Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2009

CREC
Capitol Region Education Council

Connecting People and Resources for Quality Education

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

CAPITOL REGION EDUCATION COUNCIL
Hartford, Connecticut

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2009

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

Prepared by:
Business Services Department

CAPITOL REGION EDUCATION COUNCIL

COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2009

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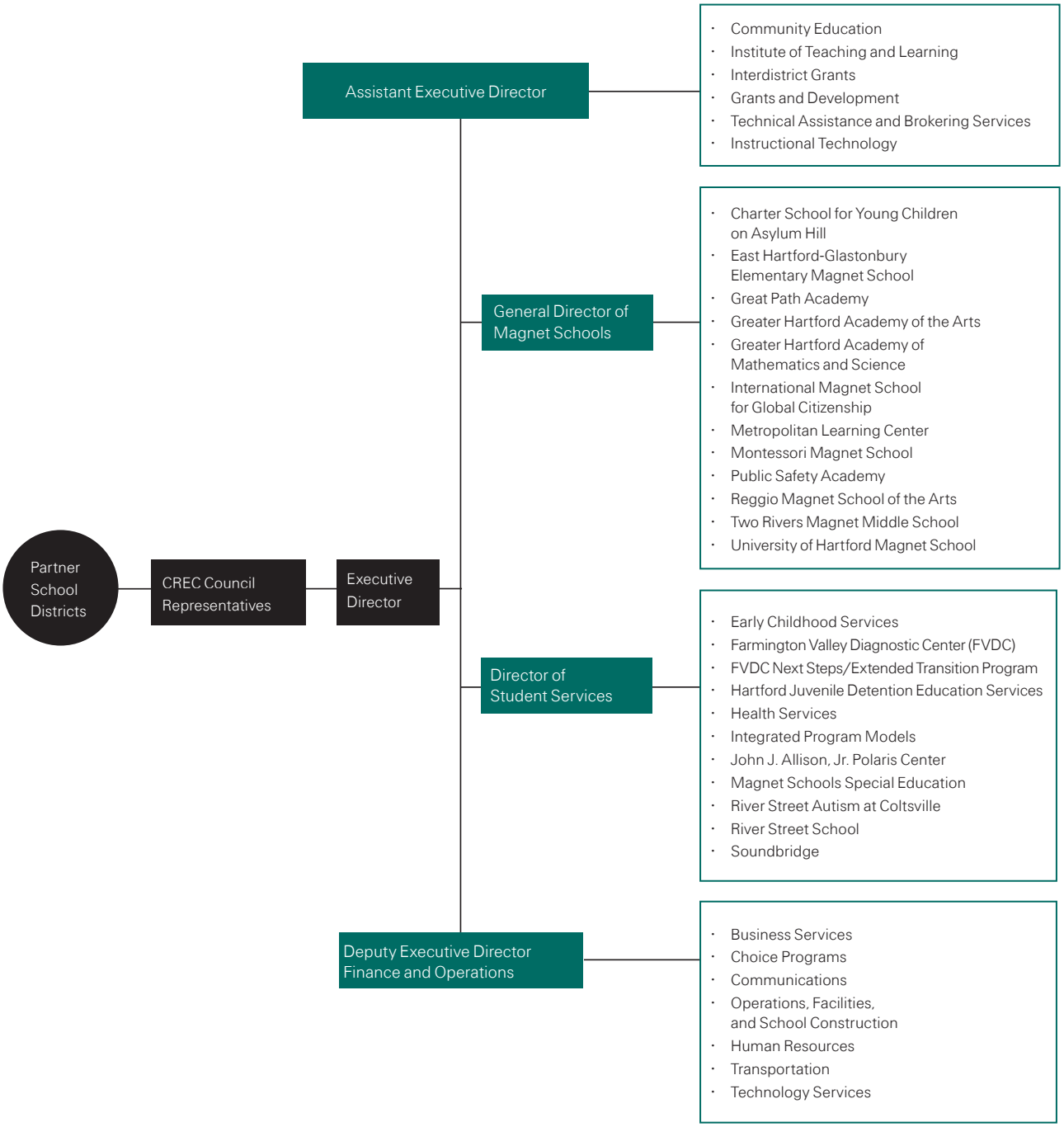
Introductory Section

Organizational Chart
2008 – 2009



CREC

Capitol Region Education Council

Connecting People and Resources for Quality Education

Mission

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

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.

Objectives

To identify the educational needs of CREC member school systems.

To bring together resources to help local school districts solve common problems.

To stimulate local educational activities and develop new CREC programs which address the student goals of the CT Board of Education.

To assist Local Boards of Education in providing a continuum of 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.

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.

