Bloomfield	2,252,938	1,247,505
West Hartford	2,177,022	706,950
Enfield	2,045,357	645,983
South Windsor	1,867,646	806,468
Southington	1,775,302	1,138,220
Vernon	1,462,832	1,141,140
Ellington	1,408,675	333,729
Simsbury	1,395,595	880,541
Newington	1,260,489	715,973
Rocky Hill	1,245,717	441,104
Suffield	1,236,977	426,362
Avon	1,011,200	432,721

TABLE 7

**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			
2016	\$ 0	\$ 0	\$ 14	\$ 14	8,710	0.00 %
2015	\$ 275	\$ 0	\$ 55	\$ 330	8,639	0.04 %
2014	\$ 550	\$ 16	\$ 171	\$ 737	7,707	0.10 %
2013	\$ 825	\$ 33	\$ 451	\$ 1,309	6,748	0.19 %
2012	\$ 1,100	\$ 49	\$ 973	\$ 2,122	5,976	0.36 %
2011	\$ 1,480	\$ 65	\$ 1,172	\$ 2,717	5,071	0.54 %
2010	\$ 1,860	\$ 82	\$ 1,314	\$ 3,256	4,472	0.73 %
2009	\$ 2,240	\$ 98	\$ 1,240	\$ 3,578	4,008	0.89 %
2008	\$ 2,620	\$ 114	\$ 1,258	\$ 3,992	3,395	1.18 %
2007	\$ 3,000	\$ 131	\$ 993	\$ 4,124	3,361	1.23 %

**CAPITOL REGION EDUCATION COUNCIL
CREC MEMBER DATA**

	Population Growth 2012-2015	Number of Public Schools	District Reference Group (DRG)	Student Enrollment 2015-2016	Student Enrollment 2014-2015	Student Enrollment Change
Connecticut						
1 Avon	0.7%	5	B	3,274	3,321	-1.4%
2 Berlin	0.5%	5	D	2,863	2,896	-1.1%
3 Bloomfield	0.7%	8	G	2,068	2,107	-1.9%
4 Bolton	-0.3%	2	C	814	838	-2.9%
5 Bristol	-0.2%	12	G	8,058	8,124	-0.8%
6 Canton	-0.2%	4	C	1,623	1,616	0.4%
7 Cromwell	-1.3%	4	D	1,982	1,968	0.7%
8 East Granby	0.3%	4	D	868	875	-0.8%
9 East Hartford	-0.9%	14	H	6,866	7,034	-2.4%
10 East Windsor	0.1%	3	F	1,093	1,125	-2.8%
11 Ellington	0.9%	5	C	2,629	2,655	-1.0%
12 Enfield	-0.8%	10	F	5,153	5,150	0.1%
13 Farmington	0.4%	7	B	4,069	3,997	1.8%
14 Glastonbury	-0.1%	9	B	6,050	6,122	-1.2%
15 Granby	-0.2%	5	B	1,946	1,954	-0.4%
16 Hartford	-0.7%	47	I	20,859	21,428	-2.7%
17 Hartland	-0.2%	1	E	187	201	-7.0%
18 Manchester	-0.5%	12	G	6,208	6,228	-0.3%
19 New Britain	-0.5%	15	I	9,982	10,016	-0.3%
20 New Hartford	-2.0%	3	C	470	500	-6.0%
21 Newington	0.0%	7	D	4,042	4,105	-1.5%
22 Plainville	-0.3%	5	F	2,390	2,390	0.0%
23 Portland	-0.9%	5	E	1,352	1,328	1.8%
24 Regional District #10	0.5%	4	C	2,405	2,472	-2.7%
25 Rocky Hill	1.5%	4	D	2,600	2,482	4.8%
26 Simsbury	3.1%	7	B	4,159	4,275	-2.7%
27 Somers	-0.2%	3	C	1,429	1,473	-3.0%
28 Southington	0.9%	11	D	6,544	6,585	-0.6%
29 South Windsor	-0.2%	7	B	4,128	4,180	-1.2%
30 Suffield	-1.3%	4	C	2,353	2,388	-1.5%
31 Vernon	-0.6%	8	G	3,178	3,259	-2.5%
32 West Hartford	-0.3%	16	B	9,703	9,737	-0.3%
33 Wethersfield	-1.3%	7	D	3,620	3,618	0.1%
34 Windsor	-0.4%	6	D	3,177	3,139	1.2%
35 Windsor Locks	-0.1%	4	F	1,630	1,653	-1.4%
Totals		<u>273</u>		<u>139,772</u>	<u>141,239</u>	

Source: State of Connecticut Department of Education

**CAPITOL REGION EDUCATION COUNCIL
TOTAL POPULATION BY TOWN
FISCAL YEARS 2006 TO 2015**

<u>Town</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Avon	18,414	18,421	18,386	18,283	18,113	18,145	17,357	17,328	17,333	17,342
Berlin	20,560	20,610	20,590	20,463	19,881	19,901	20,467	20,364	20,254	20,137
Bloomfield	20,749	20,819	20,673	20,602	20,502	20,525	20,696	20,727	20,693	20,643
Bolton	4,947	4,952	4,948	4,960	4,974	4,977	5,155	5,117	5,116	5,142
Bristol	60,452	60,570	60,568	60,603	60,525	60,510	61,027	60,927	60,911	61,258
Canton	10,330	10,345	10,357	10,351	10,300	10,337	10,125	10,104	10,086	10,081
Cromwell	14,034	14,113	14,178	14,217	14,037	14,038	13,669	13,600	13,552	13,540
East Granby	5,199	5,212	5,212	5,184	5,152	5,155	5,210	5,155	5,122	5,082
East Hartford	50,821	51,033	51,199	51,272	51,293	51,318	48,634	48,571	48,697	48,934
East Windsor	11,400	11,423	11,406	11,387	11,170	11,201	11,041	10,822	10,617	10,563
Ellington	15,916	15,795	15,786	15,779	15,582	15,679	14,829	14,568	14,426	14,370
Enfield	44,323	44,626	44,748	44,660	44,686	44,635	45,259	44,895	45,011	45,297
Farmington	25,629	25,627	25,613	25,529	25,361	25,368	25,144	25,116	25,084	25,040
Glastonbury	34,678	34,754	34,768	34,698	34,454	34,467	33,353	33,263	33,169	33,077
Granby	11,298	11,310	11,323	11,316	11,291	11,292	11,220	11,219	11,215	11,187
Hartford	124,006	124,705	125,017	124,893	124,867	124,744	124,060	124,062	124,563	124,699
Hartland	2,127	2,129	2,131	2,132	2,116	2,114	2,087	2,079	2,077	2,090
Manchester	58,007	58,106	58,211	58,289	58,287	58,354	56,388	56,385	55,857	55,738
New Britain	72,808	72,878	72,939	73,153	73,261	73,253	70,548	70,486	70,664	70,855
New Hartford	6,764	6,812	6,886	6,903	6,929	6,994	6,763	6,728	6,736	6,794
Newington	30,604	30,685	30,756	30,602	30,586	30,599	29,818	29,699	29,619	29,586
Plainville	17,773	17,801	17,820	17,819	17,730	17,724	17,284	17,221	17,193	17,312
Portland	9,391	9,444	9,456	9,472	9,530	9,522	9,577	9,551	9,537	9,595
Regional District #10	15,116	15,107	15,087	15,034	14,917	14,980	14,774	14,710	14,707	14,749
Rocky Hill	20,021	20,094	19,915	19,729	19,723	19,754	18,827	18,852	18,808	18,835
Simsbury	24,348	23,975	23,824	23,620	23,528	23,507	23,648	23,615	23,659	23,660
Somers	11,432	11,303	11,320	11,451	11,433	11,469	11,215	10,984	10,850	10,888
Southington	43,817	43,815	43,661	43,434	43,103	43,130	42,534	42,250	42,142	42,249
South Windsor	25,789	25,823	25,846	25,835	25,729	25,751	26,258	25,966	25,940	26,030
Suffield	15,662	15,814	15,788	15,868	15,747	15,789	15,163	15,136	15,104	15,127
Vernon	28,959	29,098	29,161	29,122	29,139	29,205	30,182	29,839	29,620	29,672
West Hartford	63,053	63,324	63,371	63,274	63,317	63,362	60,852	60,495	60,486	60,794
Wethersfield	26,367	26,446	26,510	26,710	26,690	26,695	25,767	25,719	25,781	26,057
Windsor	29,016	29,069	29,142	29,140	29,067	29,060	29,014	28,851	28,754	28,703
Windsor Locks	12,537	12,565	12,573	12,546	12,507	12,502	12,517	12,495	12,491	12,444
Total CREC Membership	<u>986,347</u>	<u>988,603</u>	<u>989,169</u>	<u>988,330</u>	<u>985,527</u>	<u>986,056</u>	<u>970,462</u>	<u>966,899</u>	<u>965,874</u>	<u>967,570</u>