Goal

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

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

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

2008-2009 Governance

Board of Directors
Berlin - John Richards
Bloomfield – Shirley Thompson, Vice Chair
East Granby – Michaela Rosenberger
Enfield – Joyce Hall
Hartford – Israel Flores
Plainville - Becky Tyrrell
Portland – Brenna Kosicki
Region 10 - Beth Duffy –Chair
Rocky Hill – Charles McMonigle – Sec/Treasurer
Suffield – Lauren Life

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

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

Sarah J. Barzee, Ph.D.,
Assistant Executive Director

Donald P. Walsh,
Deputy Executive Director,
Finance & Operations

Denise Gallucci,
General Director, Magnet Schools

Sandy Cruz-Serrano
Director, Operations

Regina Terrell,
Director, Human Resources

Jacqueline L. Wasta,
Director, Student Services

Andrew Tyskiewicz,
Director, Community Education

Aura Alvarado
Director, Community Relations

Roger LaFleur,
Director, School Construction

Dina Crowl,
Director, Institute of Teaching & Learning

George Dowaliby,
Director, Technical Assistance &
Brokering Services

Douglas Casey,
Director, Technology Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Capitol Region Education Council

Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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

President

Executive Director

CREC
Capitol Region Education Council

Business Services

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

December 7, 2009

To the Board of Directors and Council
Capitol Region Education Council

This is the Comprehensive Annual Financial Report (CAFR) of the Capitol Region Education Council (CREC) for the fiscal year ended June 30, 2009. The purpose of the report is to provide citizens, member boards of education, investors, grantor agencies and other interested parties with reliable financial information about CREC. CREC's Business Services division is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. We believe that the data presented in this annual report is accurate in all material aspects; it is presented in a manner designed to fairly set forth the financial position and results of operations of CREC, as measured by the financial activity of its funds. The report contains all disclosures necessary to enable the reader to gain an understanding of CREC's financial affairs.

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

REPORTING ENTITY

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

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

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

ECONOMIC CONDITION AND OUTLOOK

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

Through their purchase of CREC's services, both the State and the local school districts recognize the benefits of delivering educational services on a regional, cooperative basis. While CREC's services will remain in demand, revenue may decline in 2010 as the State of Connecticut and member school districts continue to address budgetary concerns caused by reduced revenues. However, CREC's tradition of providing essential services with the flexibility to develop and modify program offerings based on market factors will continue, and CREC's consistent and significant growth over the past five years suggests that growth may continue.

FUTURE PLANS

Quality and Integrated Education:

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

CREC has long held quality, integrated education as its primary focus. As a leader in promoting diversity, the application of CREC's core beliefs, mission, goals and objectives has resulted in tangible progress toward achieving this goal in our region. We expect that our magnet school enrollment, the Choice program, Interdistrict grants and other funding will continue to increase through 2010 and in future years, as the State responds to racial and ethnic isolation in the Capitol Region through the 2008 Settlement Agreement in Sheff v. O'Neill.

CREC's Magnet Schools Division enrollment has grown in 2009-2010. We are now operating the Metropolitan Learning Center (MLC) magnet school in Bloomfield; the East Hartford/Glastonbury Elementary Magnet School (EHGEMS) in East Hartford; the Greater Hartford Academy of the Arts (GHAA) in Hartford; the Greater Hartford Academy of Math and Science (GHAMAS) in Hartford; the Montessori Magnet in Hartford; Two Rivers Magnet Middle School in East Hartford; Great Path Academy in Manchester; the University of Hartford Magnet School in Hartford; the Charter School for Young Children in Hartford; the International Magnet School for Global Citizenship in East Hartford; the Reggio Magnet School of the Arts in Avon and the CREC Public Safety Academy in Enfield, Connecticut. Our magnet school enrollment is over 4,274 students in 2009-2010 and our magnet school budgets total $62,913,294. The magnet school division will continue to grow and attract students by allowing them to focus on specific talents or interests, while studying a challenging core curriculum of language arts, mathematics, science, social studies and languages in a diverse environment.

The State of Connecticut has increased the funding for the construction of magnet schools, but has not adequately changed the basic funding formula for operating them, leaving a gap in predictable operating funds for existing magnet schools and future magnet schools. CREC is working with state legislators, the State Department of Education, and magnet school stakeholders to address this issue. We anticipate that an adequate funding formula will be instituted in the future in order to improve the operation of magnet schools.

The Capitol Region Choice program serves approximately 1,244 Hartford students who attend 131 schools in 28 CREC districts during the current 2009-2010 school year. CREC plans to continue to manage and expand the Choice Program in future years through increased counseling and academic support, thereby increasing the avenues for funding highly effective Interdistrict programs, and improved and enhanced Choice and Magnet School transportation services provided on a regional basis. CREC now operates an after-school academic remediation program targeting underperforming Choice students who attend schools in the Greater Hartford suburbs. The program is located at CREC's Coltsville facility. The goal of the program is to assist our Choice students in the development of academic skills to perform at or above level on CMT and CAPT tests, which they take in their receiving schools.

The Interdistrict grants program continues to respond to racial and ethnic isolation in the Capitol Region through 13 awarded grants in 2009-2010 totaling $1,646,193.

Student Services Division:

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

Last Spring, River Street's "Annex" building was officially named the Marcia Yulo Howard Center for Autism. The center houses classrooms for younger students transitioning to River Street School, PASC (Program for the Assessment of Special Children), the Children's Therapy Services Clinic for children with sensory issues, and administrative offices for River Street's Autism Outreach program and the Integrated Program Models (IPM).