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

TABLE 10

**CAPITOL REGION EDUCATION COUNCIL
PER PUPIL EXPENSE**

	Net Expense Per Pupil 2016	Net Expense Per Pupil 2015	Net Expense Per Pupil 2014	Net Expense Per Pupil 2013	Net Expense Per Pupil 2012	Net Expense Per Pupil 2011	Net Expense Per Pupil 2010	Net Expense Per Pupil 2009	Net Expense Per Pupil 2008	Net Expense Per Pupil 2007
Avon	\$ 15,726	\$ 15,380	\$ 14,340	\$ 13,545	\$ 12,918	\$ 12,159	\$ 11,585	\$ 11,282	\$ 10,822	\$ 10,301
Berlin	15,533	14,982	14,601	14,003	13,710	12,909	12,504	12,063	11,222	10,618
Bloomfield	21,160	19,724	20,045	18,444	17,343	17,254	16,432	15,881	14,712	13,855
Bolton	17,492	16,760	15,932	14,956	14,424	14,136	14,228	13,908	13,196	12,030
Bristol	13,898	13,625	13,087	12,479	12,619	12,259	12,138	11,652	10,991	10,606
Canton	15,438	15,180	14,400	13,674	13,196	12,561	12,583	12,006	11,993	11,116
Cromwell	13,928	13,494	13,264	12,984	12,850	12,784	12,698	12,000	11,936	11,620
East Granby	18,979	17,572	16,475	16,300	15,775	14,894	14,166	14,067	13,447	12,158
East Hartford	13,437	13,141	12,784	12,176	11,771	11,903	11,422	11,709	11,109	10,481
East Windsor	19,219	17,811	15,581	14,837	14,920	14,647	12,909	12,828	11,536	10,343
Ellington	12,985	12,619	12,192	11,234	10,969	10,716	10,545	10,595	10,165	9,842
Enfield	13,897	13,752	13,513	12,784	12,369	12,079	11,815	11,741	11,430	10,861
Farmington	16,237	15,813	15,018	14,408	14,103	13,163	12,620	11,968	11,868	11,338
Glastonbury	15,729	15,131	14,233	13,322	13,008	12,489	12,072	11,608	11,210	10,519
Granby	14,545	14,291	13,273	12,899	12,430	12,145	11,780	11,709	11,119	10,446
Hartford	19,305	19,336	18,721	17,917	17,793	17,941	17,531	16,202	15,717	15,448
Hartland	18,480	17,392	16,582	15,111	13,944	13,983	13,995	13,382	12,903	12,175
Manchester	16,251	15,379	14,903	14,607	14,404	13,654	13,392	13,163	12,960	12,025
New Britain	13,192	13,036	12,842	11,832	11,630	13,020	12,144	11,910	11,654	10,824
New Hartford	16,343	15,847	14,786	14,062	13,513	13,420	12,432	12,401	11,886	11,498
Newington	16,372	15,528	15,063	14,525	14,405	13,955	13,418	12,491	11,881	11,301
Plainville	14,858	14,852	15,016	14,385	14,031	13,455	13,147	12,915	12,456	11,655
Portland	14,542	14,319	13,434	13,109	12,937	12,676	11,971	12,159	12,056	11,289
Regional District #10	14,445	13,671	13,132	12,649	12,198	11,354	11,345	11,080	10,593	10,184
Rocky Hill	14,527	14,497	14,293	13,333	12,878	12,656	12,170	11,710	11,431	10,766
Simsbury	16,048	15,423	15,097	14,082	13,503	13,012	12,660	12,181	11,739	11,222
Somers	15,122	14,283	13,728	12,886	12,496	12,463	11,807	11,386	10,796	10,085
Southington	13,822	13,374	12,941	12,504	12,232	12,502	12,119	11,587	11,099	10,731
South Windsor	16,835	16,053	15,687	15,148	14,732	13,802	12,734	12,048	11,162	10,540
Suffield	15,698	14,641	14,103	13,303	12,754	12,566	12,238	11,859	10,820	10,133
Vernon	15,472	14,960	14,232	13,450	12,960	13,895	12,509	12,812	12,098	11,664
West Hartford	15,022	14,586	13,972	13,719	13,075	12,797	12,476	12,325	11,939	11,476
Wethersfield	15,100	14,679	14,443	13,740	13,476	13,057	12,964	12,948	11,861	11,234
Windsor	17,336	17,288	16,499	15,582	15,424	14,925	14,395	13,393	12,598	11,845
Windsor Locks	19,011	18,684	17,585	16,382	15,278	15,195	15,024	14,032	13,274	12,562

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

TABLE 11

**CAPITOL REGION EDUCATION COUNCIL
CREC MEMBER TOWNS AVERAGE DAILY MEMBERSHIP (ADM) - PUBLIC SCHOOL PUPILS
FISCAL YEARS 2007 TO 2016**