The Farmington Valley Diagnostic Center (FVDC) is enhancing its transitional services to students and is providing additional opportunities for community internships and work experiences. The Center also experienced a space renovation including new equipment and furnishings. In conjunction with the FVDC Advisory Committee, the Center continues to explore the feasibility of the expansion of services to elementary age students with social, emotional and behavioral concerns.

The John J. Allison Jr. Polaris Center, in an effort to provide services to a more diverse population, has recently expanded its clinical staff at the Mental Health Outpatient Clinic to include practitioners with experience in working with students and families with hearing loss. Additionally, the Clinic has hired bilingual therapists to better meet the needs of the Spanish speaking population in Connecticut. It is anticipated that the Clinic will move to available space in the Merit-Progress building during the course of the 2009-10 year, enabling further enhancement of its services. The Polaris School continues to provide high quality educational and therapeutic services for students with social, emotional and behavioral concerns. We have established the Lincoln Academy, located on the Polaris campus, as a new program this year. The Lincoln Academy is modeled after the Farmington Valley Diagnostic Center and is designed to provide short-term services and programming for students from eight member districts.

In 2008, at the request of the City of Hartford and the State of Connecticut, CREC began to provide the educational program at the Hartford Juvenile Detention Center. As a result of recent legislative changes, we anticipate that our services will increase as the current year progresses.

In partnership with the University of Hartford, CREC Soundbridge is now training its third class of students in a Master's level program called Aural Habilitation and Evaluation of Hearing Impaired Children. In addition, we are nearly finished with the construction of the state-approved project that will nearly double the size of Soundbridge. Completion is slated for February 2010. Outreach and consulting services to districts throughout the region and the state continue to increase as districts seek to serve their students with hearing loss in their home schools.

Community Education Division:

The Community Education Division continues to address the needs of adults and families in the Capitol Region through its many community-based programs. Programs include pre-vocational and literacy training, English as a Second Language classes, family literacy, continuing education and youth development initiatives. The division delivers comprehensive training and technical assistance in its dual role of providing direct service and professional development in a unique combination of theory and practice. As the sole provider for statewide professional development for Connecticut's 1,500 Adult Education teachers, and as a statewide coordinator of 21st Century after school programs, extensive professional development is also provided in the School to Career and Teaching American History projects. The work of the division continues to positively impact regional efforts for human resource development as it improves the lives of its citizens.

Office of Grants and Development:

CREC's Office of Grants and Development continues its many years of experience servicing school districts and organizations in securing funding for a wide variety of programs. In 2008-2009, with the assistance of brokered grant writers, CREC's Office of Grants and Development increased its services to CREC districts. Several additional CREC districts have contracted with the division for grant writing assistance in 2009-2010. In 2009-2010, the Office of Grants and Development, in collaboration with CREC's cross-divisional efforts, will locate funding opportunities to help close the achievement gap between urban and suburban students and between impoverished students and students from relatively affluent families. CREC's relationships with corporate and private funders grew in 2008-2009 through the work of the CREC Foundation, and will continue to grow in 2009-2010 as the grants office reaches out to this community of grantmakers to inform them of CREC's mission and its capacity to develop and implement high quality programs for learners of all ages.

Institute of Teaching and Learning:

The Institute of Teaching and Learning has increased its capacity to meet the needs of our districts, as well as CREC's magnet schools, by providing multiple professional development opportunities to tailor instruction for students in diverse classrooms. Our education specialists provide services including workshop trainings, coaching program development, and on-site consultation. Specific areas include Differentiated Instruction, Curriculum Development, Response to Intervention, Classroom Walkthrough Training, Supplemental Educational Services (NCLB), Data Driven Decision Making, Making Standards Work and Effective Teaching Strategies. The Institute continues to provide numerous workshops in the region with national and local speakers in areas of professional learning that are important to our districts.

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

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

School Construction Division:

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

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

Currently, our School Construction office continues its work with the Wallingford Vocational-Agricultural School Building Committee as its owner's representative. We will be actively engaged in this project for the next 16 months.

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

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

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

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

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

Technology Services Division:

The Technology Services Division has expanded its delivery of new services in response to the evolving needs of our districts. This year marked the expansion of educational technology consulting through sale-of-service contracts and Title II, Part D funding. CREC specialists worked with district leaders to integrate 21st-Century skills into new and existing curriculum, leveraging advanced collaboration and communication tools to deepen student understanding through project-based learning.

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

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

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

Technical Assistance and Brokering Services Division (TABS):

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

TABS Special Services Support Team (SSST) is in its fourth year of offering Connecticut's Advanced Alternate Route to Certification Program in Special Education. This year the program was approved by the State Department of Education to operate for five years, through 2014. This exciting, innovative course of study

provides training and practical experiences for certified teachers in order to earn a cross endorsement in special education. This program has been very successful, graduating approximately 25-30 teachers each year. There is a wait list of over 15 potential candidates for the 2010 cohort.