<u>Town</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Avon	3,292	3,326	3,421	3,472	3,538	3,585	3,617	3,574	3,596	3,513
Berlin	2,982	3,024	3,063	3,054	3,079	3,167	3,219	3,267	3,313	3,323
Bloomfield	2,238	2,244	2,188	2,261	2,374	2,406	2,530	2,557	2,630	2,701
Bolton	759	779	803	815	828	829	839	845	869	922
Bristol	8,393	8,452	8,492	8,504	8,637	8,762	8,784	8,913	9,038	9,100
Canton	1,638	1,659	1,727	1,775	1,772	1,811	1,793	1,784	1,730	1,734
Cromwell	2,104	2,099	2,062	2,043	2,035	2,020	2,050	2,011	1,983	1,997
East Granby	907	922	921	901	890	924	939	906	914	938
East Hartford	8,092	8,156	8,165	8,034	8,142	8,027	8,009	7,918	8,064	8,358
East Windsor	1,203	1,256	1,304	1,364	1,369	1,397	1,476	1,526	1,556	1,616
Ellington	2,733	2,750	2,766	2,789	2,766	2,733	2,670	2,662	2,628	2,561
Enfield	5,553	5,555	5,597	5,767	5,918	6,052	6,215	6,399	6,436	6,580
Farmington	4,048	4,028	4,032	4,079	4,045	4,128	4,143	4,168	4,178	4,231
Glastonbury	6,213	6,313	6,582	6,753	6,826	6,991	6,999	7,036	7,021	6,931
Granby	1,921	1,948	2,024	2,084	2,148	2,206	2,259	2,205	2,261	2,258
Hartford	21,523	21,626	21,786	21,671	21,057	20,995	21,318	21,725	22,323	22,407
Hartland	275	273	287	300	319	319	317	337	339	351
Manchester	7,280	7,352	7,285	7,147	7,246	7,504	7,498	7,480	7,430	7,608
New Britain	11,359	11,157	10,993	11,187	11,011	10,856	10,874	10,814	10,982	11,224
New Hartford	1,031	1,059	1,104	1,124	1,136	1,131	1,146	1,157	1,142	1,156
Newington	4,238	4,317	4,383	4,452	4,477	4,501	4,504	4,525	4,552	4,578
Plainville	2,415	2,417	2,368	2,400	2,443	2,503	2,552	2,525	2,606	2,633
Portland	1,401	1,383	1,436	1,428	1,420	1,444	1,471	1,464	1,448	1,471
Regional District #10	2,463	2,529	2,626	2,671	2,694	2,770	2,810	2,829	2,823	2,809
Rocky Hill	2,762	2,646	2,589	2,600	2,621	2,626	2,674	2,640	2,626	2,606
Simsbury	4,253	4,358	4,447	4,600	4,733	4,819	4,926	4,961	4,967	4,991
Somers	1,441	1,485	1,519	1,569	1,613	1,620	1,634	1,702	1,707	1,716
Southington	6,648	6,721	6,751	6,769	6,790	6,843	6,826	6,817	6,882	6,871
South Windsor	4,321	4,401	4,461	4,425	4,506	4,684	4,808	4,965	5,084	5,190
Suffield	2,261	2,279	2,315	2,384	2,426	2,407	2,441	2,440	2,500	2,496
Vernon	3,512	3,582	3,662	3,710	3,751	3,771	3,738	3,638	3,757	3,802
West Hartford	10,132	10,251	10,297	10,332	10,439	10,450	10,315	10,111	9,997	10,130
Wethersfield	3,971	3,934	3,921	3,878	3,838	3,929	3,946	3,966	3,921	3,946
Windsor	3,937	3,889	3,915	4,019	4,074	4,152	4,272	4,461	4,560	4,651
Windsor Locks	1,703	1,717	1,783	1,835	1,861	1,891	1,917	1,972	1,964	2,038
Total CREC Membership	<u>149,002</u>	<u>149,887</u>	<u>151,075</u>	<u>152,195</u>	<u>152,820</u>	<u>154,254</u>	<u>155,529</u>	<u>156,300</u>	<u>157,827</u>	<u>159,437</u>

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

**CAPITOL REGION EDUCATION COUNCIL
PROGRAM ENROLLMENT SUMMARY**

PROGRAM	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Academy of Aerospace and Engineering Elementary School	342	297	222							
Academy of Aerospace & Engineering and Greater Hartford Academy of Math and Science	782	804	759	675	568	410	348	283	211	232
Ana Grace Academy of the Arts (Greater Hartford Academy of the Arts Elementary	354	313	216	164						
Discovery Academy	404	355	282	220	150					
Farmington Valley Diagnostic Center	16	19	22	21	24	21	25	16	32	15
Glastonbury-East Hartford Elementary Magnet School	451	435	410	387	259	262	261	251	257	255
Great Path Academy					246	283	234	165	111	89
Greater Hartford Academy of the Arts High School	740	761	765	725	639	620	616	507	424	412
Greater Hartford Academy of the Arts Middle School	335	328	327	184						
Integrated Program Model	4	4	5	6	5	5	9	24	26	32
International Magnet School for Global Citizenship	465	465	415	357	311	244	182	125		
Lincoln Academy	12	15	8	11	8	9	3			
Medical Professions and Teaching Preparation Academy	515	529	360	337	279	179				
Metropolitan Learning Center	723	736	722	716	719	711	713	683	676	681
Montessori Magnet School	349	357	344	340	350	337	336	332	331	330
Museum Academy	468	458	405	312	271					
Polaris Center	55	56	53	58	47	47	53	68	89	82
Public Safety Academy	453	524	408	381	389	293	216	105		
Reggio Magnet School of the Arts	454	468	392	355	284	255	173	152		
River Street School	208	215	210	215	205	204	204	198	190	185
Soundbridge	65	74	84	86	97	103	89	98	61	57
STRIVE	8	12	8							
Two Rivers Magnet High School	399	303	189	96						
Two Rivers Magnet Middle School	652	664	660	662	684	658	592	589	581	609
University of Hartford Magnet School	456	447	441	440	441	430	418	412	406	382
TOTAL	8,710	8,639	7,707	6,748	5,976	5,071	4,472	4,008	3,395	3,361

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

(Details provided on following pages)

TABLE 12

**CAPITOL REGION EDUCATION COUNCIL
ACADEMY OF AEROSPACE AND ENGINEERING ELEMENTARY SCHOOL**
Student Enrollment by LEA (Continued)

<u>LEA</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Avon	1		
Berlin	3	3	2
Bloomfield			
Bolton			
Bristol	8	8	8
Canton			
Cromwell	26	23	13
East Granby			
East Hartford	5	3	1
East Windsor			
Ellington	2	2	1
Enfield	4	5	3
Farmington	5	7	5
Glastonbury	8	9	12
Granby			
Hartford	159	135	108
Hartland			
Manchester	8	3	
New Britain	7	4	
New Hartford	1		
Newington	8	4	2
Plainville	3	6	4
Portland	3	2	2
Rocky Hill	36	35	24
Simsbury		2	3
Somers	1	1	
South Windsor	6	9	8
Southington	1	1	1
Suffield			
Vernon			
West Hartford	2	2	1
Wethersfield	7	3	2
Windsor	1		
Windsor Locks			
Region #10			1
Non-Member LEAs	<u>37</u>	<u>30</u>	<u>21</u>
TOTAL	<u>342</u>	<u>297</u>	<u>222</u>

(Continued on following page)

TABLE 12

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

LEA	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Avon	8	10	8	6	6	4	4	6	6	6
Berlin	8	14	16	17	13	7		2		
Bloomfield	20	13	11	11	6	5	8	9	10	11
Bolton	1	1	1	1	1					
Bristol	12	20	22	18	14	5	1	1		
Canton	2	4	4	1	3	4	5	4	3	3
Cromwell	3	5	5	3	1	2	1	1		
East Granby	7	8	5	4	3	1	1			
East Hartford	38	28	23	18	20	10	2			
East Windsor	6	7	6	4	1	2	1	1		
Ellington	6	6	7	7	8	3	4	6	2	5
Enfield	25	27	24	14	10	1	3	1		
Farmington	3	7	7	10	13	12	9	8	7	8
Glastonbury	12	4	5	3	6	5	6	4		1
Granby	4	8	11	18	10	9	9	11	13	10
Hartford	278	256	220	208	171	117	114	87	49	62
Hartland	1	2	1	1						
Manchester	23	27	27	23	24	15	18	17	21	21
New Britain	33	30	36	30	34	22	16	12	15	16
New Hartford	3	2	2							
Newington	17	23	27	28	24	21	17	11	9	11
Plainville	4	3	3	5	5	4	3	1		
Portland	2	2	2	1	4	4	4	4		
Rocky Hill	40	46	54	49	37	31	31	25	24	27
Simsbury	5	3	2	3	3	4	7	8	9	10
Somers	6	5	3	1	1					
South Windsor	9	12	8	7	2	2	1			
Southington	32	44	45	34	31	25	23	12	12	10
Suffield	16	20	10	11	10	12	9	12	6	3
Vernon	4	9	10	5	6	4	4	1		
West Hartford	24	25	28	28	21	18	12	10	4	3
Wethersfield	16	21	23	21	23	19	11	13	13	13
Windsor	33	32	27	17	14	10	7	8	6	8
Windsor Locks	10	12	13	10	5	3	2			
Region #10	7	10	8	7	3	1	3	1		
Non-Member LEAs	64	58	55	51	35	28	12	7	2	4
TOTAL	782	804	759	675	568	410	348	283	211	232

(Continued on following page)

TABLE 12

**CAPITOL REGION EDUCATION COUNCIL
GREATER HARTFORD ACADEMY OF THE ARTS ELEMENTARY**
Student Enrollment by LEA (Continued)

<u>LEA</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Avon	13	5	4	8
Berlin	1	1	1	2
Bloomfield	5	5	2	1
Bolton				
Bristol	11	7	2	2
Canton	7	6	1	1
Cromwell	1		2	1
East Granby	1	1		
East Hartford	6	6	7	2
East Windsor	2			
Ellington	1	2	11	3
Enfield	5	10	11	4
Farmington	13	9	5	8
Glastonbury	1	3	4	8
Granby	7	4	3	1
Hartford	156	129	93	74
Hartland				
Manchester	16	17	8	2
New Britain	14	9	4	2
New Hartford	1	2		
Newington	5	4	2	4
Plainville	6	2	2	2
Portland				
Rocky Hill	2	2	2	2
Simsbury	24	23	13	6
Somers		1	1	
South Windsor	2	1	1	1
Southington	8	8	1	1
Suffield		1	1	
Vernon	4	6	4	5
West Hartford	9	17	10	11
Wethersfield	1	1		
Windsor	9	11	8	2
Windsor Locks	2	2	2	
Region #10	1			
Non-Member LEAs	<u>20</u>	<u>18</u>	<u>11</u>	<u>11</u>
TOTAL	<u>354</u>	<u>313</u>	<u>216</u>	<u>164</u>

(Continued on following page)

**CAPITOL REGION EDUCATION COUNCIL
DISCOVERY ACADEMY**
Student Enrollment by LEA (Continued)

<u>LEA</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Avon					1
Berlin	13	12	13	2	1
Bloomfield	8	7	6	5	4
Bolton	1	1		2	2
Bristol	6	7	6	4	4
Canton		1	1		2
Cromwell	6	8	3		
East Granby					
East Hartford	20	17	13	12	11
East Windsor					
Ellington	5	3	3	3	1
Enfield	11	10	14	11	4
Farmington	2	4	2	4	3
Glastonbury	2		1	1	1
Granby					
Hartford	156	126	86	63	48
Hartland					
Manchester	11	11	10	9	10
New Britain	17	14	12	9	5
New Hartford					
Newington	22	20	7	5	3
Plainville	5	6	7	7	4
Portland	4	4	4	2	
Rocky Hill	5	7	11	10	5
Simsbury				1	
Somers					
South Windsor	17	15	13	7	5
Southington	3	4	2	2	2
Suffield					
Vernon	5	3	2	2	
West Hartford	7	9	9	9	9
Wethersfield	22	21	20	22	10
Windsor	11	12	10	7	5
Windsor Locks	2	1	1	2	1
Region #10	1				
Non-Member LEAs	<u>42</u>	<u>32</u>	<u>26</u>	<u>19</u>	<u>9</u>
TOTAL	<u>404</u>	<u>355</u>	<u>282</u>	<u>220</u>	<u>150</u>

(Continued on following page)

TABLE 12

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

LEA	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Avon	1				3		2	1	5	2
Berlin			1							
Bloomfield	1									
Bolton										
Bristol										
Canton	1					2	4		1	2
Cromwell										
East Granby	1	1	1			1	1		3	1
East Hartford										
East Windsor										
Ellington										
Enfield										
Farmington	2	3	2	6	2	6	1	4	4	2
Glastonbury										
Granby	1	1	1	1		1	2			2
Hartford									1	
Hartland										
Manchester										
New Britain										
New Hartford										
Newington										
Plainville	1	2	2	2	1	1	2	3	4	3
Portland										
Rocky Hill										
Simsbury	3	1	6	3	4	4	5	4	8	2
Somers										
South Windsor										
Southington		5	7	5	10	2	4	1	2	
Suffield								1		
Vernon										
West Hartford										
Wethersfield										
Windsor		1								
Windsor Locks		1								
Region #10	2	1	1	2	4	4	4	2	4	1
Non-Member LEAs	3	3	1	2					0	
TOTAL	16	19	22	21	24	21	25	16	32	15

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL
GLASTONBURY-EAST HARTFORD ELEMENTARY MAGNET SCHOOL
 Student Enrollment by LEA (Continued)

LEA	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Avon										
Berlin										
Bloomfield	4	2	2							
Bolton	1	1								
Bristol	4	4	3	2						
Canton										
Cromwell	1	1								
East Granby										
East Hartford	100	112	134	137	128	124	134	136	133	137
East Windsor	1									
Ellington	4	6	4	3						
Enfield										
Farmington										
Glastonbury	122	136	133	143	106	123	120	115	124	118
Granby										
Hartford	97	88	82	69	23	12	7			
Hartland										
Manchester	9	4	1	3						
New Britain	7	5	3	3						
New Hartford										
Newington	6	6	2							
Plainville	1					1				
Portland	2	1	3							
Rocky Hill	3	2	2	1						
Simsbury										
Somers	1									
South Windsor	7	6	7	3	2	2				
Southington	2	1	1	1						
Suffield	2	2	3	1						
Vernon	9	9	4	1						
West Hartford	3									
Wethersfield	9	6	3	2						
Windsor	1	1		2						
Windsor Locks	1									
Region #10										
Non-Member LEAs	54	42	23	16						
TOTAL	451	435	410	387	259	262	261	251	257	255

(Continued on following page)

**CAPITOL REGION EDUCATION COUNCIL
GREAT PATH ACADEMY**
Student Enrollment by LEA (Continued)

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

(Continued on following page)

TABLE 12

**CAPITOL REGION EDUCATION COUNCIL
GREATER HARTFORD ACADEMY OF THE ARTS**

Student Enrollment by LEA (Continued)

LEA	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Avon	9	10	12	15	13	9	8	8	5	6
Berlin	9	11	23	26	23	26	16	7	8	4
Bloomfield	7	8	2	3	2	4	3	3	2	4
Bolton	2	1	1	2	3	3	3	3		2
Bristol	12	21	28	17	12	10	5	3		2
Canton	18	16	18	13	11	5	4	7	11	10
Cromwell	9	9	8	9	7	2	4	2	4	6
East Granby	5	5	1			2	3	1	2	2
East Hartford	14	14	13	9	15	9	18	15	7	7
East Windsor	5	2	1	3	3	1	4	2		
Ellington	5	4	12	13	4	4	4	6	6	5
Enfield	12	10	8	10	7	6	7	6	7	5
Farmington	12	15	19	17	11	11	14	9	7	4
Glastonbury	18	23	28	25	18	26	28	22	19	19
Granby	9	12	14	13	11	12	13	8	6	4
Hartford	220	226	214	203	203	200	167	114	63	59
Hartland	2	1	1	1	1		2		2	2
Manchester	20	10	11	9	9	11	14	20	17	13
New Britain	32	22	11	23	23	22	26	11	11	18
New Hartford	6	7	5	3	2	1	2	2	1	
Newington	13	16	16	17	16	15	8	8	11	12
Plainville	5	4	4	1	3	4	2	2		
Portland	11	7	9	6	9	10	7	3	4	3
Rocky Hill	10	11	17	14	8	12	19	22	26	24
Simsbury	11	15	17	19	27	12	25	25	28	27
Somers	8	8	7	4	1	1	1	1		
South Windsor	4	7	8	10	10	7	9	5	4	7
Southington	40	40	32	32	33	29	21	12	15	16
Suffield	9	11	14	13	10	9	5	5	7	6
Vernon	15	16	12	11	7	12	13	10	8	4
West Hartford	26	30	38	30	25	27	31	27	26	25
Wethersfield	12	11	12	11	11	17	19	20	20	15
Windsor	30	20	14	10	5	9	11	13	15	11
Windsor Locks	2	4	5	5	8	5	6	4	4	6
Region #10	5	9	6	2	5	5	5	2		3
Non-Member LEAs	113	125	124	126	83	82	89	99	78	81
TOTAL	740	761	765	725	639	620	616	507	424	412