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

CREC's SSST continues to work with the State Department of Education to provide leadership in the state in the training of RESC, SDE and district staff on the COMPASS paraprofessional training curriculum. This curriculum, developed by SSST, provides over 16 training modules that are aligned with the Connecticut state standards for paraprofessionals. Participants in the training attend two days of certification training from SSST staff that developed and have trained on the various modules. Since the participants became certified trainers in October 2008, over 800 paraprofessionals across the state have been trained in the COMPASS modules. CREC SSST has developed additional modules this year on topics such as Assistive Technology, English Language Learners, Reading, Supervision of Paraprofessionals and Mathematics. CREC SSST has been approved by Charter Oak State College to offer five paraprofessional courses for college credit. These courses will start in February and be offered at CREC Central and locations in Trumbull and Old Saybrook, Connecticut.

TABS REACT continues to provide highly qualified, certified professionals to help public schools, private schools and special educational agencies meet their staffing needs. Currently, TABS provides 7 districts and agencies with 35 full and part- time paraprofessionals, associate instructors and speech language pathology assistants. Twelve interim administrators, psychologists, school social workers, occupational and physical therapists, tutors and speech language pathologists are working in Achievement First Academy, Ashford, Coventry, Newington, Suffield, USD #2 and Simsbury.

In addition to interim services, TABS continues to provide student evaluations in a number of related service areas. For the current school year (2009-10), TABS has contracts to conduct 20 evaluations in areas such as: assistive technology (AT) or augmentative alternative communication (AAC), vocational, occupational, bilingual speech language, bilingual psycho-educational or psychological assessments. These evaluations are conducted throughout the CREC region and elsewhere in Connecticut. TABS REACT also provides interpreters in Russian and Mandarin Chinese to CREC programs and Farmington.

This year, CREC SSST has provided an Assistive Technology Consortium to districts and organizations within the state. Membership in the consortium allows the 20 districts currently enrolled to send 3 staff to quarterly professional development training, receive a quarterly newsletter, and be connected to online discussion groups.

CREC SSST has developed a series of professional development modules to help staff develop and implement Individual Education Plans for students with disabilities that ensure educational benefit. The SSST staff will be offering a "train the trainer" program in November to increase the capacity at CREC to train on these modules.

The TABS SSST continues in year two to lead the state in Scientific Research Based Interventions (SRBI). Numerous professional development opportunities are available for staff to learn how to apply the SRBI framework with academic and behavior issues within their schools. The RTI Manual, which was written by a SSST staff person, has sold almost 1,000 copies in the last year and half.

TABS manages the CREC-region Title III Consortium, a group of 15 districts receiving less than $10,000 each in funds to support English Language Learners. We manage the budget and provide professional development throughout the year.

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

Office of Early Childhood:

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

Besides providing professional development, the office provides direct service and consultation to public schools and community based programs. The Open Choice Early Beginnings program is one example. This program supports early literacy and numeracy in CHOICE districts who educate Hartford kindergarten students. A Literacy Facilitator (certified teacher) is assigned to provide early literacy support in the classrooms where the Hartford students attend both kindergarten and before or after care programs. The program also supports a seamless transition from Hartford to the suburban districts through a resource specialist who works closely with families and districts.

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

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

Business Services Division:

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

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

Human Resources Division:

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

FINANCIAL INFORMATION

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

Single Audit:

As a recipient of federal and state financial funds, CREC is required to undergo a single audit in conformance with: a) the provisions of the Federal Single Audit Act of 1984 as amended in 1996, b) the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations* and c) the Connecticut State Single Audit Act. Information related to these single audits, including the schedule of federal and state financial assistance, the findings and recommendations and 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, 2009 provided no instances of material weakness in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls:

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

OTHER INFORMATION

Independent Audit:

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

Awards and Acknowledgements:

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Capitol Region Education Council for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2008. This was the sixteenth consecutive year that CREC has received this prestigious award. In order to be awarded a Certificate of Achievement, CREC must publish an easily readable and efficiently organized CAFR that satisfies both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

The preparation of this report would not have been possible without the dedicated service of the entire staff of the Business Services division. We wish to express our appreciation to all members of the division who assisted with the preparation of this report.

We are grateful to our independent auditors, Blum, Shapiro & Company, P.C., for their professional assistance and advice during the course of this audit. We thank the members of our Council and our executive director for their support in the planning and conduct of CREC's financial operations.

Respectfully submitted,

Donald P. Walsh
Deputy Executive Director
Finance and Operations

Jeffrey E. Ivory
Comptroller

Financial Section

29 South Main Street
P.O. Box 272000
West Hartford, CT 06127-2000
Tel 860.561.4000
Fax 860.521.9241
blumshapiro.com

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Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Capitol Region Education Council as of and for the year ended June 30, 2009, which collectively comprise the Capitol Region Education Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Capitol Region Education Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Capitol Region Education Council as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2009 on our consideration of the Capitol Region Education Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of

internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 3 through 10 and budgetary comparison information on page 42 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Blum, Shapiro & Company, P.C.