(Continued on following page)

TABLE 12

**CAPITOL REGION EDUCATION COUNCIL
GREATER HARTFORD ACADEMY OF THE ARTS MIDDLE SCHOOL**
Student Enrollment by LEA (Continued)

<u>LEA</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Avon	1	1	1	
Berlin	3	4	3	1
Bloomfield	5	3	3	1
Bolton				
Bristol	9	13	7	4
Canton	1	2	1	
Cromwell	1			
East Granby	1		1	2
East Hartford	14	9	4	3
East Windsor	2	4	4	3
Ellington				
Enfield	20	20	19	6
Farmington	4	1	1	
Glastonbury	4	4	4	4
Granby	2	3	1	
Hartford	156	147	145	84
Hartland				
Manchester	11	13	17	10
New Britain	23	26	33	27
New Hartford	1	2	1	
Newington			1	1
Plainville	1		1	1
Portland	2	1	1	
Rocky Hill	1	2	5	3
Simsbury	4	3	2	
Somers	1	2		
South Windsor	2	4	3	
Southington	8	8	4	1
Suffield	3	2	3	2
Vernon	4	6	9	11
West Hartford	3	4	8	4
Wethersfield	3	3	4	1
Windsor	13	10	5	1
Windsor Locks	1	1	1	
Region #10	2	1	2	1
Non-Member LEAs	<u>29</u>	<u>29</u>	<u>33</u>	<u>13</u>
TOTAL	<u>335</u>	<u>328</u>	<u>327</u>	<u>184</u>

(Continued on following page)

TABLE 12

**CAPITOL REGION EDUCATION COUNCIL
INTEGRATED PROGRAM MODEL**
Student Enrollment by LEA (Continued)

LEA	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Avon										
Berlin									1	1
Bloomfield										
Bolton										
Bristol	1	1	1	1				1		
Canton								1	1	1
Cromwell										
East Granby										
East Hartford										1
East Windsor										
Ellington										
Enfield										
Farmington										
Glastonbury										
Granby										
Hartford								1	1	1
Hartland										
Manchester										
New Britain	2	2	2	3	2	1	1	3	3	1
New Hartford										
Newington										
Plainville			1		1	2	1	2	2	3
Portland								1		1
Rocky Hill										1
Simsbury							1			
Somers										
South Windsor										
Southington										
Suffield										
Vernon										1
West Hartford										
Wethersfield	1	1	1	1	1	1	1			
Windsor										
Windsor Locks										
Region #10										
Non-Member LEAs				1	1	1	5	15	18	21
TOTAL	4	4	5	6	5	5	9	24	26	32

(Continued on following page)

**CAPITOL REGION EDUCATION COUNCIL
INTERNATIONAL MAGNET SCHOOL FOR GLOBAL CITIZENSHIP**
Student Enrollment by LEA (Continued)

LEA	2015	2014	2013	2012	2011	2010	2009	2008
Avon								
Berlin	2	2	2	4	3	3		1
Bloomfield	4	5	6	3	3			
Bolton	2	3		1	1			
Bristol	2	3	2	5	3			1
Canton					1			
Cromwell	5	5	5	5	2	1	1	1
East Granby								
East Hartford	54	52	52	48	43	31	14	8
East Windsor	3	3	3	2	1			1
Ellington	29	19	15	13	13	5	2	
Enfield	14	14	7	7	3	2	2	1
Farmington			1	1			1	1
Glastonbury	2	3	4	7	28	34	27	13
Granby								
Hartford	178	173	147	119	107	88	78	60
Hartland								
Manchester	32	37	34	30	23	15	5	5
New Britain	10	13	9	7	1	1	1	1
New Hartford								
Newington	2	2	5	2	4	4	5	4
Plainville				1	1			
Portland			1	1	1	1	2	2
Rocky Hill	2	2	2	3	3	1	3	4
Simsbury		1	1	1				
Somers	3	4	2					
South Windsor	58	49	42	34	18	14	13	5
Southington	3	2	2					
Suffield								
Vernon	9	11	19	11	10	10	7	5
West Hartford	3	4	4	4	5	2	2	5
Wethersfield	11	12	8	15	11	11	5	4
Windsor	9	6	4	1	1	1		
Windsor Locks	1	1	1	1				
Region #10								
Non-Member LEAs	27	39	37	31	25	20	14	3
TOTAL	465	465	415	357	311	244	182	125

(Continued on following page)

**CAPITOL REGION EDUCATION COUNCIL
LINCOLN ACADEMY**
Student Enrollment by LEA (Continued)

<u>LEA</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Avon							
Berlin							
Bloomfield	1						
Bolton							
Bristol							
Canton							
Cromwell							
East Granby							
East Hartford			1		1	2	
East Windsor							
Ellington							
Enfield							
Farmington							
Glastonbury	2	1		1	1	1	
Granby							
Hartford	1	1	1	1			
Hartland							
Manchester	1	1		1		2	2
New Britain	1	1					
New Hartford							
Newington						1	
Plainville							
Portland							
Rocky Hill							
Simsbury	1						
Somers	1	1					
South Windsor	1	5	5	2	3	2	
Southington							
Suffield							
Vernon		1		1			
West Hartford							
Wethersfield		1		2			
Windsor							
Windsor Locks							
Region #10							
Non-Member LEAs	<u>3</u>	<u>3</u>	<u>1</u>	<u>3</u>	<u>3</u>	<u>1</u>	<u>1</u>
TOTAL	<u>12</u>	<u>15</u>	<u>8</u>	<u>11</u>	<u>8</u>	<u>9</u>	<u>3</u>

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL
MEDICAL PROFESSIONS AND TEACHING PREPARATION ACADEMY
 Student Enrollment by LEA (Continued)

<u>LEA</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Avon	1	1	1			
Berlin	2	2	1	2	1	3
Bloomfield	9	7	10	9	10	6
Bolton						
Bristol	21	21	9	3	2	3
Canton						
Cromwell	4	3		1		
East Granby						
East Hartford	30	36	33	32	24	10
East Windsor	3	1	1	1	1	
Ellington	3	3	5	3	3	
Enfield	9	16	17	19	18	7
Farmington	4	4	2		1	1
Glastonbury	3	4	5	4	3	1
Granby	3	3	2	2	2	
Hartford	154	158	98	90	81	70
Hartland	2	2	1			
Manchester	20	21	22	27	14	9
New Britain	139	132	60	48	45	31
New Hartford	2			1		
Newington	4	4	6	6	5	4
Plainville	9	8	1	2	2	2
Portland	2	1				
Rocky Hill	1	1	1	2	2	2
Simsbury	1	1	2		2	
Somers	1		1	2	2	
South Windsor	3	3	8	7	9	4
Southington	18	10				1
Suffield			2	2	3	1
Vernon	9	13	16	15	6	7
West Hartford	3	6	6	7	8	8
Wethersfield	7	5	6	5	2	2
Windsor	7	9	10	18	14	
Windsor Locks	2	4	8	7	4	2
Region #10	1	1				
Non-Member LEAs	<u>38</u>	<u>49</u>	<u>26</u>	<u>22</u>	<u>15</u>	<u>5</u>
TOTAL	<u><u>515</u></u>	<u><u>529</u></u>	<u><u>360</u></u>	<u><u>337</u></u>	<u><u>279</u></u>	<u><u>179</u></u>

(Continued on following page)