December 7, 2009

CAPITOL REGION EDUCATION COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009

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, 2009. Readers should refer to the transmittal letter at the beginning of this report and the financial statements which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The total cost of all of CREC's programs was $135 million.
- The General Fund reported a fund balance this year of $11.4 million, up from $11.2 million last year.
- During the year, CREC's governmental revenues of $136.6 million were $4.2 million greater than expenses for governmental activities (before transfers).
- CREC's net assets increased by $4.6 million as a result of this year's operations. While net assets of our business-type activities increased by $169 thousand, net assets of our governmental activities increased by nearly $4.5 million.
- Overall, the growth in CREC's net assets reflected an increase in school construction consulting services, increased demand for special education services, increased enrollment, an increased number of magnet schools and a greater demand for CREC's services by school districts.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-Wide Financial Statements

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

In the government-wide statements, CREC's funds are divided into two types of activities:

- *Governmental activities* - Most of CREC's basic services are reported here, including education, health and human services. CREC's major services include regional programs that provide education and related health services for children with disabilities in the least restrictive environment, magnet schools that promote integrated and quality education, and early childhood programs that provide intervention initiatives. Federal and state grants, contracts, tuition, and room and board charges finance most of these activities.

- *Business-type activities* - CREC provides products and services directly to the public and other governmental agencies in exchange for fees. CREC's business activities include technical assistance consulting services, technology services, training, school facility services, and teaching and learning professional development workshops.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the major funds – not CREC as a whole. CREC establishes categories of funds comprised of many individual funds to help control and manage financial activities for particular purposes, such as the Grants and Contracts Fund, to show that it is meeting 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, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. A fund represents a group of related accounts which are segregated for specific activities or objectives. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of CREC's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are greater or fewer financial resources that can be spent in the near future to finance CREC's programs. The relationship (or differences) between the information provided in the government-wide statements, where there is a longer term view, and the information presented in the governmental funds statements is described in a reconciliation included with the governmental fund financial statements.

  CREC operates 65 governmental programs. The individual programs are described and the fund accounts are detailed in the Combining and Individual Fund Statements and Schedules section.

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

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

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

  Internal service funds (the other type of proprietary fund) are created to provide goods or services to other CREC programs such as staff development and training, support staff services, a defined contribution plan, a self-funded health insurance plan and a self-funded unemployment compensation plan.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

CREC's combined net assets increased $4.6 million, or 6.8%, to $72.6 million. This was due to greater demand for CREC services, which resulted in greater billing and thus greater receivable balances, as well as increased investment in capital assets. Current assets were also partially funded by an increase in current liabilities.

TABLE 1
NET ASSETS
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current assets	$ 25,505	$ 25,195	$ 1,420	$ 1,075	$ 26,925	$ 26,270
Capital assets, net of accumulated depreciation	59,178	54,546	8	9	59,186	54,555
Total assets	84,683	79,741	1,428	1,084	86,111	80,825
Current liabilities	6,464	6,110	2,179	2,004	8,643	8,114
Long-term liabilities outstanding	4,914	4,786			4,914	4,786
Total liabilities	11,378	10,896	2,179	2,004	13,557	12,900
Net Assets:						
Invested in capital assets, net of related debt	55,600	49,911	8	9	55,608	49,920
Restricted for:						
Trust purposes:						
Nonexpendable	17	17			17	17
Unrestricted	17,688	18,917	(759)	(929)	16,929	17,988
Total Net Assets	$ 73,305	$ 68,845	$ (751)	$ (920)	$ 72,554	$ 67,925

Net assets of CREC's governmental activities increased 6.5%, which reflected an increase in net assets invested in capital assets net of related debt from the construction of the Soundbridge school and leasehold improvement in the magnet schools. Governmental activity without the capital assets actually decreased $283 thousand, which in large part was caused by start-up costs in the magnet schools, continued increasing costs at the Learning Corridor and the closure of the group homes at the Polaris program.

With regard to the financial position of the business-type activities, net assets increased by 18.3% or $169 thousand. Technology sale of service decreased expenses, which increased net assets. Almost all the other business-type activities increased their net assets through increased revenue, except for the School Improvement Center (SIC) which continues to struggle with expenses that are higher than revenue.

Governmental unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased from $18.9 million at June 30, 2008 to $17.7 million at June 30, 2009. An increase in compensated absences of $133 thousand, the first year of the net other post-employment benefit (OPEB) of $395 thousand and the net change in fund balance of $283 thousand, all contributed to the decline in unrestricted net assets.

The unrestricted net assets of business-type activities increased by $170 thousand, or 18.3%, from a deficit of $929 thousand to a deficit of $759 thousand. This was due primarily to decreasing expenses and increasing sales in professional and construction services and online training.