TABLE 12

**CAPITOL REGION EDUCATION COUNCIL
METROPOLITAN LEARNING CENTER**
Student Enrollment by LEA (Continued)

LEA	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Avon	2	1	1							
Berlin	1	1								
Bloomfield	122	118	105	113	117	129	141	138	136	141
Bolton	1									
Bristol	1	1	1	4	3	1				
Canton		1	1			1				
Cromwell	1		1							
East Granby	3	4	12	9	7	3	2	1		
East Hartford	58	44	35	37	34	27	24	4	9	
East Windsor	33	39	47	43	43	42	47	42	40	46
Ellington				1	2	1	1	1		
Enfield	59	72	72	70	64	58	43	42	40	43
Farmington	1	1								
Glastonbury	1	2	1			1				
Granby	2	3	3	2	3	1	2			
Hartford	171	173	151	168	188	207	214	221	209	200
Hartland										
Manchester	16	12	13	14	7	3	2	1	5	
New Britain	24	25	25	26	25	21	12	6	1	
New Hartford	1	1	1	1						
Newington	2	1	2	3	1					
Plainville	2	2	3	2	1	1				
Portland										
Rocky Hill										
Simsbury	4	5	3	1	1	2	2	1		
Somers										
South Windsor	3	2	1	1	1			1		
Southington	2	3	1							
Suffield	1	3	3	2	1	1	1	1		
Vernon	6	4	4	3	2	2	1		1	
West Hartford	7	8	7	10	8	3	4	8		
Wethersfield	5	6	4	5	3	3	3	2		
Windsor	148	156	171	152	154	152	150	150	168	186
Windsor Locks	28	26	36	40	50	51	63	64	67	65
Region #10	1	1	1			1				
Non-Member LEAs	17	21	17	9	4		1			
TOTAL	723	736	722	716	719	711	713	683	676	681

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL
MONTESSORI MAGNET SCHOOL
 Student Enrollment by LEA (Continued)

LEA	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Avon						2	2	2	2	1
Berlin	3	2	3	1		2	2	2	1	1
Bloomfield	4	8	8	15	13	14	15	17	25	29
Bolton	2	1	1	1						
Bristol	11	12	10	10	7	3	1	2		
Canton										
Cromwell	3	5	5	5	5	4	3	2	2	2
East Granby										
East Hartford	15	19	18	19	18	22	27	27	28	25
East Windsor			1	1	1	2	1	1		
Ellington	5	4	3	3	4	3	1	1	1	2
Enfield	2	2	2	1	1	2				1
Farmington	3	3	3	3	3		2		1	
Glastonbury	3	6	8	5	2	3	1	1		1
Granby	1	1								
Hartford	161	155	147	141	149	145	158	168	174	166
Hartland										
Manchester	8	12	9	10	10	13	9	8	10	12
New Britain	21	20	20	15	18	17	13	11	10	10
New Hartford					1	1	1	1	1	2
Newington	10	15	13	13	11	11	3	2	2	2
Plainville	4	2	3	3	3	4	4	3	1	1
Portland	5	1	1							
Rocky Hill	1	2	3	5	3	4	6	7	5	5
Simsbury				1	3	3	2	1	1	1
Somers	5	6	4	2	2					
South Windsor	7	4	4	2	4	3	1	1	1	2
Southington				2	1	1	2	2	2	1
Suffield	1	1								
Vernon	4	3	3	4	4	4	4	4		
West Hartford	13	12	14	14	14	11	16	11	7	10
Wethersfield	11	11	11	10	14	14	13	12	13	11
Windsor	12	17	19	23	23	23	29	32	34	36
Windsor Locks										
Region #10	2	2	3	3	3	3			0	1
Non-Member LEAs	32	31	28	28	33	23	20	14	10	8
TOTAL	349	357	344	340	350	337	336	332	331	330

(Continued on following page)

**CAPITOL REGION EDUCATION COUNCIL
MUSEUM ACADEMY**

Student Enrollment by LEA (Continued)

LEA	2015	2014	2013	2012	2011
Avon	2	1	4	5	2
Berlin	2	2	2	2	2
Bloomfield	26	22	18	11	10
Bolton	3	3	2	2	2
Bristol	5	4	3	1	2
Canton			2	1	
Cromwell	3	2	1	1	1
East Granby	3		1		
East Hartford	18	24	22	22	17
East Windsor	7	6	4	2	2
Ellington	1	2	1		
Enfield	19	23	23	10	4
Farmington				1	2
Glastonbury	1	1	1	2	2
Granby	6	3			
Hartford	223	210	178	150	121
Hartland					
Manchester	14	13	12	7	6
New Britain	11	14	8	8	5
New Hartford					
Newington	5	5	5	3	12
Plainville					4
Portland	2	2	2	3	3
Rocky Hill	3	1	1	2	3
Simsbury	4	3	3	2	
Somers	3	4	3	2	2
South Windsor	10	7	4	4	
Southington			1	3	2
Suffield	4	4	2		
Vernon	2	5	6	3	
West Hartford	17	25	31	26	27
Wethersfield	3	4	5	4	5
Windsor	52	51	40	25	21
Windsor Locks	9	4	8	2	1
Region #10	1	1	1	8	
Non-Member LEAs	9	12	11		13
TOTAL	468	458	405	312	271

(Continued on following page)

TABLE 12

**CAPITOL REGION EDUCATION COUNCIL
POLARIS CENTER**

Student Enrollment by LEA (Continued)

LEA	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Avon										
Berlin									1	
Bloomfield	3	3			1	2	1	1	1	2
Bolton							1	2	1	1
Bristol									1	2
Canton										
Cromwell			1	2	1	1				
East Granby										
East Hartford	2	2	1	1			2	1	1	
East Windsor			1	2	3	1	2	1	2	4
Ellington						1				
Enfield	1		1	1					1	1
Farmington							1			
Glastonbury				1			1	3	3	
Granby								2	1	1
Hartford	32	37	28	23	18	17	22	27	24	25
Hartland										
Manchester		1		1			3	9	9	4
New Britain	4		1	4	5	3	4	7	7	7
New Hartford										
Newington			1	3	3	1		2		
Plainville										1
Portland										
Rocky Hill		1								
Simsbury						1				1
Somers			1							
South Windsor	2	3	2	3		2	1	1	2	
Southington			1	1	1	1				
Suffield										
Vernon		1	4	3	2	4	4	1	1	1
West Hartford			1				1		1	1
Wethersfield	1						2	1		
Windsor			1	2		1	3	5	4	1
Windsor Locks	1		1	1					3	3
Region #10							1			
Non-Member LEAs	9	8	8	10	13	12	4	5	26	27
TOTAL	55	56	53	58	47	47	53	68	89	82

(Continued on following page)

**CAPITOL REGION EDUCATION COUNCIL
PUBLIC SAFETY ACADEMY**
Student Enrollment by LEA (Continued)

LEA	2015	2014	2013	2012	2011	2010	2009	2008
Avon		3						
Berlin	1	21	2					
Bloomfield	17		15	13	15	12	3	
Bolton		2			1	1	1	1
Bristol	3		5	6	2	2		
Canton				2	2			
Cromwell								
East Granby	1	2	1	1	1	1	2	
East Hartford	33	42	38	40	38	39	19	4
East Windsor	7	14	10	9	8	9	5	4
Ellington			1	2	1	1	4	1
Enfield	72	73	63	58	68	44	33	17
Farmington			1	1	1	1		
Glastonbury			1	2	4	4	3	1
Granby	2	4	2	3	3	3	1	
Hartford	178	200	153	149	152	112	100	63
Hartland		1	1	1				
Manchester	13	27	20	14	16	9	8	5
New Britain	41	47	36	27	16	5	4	
New Hartford		1						
Newington	1	1		1	2	2	1	
Plainville	1	1		1	4	2	1	
Portland		1	1	1	1			
Rocky Hill	1	1	1	1	1	1		
Simsbury				1	1	1		
Somers	2	3	2	1				
South Windsor	5	3	1	1	2	2	6	3
Southington	2	3	2	2	1	1		
Suffield	1	1	1					
Vernon	11	12	12	16	15	13	5	2
West Hartford	6	2	2		3	3	1	
Wethersfield	4	1	2	2	4	3	4	1
Windsor	18	22	19	13	12	11	6	
Windsor Locks	16	16	9	8	9	5	6	2
Region #10								
Non-Member LEAs	17	20	7	5	6	6	3	1
TOTAL	453	524	408	381	389	293	216	105