TABLE 2
CHANGES IN NET ASSETS
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	$ 60,955	$ 58,689	$ 2,833	$ 2,592	$ 63,788	$ 61,281
Operating grants and contributions	70,327	72,011	175	154	70,502	72,165
Capital grants and contributions	4,802	427			4,802	427
General revenues:						
Grants and contributions not restricted to specific programs	368	368			368	368
Unrestricted investment earnings	115	384			115	384
Total revenues	136,567	131,879	3,008	2,746	139,575	134,625
Program Expenses:						
Education	126,040	125,235			126,040	125,235
Facilities	796	908			796	908
Administration	5,354	5,031			5,354	5,031
Interest on debt	149	222			149	222
Montessori Training Center of New England			241	143	241	143
Learning Corridor Theatre			76	63	76	63
Cooperative purchasing			19	14	19	14
Regional fingerprinting services			89	74	89	74
Office of Communications				3	-	3
Staff development				2	-	2
BEST Services			15	19	15	19
Property rental			1	1	1	1
CASBO Support Services			6	10	6	10
Conference services			201	188	201	188
Technology sale of services			306	493	306	493
Technical assistance and brokering services			300	347	300	347
Community education			205	248	205	248
School facility services			309	283	309	283
School improvement center			839	795	839	795
Total program expenses	132,339	131,396	2,607	2,683	134,946	134,079
Change in net assets before transfers	4,228	483	401	63	4,629	546
Transfers	232	147	(232)	(147)	-	-
Increase (Decrease) in Net Assets	$ 4,460	$ 630	$ 169	$ (84)	$ 4,629	$ 546

The adjusted revenues in governmental activities - net of both the State of Connecticut contribution for teacher's retirement employee benefits and capital assets - was $126.7 million this year and $111.9 million last year, representing an increase of 13.2%. Expenditures remained stable, and related primarily to educating and providing services for CREC students and member districts. CREC's administrative activities represented 4.0% of total costs.

The most significant increases in government-wide expenditures were in salaries (15.2%) and employee benefits (15.3%) an increase of $11.4 million without the teachers' retirement contribution. These increased costs were for general wage and insurance increases and for additional teachers and paraprofessionals in the expanding magnet school programs.

Governmental Activities

Governmental activities revenue increased by $4.7 million, or 3.5%. Approximately 44.6% of revenues came from charges for services and approximately 55.4% came from operating grants and contributions.

- Increased student enrollment and higher tuitions fueled the increase in revenues. In 2008-2009 CREC opened the CREC Public Safety Academy, the Charter School for Young Children on Asylum Hill, the International Magnet School for Global Citizenship, the Reggio Magnet School of the Arts and the full day program at the Greater Hartford Academy of Math and Science. Our expanding customer base and an increase in the services provided to a larger array of agencies also provided growth.

- The special education services division (Student Services) was primarily responsible for the growth of fund balance and revenue in the agency.

Along with the increased revenues, governmental expenditures increased by $943 thousand, or .7%. This increase was caused by expenditures for new programs, general increases in salaries and benefits, and higher utilities and transportation costs.

Business-Type Activities

Revenues of CREC's business-type activities (see Table 2) increased by 9.5% ($3.01 million in 2009 compared to $2.75 million in 2008) and expenses decreased by 2.8%. Expenses were less than revenue by $169 thousand (after transfers). Technology sales of service, Construction Services and Virtual High School expansion provided for the largest increase in business-type activities. We continue efforts to increase sales and lower expenses to make the other services self-sufficient.

FUNDS FINANCIAL ANALYSIS

Governmental Funds

As CREC completed the year, its Governmental Funds (as presented on the balance sheet - Exhibit III) reported a combined fund balance of $12.5 million, which decreased from last year's $12.7 million.

The net change in the fund balance of the General Fund was $188 thousand. Revenue growth in tuition and indirect charges were major contributors to the increased general fund net change in fund balance. The Student Services Division, which operates all of CREC's special education schools, had combined revenues exceeding expenditures of $982 thousand, which provided much of the fund balance growth in the General Fund. River Street School and the Juvenile Detention Center education program provided the largest growth in fund balance in the Student Services Division. Decreased demand for services at the Integrated Program Model and the closure of group homes at the Polaris program accounted for the biggest fund balance losses in the Student Services Division. Increasing Learning Corridor costs and new magnet start-up schools were the leading factors in the net loss of $1.1million in the Magnet Schools division. The special education schools continue to provide general fund growth from increased sales of services to districts.

The Grants and Contracts Fund had a net decrease in fund balance of $339 thousand. Three programs in the Grant and Contracts Fund were the major contributors to the net decrease in fund balance, due to slowing grant revenue and increasing expenditures. The Choice program, Birth to Three and the Early Education program, which includes the Infant Toddler program, were the largest contributors ($305 thousand) to the net loss for the fund. State funds were not adequate to pay for the expenditures in many of these programs. Other smaller programs also decreased the fund balance in the Grants and Contract Fund.