(Continued on following page)

**CAPITOL REGION EDUCATION COUNCIL
REGGIO MAGNET SCHOOL OF THE ARTS**
Student Enrollment by LEA (Continued)

LEA	2015	2014	2013	2012	2011	2010	2009	2008
Avon	18	21	30	30	28	28	22	22
Berlin						1	1	1
Bloomfield	13	10	8	6	3	2		
Bolton								
Bristol	29	26	20	18	13	9	3	3
Canton	13	14	10	10	9	12	11	4
Cromwell	1	2	1					
East Granby	1	2						
East Hartford	5	4	2	7	6	5	3	4
East Windsor								
Ellington								
Enfield	1	1	1	1				
Farmington	21	20	17	15	9	8	6	11
Glastonbury								
Granby								
Hartford	201	213	184	166	149	131	82	58
Hartland	1	1		1	1			
Manchester	3	4	3	3	2	1		
New Britain	11	9	8	9	4	2	4	3
New Hartford	18	21	19	11	9	2	2	3
Newington	5	3	5					1
Plainville	4	7	4	3	1	2		
Portland								
Rocky Hill								
Simsbury	5	11	15	13	7	13	18	17
Somers								
South Windsor								
Southington	7	7	3	3	3	4	3	3
Suffield				1				
Vernon	2	2	2	3	3	3		
West Hartford	9	15	13	9	11	15	15	15
Wethersfield							2	2
Windsor	3	1	1	2	2	1		1
Windsor Locks								
Region #10	13	16	14	15	8	8		1
Non-Member LEAs	70	58	32	29	16	8	1	3
TOTAL	454	468	392	355	284	255	173	152

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL
RIVER STREET SCHOOL
 Student Enrollment by LEA (Continued)

LEA	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Avon	3	3	3	2	1	1	1	1	1	1
Berlin	1	1	1	2	2	4	1	4	4	4
Bloomfield	4	3	2	1	2	2	3	5	7	6
Bolton	1	1	1	1	1	1	1	1	1	1
Bristol	4	3	4	4	5	3	5	5	5	5
Canton										1
Cromwell										1
East Granby		1	1	1	1	1	1	1	1	1
East Hartford	1	1	1	1		1	1	2		
East Windsor	1	1	1	1	1	1	2	3	4	3
Ellington	5	5	5	4	2	2	3	3	3	1
Enfield	2	2	2	1	2	4	5	7	7	6
Farmington	2	2	2	4	4	3	2	2	2	
Glastonbury	13	13	11	11	10	11	9	9	7	7
Granby	1	2	1			1	1			
Hartford	19	20	19	19	12	14	13	9	4	3
Hartland	1									
Manchester	3	3	3	6	8	5	5	8	6	7
New Britain	10	8	6	7	8	8	7	3	2	2
New Hartford	2	2	1	1	1	1	1			
Newington	3	5	4	4	4	4	4	3	3	4
Plainville										2
Portland		1	1	1	1					
Rocky Hill	3	4	4	3	2	1	1	2	2	2
Simsbury	2	3	3	3	4	3	2	4	4	3
Somers	2	3	3	3	5	4	3	3	3	3
South Windsor	6	5	5	5	5	3	3	4	3	3
Southington	5	6	7	5	5	6	7	5	5	3
Suffield	6	5	5	6	6	5	6	6	5	4
Vernon	6	7	8	6	5	6	5	5	6	6
West Hartford	9	8	6	8	7	5	5	3	4	5
Wethersfield	9	8	6	5	3	4	5	2	2	2
Windsor	5	6	6	9	3	9	10	10	10	9
Windsor Locks	2	2	3	3		2		1	1	3
Region #10	1	1	1			1	2	1	1	
Non-Member LEAs	76	80	84	88	95	88	90	86	87	87
TOTAL	208	215	210	215	205	204	204	198	190	185

(Continued on following page)

TABLE 12

**CAPITOL REGION EDUCATION COUNCIL
SOUNDBRIDGE**

Student Enrollment by LEA (Continued)

LEA	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Avon	1									
Berlin		1	1	1	3	1		2		
Bloomfield										3
Bolton										
Bristol	8	8	7	6	4	4	4	6	6	5
Canton										
Cromwell	1	1		1	2					
East Granby	1	1	1							
East Hartford	4	3	3	3	4	3	2	3	3	3
East Windsor										
Ellington				1	1	1				
Enfield	1	1	1	2	1	1				
Farmington						1	1			
Glastonbury	1		1	1		2		1		
Granby										
Hartford	1	1			1	4	5	6	6	6
Hartland										
Manchester						1	2	1	1	1
New Britain	3	3	2	3	2	4	4	2	4	5
New Hartford										
Newington	2	4	6	7	8	6	9	9	3	4
Plainville			1	1	2	1	1	1	1	1
Portland			1	2	2					
Rocky Hill	4	5	7	6	4	8	4	4		2
Simsbury										1
Somers										
South Windsor		1	1	1		2	2	1	1	
Southington		2	1	1	2	4	4	4	4	3
Suffield										
Vernon				1	1	1	1			
West Hartford				1						
Wethersfield	24	27	32	32	38	33	28	33	5	4
Windsor		2	2	3	4	4	3	3	1	
Windsor Locks		1	1	1	1	1	1	1	1	1
Region #10										
Non-Member LEAs	14	13	16	12	17	21	18	21	25	18
TOTAL	65	74	84	86	97	103	89	98	61	57

(Continued on following page)

**CAPITOL REGION EDUCATION COUNCIL
STRIVE**

Student Enrollment by LEA (Continued)

LEA	2015	2014	2013
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			
Rocky Hill			
Simsbury			
Somers			
South Windsor			
Southington			
Suffield			
Vernon			
West Hartford			
Wethersfield			
Windsor			
Windsor Locks			
Region #10			
Non-Member LEAs	8	12	8
TOTAL	8	12	8

(Continued on following page)

CAPITOL REGION EDUCATION COUNCIL
TWO RIVERS MAGNET HIGH SCHOOL
 Student Enrollment by LEA (Continued)

<u>LEA</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Avon				
Berlin	5	3	3	1
Bloomfield				
Bolton				
Bristol	5	3	1	2
Canton				
Cromwell				
East Granby				
East Hartford	101	86	59	28
East Windsor	4	2	2	1
Ellington	4			
Enfield	2	2	2	2
Farmington				
Glastonbury	3	2	1	
Granby				
Hartford	130	87	54	28
Hartland				
Manchester	57	59	33	17
New Britain	41	27	16	5
New Hartford				
Newington	4	1	1	1
Plainville	1	2		
Portland				
Rocky Hill	1	1		
Simsbury				
Somers				1
South Windsor	6	5	4	1
Southington				
Suffield				1
Vernon	5	2	2	
West Hartford				
Wethersfield	4	3	1	1
Windsor	5	5	2	2
Windsor Locks				
Region #10	2	1		
Non-Member LEAs	<u>19</u>	<u>12</u>	<u>8</u>	<u>5</u>
TOTAL	<u>399</u>	<u>303</u>	<u>189</u>	<u>96</u>

(Continued on following page)