TABLE 3
GOVERNMENTAL FUND BALANCES
(In Thousands)

	Fund Balance June 30, 2009	Fund Balance June 30, 2008
General fund	$ 11,369	$ 11,182
Grants and contracts fund	(972)	(633)
Special revenue fund	1	3
Capital projects funds	1,076	1,204
Debt service funds	968	970
Permanent fund	17	17
Totals	$ 12,459	$ 12,743

Budget versus Actual

The closing of the Polaris group homes and cost containment at River Street provided the largest decreases in the budget versus actual amounts in the Student Services Division. CREC's budget at the Learning Corridor was charged with the payment of all vendors for the entire campus for a portion of the year. During the year, the arrangement was changed so that CREC only paid vendors for its schools. CREC's Coltsville facility's actual expenses were charged directly to the River Street School cost center. These budget versus actual amounts accounted for $7.2 million.

Original Budget versus Amended Budget

Expanding enrollments, build-out costs and leasehold improvement were major factors contributing to the amended budget increases. Higher fuel and transportation costs added to the amended budget increase in the magnet school cost center. Increased equipment purchases at the end of the year were also a major contributor to budgets being amended.

Capital Projects

The decrease of $128 thousand in fund balance was attributable to the River Street program. The special education schools were the most significant item in Capital Projects Fund in fiscal 2009. The major Capital Project activity for this year was the expansion of the Soundbridge facility in Wethersfield. Fund balance allocation from the special education schools to Capital Projects is required as the buildings age and capital repairs increase.

The Debt Service Fund and Permanent Fund remained relatively unchanged.

Proprietary Funds

Proprietary fund net assets were $5.2 million at the end of fiscal 2009, an increase of $505 thousand, or 10.8%. As previously mentioned, enterprise funds experienced an increase of $167 thousand primarily due to Technology sale of services, School Construction services and the Virtual High School program within the Technical Assistance Brokering Services (TABS) division. The School Improvement Center had a decrease of $90 thousand in net assets.

TABLE 4
PROPRIETARY FUND NET ASSETS
(In Thousands)

	Balance June 30, 2009	Balance June 30, 2008
Enterprise Fund	$ (752)	$ (919)
Internal Service Fund	5,929	5,591
Totals	$ 5,177	$ 4,672

Net assets for the Internal Service Fund increased $338 thousand, or 6.1%, and this is attributable to CREC's self-insurance fund, which realized a $310 thousand increase in net income. Budgeted charges to CREC programs for medical insurance increased 8.1%, but the actual charges to the fund increased 17.9%, due to the large increase in employees in the expanding magnet school program. CREC's unemployment net income decreased $163 thousand due to the closing of the Polaris group homes. CREC's employee benefit fund net income increased by $103 thousand. Most of CREC's internal service fund net assets increased for this year because expenses were less than anticipated.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2009, CREC had $59.2 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 $4.6 million, or 8.5%. Current year additions were $7.4 million, which included buildings, leasehold and building improvements, technology equipment and vehicles. Depreciation expense was $2.8 million in 2008-2009. Leasehold improvements in the magnet schools and the addition to the Soundbridge facility was the primary cause 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	
	2009	2008	2009	2008	2009	2008
Land	$ 2,225	$ 2,225	$	$	$ 2,225	$ 2,225
Buildings and improvements	49,999	50,431			49,999	50,431
Vehicles	357	262			357	262
Furniture, fixtures and equipment	1,305	1,138	8	9	1,313	1,147
Construction in progress	5,292	490			5,292	490
Total	$ 59,178	$ 54,546	$ 8	$ 9	$ 59,186	$ 54,555

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, 2009, CREC had $2.3 million in bonds and notes outstanding versus $2.7 million last year - a decrease of 14.5% as shown in Table 6.

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

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Bonds payable	$ 2,240	$ 2,620	$	$	$ 2,240	$ 2,620
Notes payable	98	114			98	114
Total	$ 2,338	$ 2,734	$ -	$ -	$ 2,338	$ 2,734

The decrease in debt reflects the scheduled principal payments on CREC's outstanding bonds and notes. No additional debt was assumed during the fiscal year. CREC maintains a "BBB" rating from Standard & Poor's for its general obligation bonds.

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

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

FACTORS AFFECTING CREC'S FUTURE

State funding for magnet schools continues to be inadequate. In past years, supplemental funds have been provided by the State Department of Education (SDE) to operate the magnet schools. Parent choice legislation has helped with enrollment goals, but a stable funding formula is needed to operate magnet schools. CREC is working with state legislators, SDE and magnet school stakeholders to address these issues.

The Choice program and the Interdistrict Grants funding should continue through 2010 and thereafter as the State continues to respond to educational inequity in the Capitol Region. Future funding will continue to rely on State priorities.