TABLE 12

**CAPITOL REGION EDUCATION COUNCIL
TWO RIVERS MAGNET MIDDLE SCHOOL**
Student Enrollment by LEA (Continued)

LEA	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Avon										
Berlin	7	11	9	7	3	2				
Bloomfield	3	2	1	5	3	3	3	3	2	
Bolton	2	2	2	1	2	3	4			
Bristol	3	3	4	1	1	1		2		
Canton			1							
Cromwell	6	3	2			1				
East Granby	2	1								
East Hartford	172	145	145	174	207	185	132	133	144	153
East Windsor	9	10	6	2						
Ellington	8	4	5	2						
Enfield	5	6	6	7	9	8	3	2	1	
Farmington										
Glastonbury	13	25	30	26	21	33	48	67	67	72
Granby										
Hartford	119	140	126	113	105	123	161	157	146	146
Hartland	1	1	1							
Manchester	126	122	136	157	196	172	130	131	141	151
New Britain	30	26	36	49	39	28	16	6	4	
New Hartford	1									
Newington	4	6	4		1	1				
Plainville		1	3	3	2	1	1			
Portland	2	2	3	3	4	3	5			
Rocky Hill	3	2			3	2	2	1		
Simsbury					2					
Somers	2									
South Windsor	11	23	32	34	40	57	69	83	73	87
Southington	3		3	4	4	2	1	1		
Suffield					1	1				
Vernon	36	38	23	13	7	9	4			
West Hartford	7	5	2		3	3	4			
Wethersfield	8	7	8	6	5	2	2	1	1	
Windsor	7	6	11	10	6	1	1			
Windsor Locks		1	1	2	1	1				
Region #10		1	1	1			1			
Non-Member LEAs	62	71	59	42	19	16	5	2	2	
TOTAL	652	664	660	662	684	658	592	589	581	609

(Continued on following page)

TABLE 12

**CAPITOL REGION EDUCATION COUNCIL
UNIVERSITY OF HARTFORD MAGNET SCHOOL**
Student Enrollment by LEA (Continued)

LEA	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Avon	18	10	14	19	13	16	23	24	27	29
Berlin	3	3	6	7	4	2	1			
Bloomfield	21	18	19	10	10	12	13	16	17	15
Bolton				5						
Bristol	13	10	9		5	5	2			
Canton	4	4	6	3	1	1	1	1		
Cromwell				1	2					
East Granby										
East Hartford	15	20	13	11	13	16	9	9	8	
East Windsor	3	3	3	3	1					
Ellington	1	1	2	1		1				
Enfield	7	5	4	6	5	6	1	1	1	
Farmington	13	17	10	19	20	22	21	25	25	19
Glastonbury	1									
Granby	2		1	1						
Hartford	183	171	175	169	167	168	186	205	202	205
Hartland										
Manchester	13	10	8	5	4	4	1	2	2	
New Britain	19	21	20	31	37	33	23	7	4	
New Hartford										
Newington	5	2	1	1	3	2		1	1	
Plainville	2	2	1	3	3	3	1			
Portland		2	2	2	2	1				
Rocky Hill	1		1	1			1			
Simsbury	27	27	26	20	23	16	24	25	27	30
Somers	1									
South Windsor	2	6	5	3	4	3				
Southington	6	6	6	4	4	3	2			
Suffield	2	2	2	2	2	1				
Vernon	5	6	7	11	11	11	6			
West Hartford	32	45	54	48	59	57	58	56	54	47
Wethersfield	25	25	19	22	26	27	30	33	31	37
Windsor	13	10	11	13	6	8	8	6	7	
Windsor Locks		1	2				1			
Region #10	2	1		2	2	3	2			
Non-Member LEAs	17	19	14	17	14	9	4	1		
TOTAL	456	447	441	440	441	430	418	412	406	382

**CAPITOL REGION EDUCATION COUNCIL
TUITION RATES PER STUDENT**

Program Name	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
River Street Day Program	\$ 63,623	\$ 61,765	\$ 59,958	\$ 58,212	\$ 58,212	\$ 58,212	\$ 56,516	54,341	\$ 51,754	\$ 49,289
River Street Extended Day Program Summer	4,742	4,603	4,469	4,339	4,339	4,256	4,132	3,973	3,784	3,604
Group Home Regular	14,792	14,360	13,938	15,713	15,713	15,403	14,944	14,368	13,684	13,033
Academic Regular	21,141	20,520	19,922	19,343	19,343	18,963	18,412	17,704	16,861	16,058
River Street Summer Program	6,142	5,963	5,789	5,620	5,620	5,510	5,352	5,147	4,902	4,668
Soundbridge Program Full Day	49,686	47,378	45,999	44,657	43,782	42,594	41,744	39,756	38,044	36,669
Half Day	N/A	N/A	24,836	24,111	23,638	22,950	22,500	21,531	20,703	19,955
Integrated Program Model	135,394	131,450	109,543	109,543	109,543	109,543	91,285	76,070	69,155	62,868
Integrated Program Model Summer Program	26,991	24,537	22,307	22,307	22,307	22,307	18,589	14,299	12,434	10,812
Polaris Center	63,503	61,653	59,856	58,113	58,113	56,417	54,247	52,161	49,677	47,311

Source: Capitol Region Education Council Business Services Department

TABLE 14

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Job Categories:										
Officials and managers	172	222	159	157	129	119	99	107	105	100
Professionals	1035	967	965	837	764	659	614	639	603	511
Technicians	136	130	131	128	118	110	78	77	80	76
Office and clerical	136	131	126	123	100	98	88	87	88	86
Operatives (semi-skilled)	7	8	8	8	8	8	8	7	7	9
Service workers	<u>643</u>	<u>597</u>	<u>585</u>	<u>483</u>	<u>435</u>	<u>380</u>	<u>353</u>	<u>389</u>	<u>345</u>	<u>325</u>
Total Workforce Analysis	<u>2,129</u>	<u>2,055</u>	<u>1,974</u>	<u>1,736</u>	<u>1,554</u>	<u>1,374</u>	<u>1,240</u>	<u>1,306</u>	<u>1,228</u>	<u>1,107</u>

Source: CREC’s Human Resource Department

**CAPITOL REGION EDUCATION COUNCIL
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Education:										
Land	\$ 12,476,175	\$ 12,426,175	\$ 9,676,175	\$ 9,676,175	\$ 9,676,175	\$ 1,892,925	\$ 1,892,925	\$ 1,892,925	\$ 1,892,925	\$ 1,892,925
Buildings and improvements	162,851,432	109,446,584	98,512,129	85,844,259	78,173,076	76,359,973	67,113,954	66,059,698	64,044,935	63,985,134
Vehicles	2,112,076	2,070,747	2,186,310	2,210,616	1,930,665	1,630,345	1,464,195	1,241,764	1,045,797	1,061,739
Furniture, fixtures and equipment	10,218,277	8,138,466	8,040,032	7,903,268	6,888,991	6,931,029	5,226,655	5,389,902	5,024,525	4,841,774
Construction in progress	264,196,703	279,332,378	201,164,418	90,291,872	10,683,475	1,760,797	6,842,058	5,292,089	489,523	62,657
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	5,529,324	5,529,324	5,484,849	5,316,768	3,704,616	3,680,055	3,669,966	3,669,966	3,660,566	3,367,706
Vehicles	14,435	14,435	14,435	33,240	33,240	49,640	33,240	14,435	14,435	14,435
Furniture, fixtures and equipment	470,013	470,013	452,983	463,851	298,654	294,756	294,756	298,841	288,464	279,107
Administration:										
Buildings and improvements	4,089	4,089	4,089	4,089	4,089					
Vehicles										
Furniture, fixtures and equipment	272,424	265,355	272,885	317,276	423,794	473,332	463,663	579,360	606,219	590,207
Total	<u>\$ 458,476,948</u>	<u>\$ 418,029,566</u>	<u>\$ 326,140,305</u>	<u>\$ 202,393,414</u>	<u>\$ 112,148,775</u>	<u>\$ 93,404,852</u>	<u>\$ 87,333,412</u>	<u>\$ 84,770,980</u>	<u>\$ 77,399,389</u>	<u>\$ 76,427,684</u>