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

REQUESTS FOR INFORMATION

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

Basic Financial Statements

EXHIBIT I

CAPITOL REGION EDUCATION COUNCIL

STATEMENT OF NET ASSETS

JUNE 30, 2009

	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	$ 11,751,631	$ 447,756	$ 12,199,387
Investments	82,493		82,493
Receivables	13,568,095	966,761	14,534,856
Other	102,330	5,683	108,013
Noncurrent assets:			
Capital assets not being depreciated	7,517,014		7,517,014
Capital assets, net of accumulated depreciation	51,661,715	7,699	51,669,414
Total assets	84,683,278	1,427,899	86,111,177
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	6,323,186	113,803	6,436,989
Internal balances	(1,542,796)	1,542,796	-
Unearned revenue	1,683,782	477,380	2,161,162
Compensated absences		45,490	45,490
Noncurrent liabilities:			
Due within one year	1,940,576		1,940,576
Due in more than one year	2,972,969		2,972,969
Total liabilities	11,377,717	2,179,469	13,557,186
Net Assets:			
Invested in capital assets, net of related debt	55,600,292	7,699	55,607,991
Restricted for trust purposes:			
Nonexpendable	17,000		17,000
Unrestricted	17,688,269	(759,269)	16,929,000
Total Net Assets	$ 73,305,561	$ (751,570)	$ 72,553,991

The accompanying notes are an integral part of the financial statements

EXHIBIT II

CAPITOL REGION EDUCATION COUNCIL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
Function/Program Activities	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Governmental activities:							
Education	$ 126,039,865	$ 60,746,879	$ 69,903,346	$ 4,802,566	$ 9,412,926	$	$ 9,412,926
Facilities	796,435	39,023	10,931		(746,481)		(746,481)
Administration	5,353,917	169,136	395,301		(4,789,480)		(4,789,480)
Interest expense	149,470		17,585		(131,885)		(131,885)
Total governmental activities	132,339,687	60,955,038	70,327,163	4,802,566	3,745,080	-	3,745,080
Business-type activities:							
Montessori Training Center of New England	240,670	260,973				20,303	20,303
Learning Corridor Theater	76,439	100,016				23,577	23,577
Cooperative Purchasing	18,738	26,505				7,767	7,767
Regional Fingerprinting Services	89,154	90,461				1,307	1,307
Office of Communications	12	1,368				1,356	1,356
BEST Services	14,986	20,413				5,427	5,427
Property Rental	1,351					(1,351)	(1,351)
CASBO Support Services	5,839	9,424				3,585	3,585
Conference Services	200,993	206,711				5,718	5,718
Technology Sale of Services	306,379	252,000	161,889			107,510	107,510
Technical Assistance Brokering Service	299,696	406,276				106,580	106,580
Community Education	204,932	210,315	12,584			17,967	17,967
School Facility Services	308,893	450,943				142,050	142,050
School Improvement Center	838,906	797,483				(41,423)	(41,423)
Total business-type activities	2,606,988	2,832,888	174,473	-	-	400,373	400,373
Total	$ 134,946,675	$ 63,787,926	$ 70,501,636	$ 4,802,566	3,745,080	400,373	4,145,453
General revenues:							
Grants and contributions not restricted to specific programs					368,438		368,438
Unrestricted investment earnings					114,769		114,769
Transfers					232,469	(232,469)	-
Total general revenues and transfers					715,676	(232,469)	483,207
Change in net assets					4,460,756	167,904	4,628,660
Net Assets at Beginning of Year					68,844,805	(919,474)	67,925,331
Net Assets at End of Year					$ 73,305,561	$ (751,570)	$ 72,553,991

The accompanying notes are an integral part of the financial statements

EXHIBIT III

CAPITOL REGION EDUCATION COUNCIL

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2009

	General Fund	Grants and Contracts Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 3,930,222	$ 740,695	$ 2,753,017	$ 7,423,934
Investments	61,886		20,607	82,493
Accounts receivable	11,042,388	2,202,778	87,923	13,333,089
Due from other funds	1,409,711			1,409,711
Other assets	63,941	5,716	7,205	76,862
Total Assets	$ 16,508,148	$ 2,949,189	$ 2,868,752	$ 22,326,089
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 3,497,119	$ 1,279,131	$ 551,763	$ 5,328,013
Due to other funds		2,121,334	57,064	2,178,398
Deferred revenue	1,641,622	520,390	197,986	2,359,998
Total liabilities	5,138,741	3,920,855	806,813	9,866,409
Fund Balances:				
Reserved	34,384		984,554	1,018,938
Unreserved, reported in:				
General Fund	11,335,023			11,335,023
Special Revenue		(971,666)	1,473	(970,193)
Capital Projects			1,075,912	1,075,912
Total fund balances	11,369,407	(971,666)	2,061,939	12,459,680
Total Liabilities and Fund Balances	$ 16,508,148	$ 2,949,189	$ 2,868,752	$ 22,326,089

(Continued on next page)

CAPITOL REGION EDUCATION COUNCIL

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2009

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets:
Amounts reported for governmental activities in the statement of net assets (Exhibit I) are different because of the following:

Fund balances - total governmental funds		$ 12,459,680
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	$ 84,764,580	
Less accumulated depreciation	(25,668,823)	
Net capital assets		59,095,757
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:		
Receivable from the state for school construction projects		691,359
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net assets.		5,929,209
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable		(2,240,000)
Interest payable on bonds		(13,411)
Notes payable		(98,100)
Compensated absences		(891,322)
Capital lease		(1,232,511)
Net OPEB Obligation		(395,100)
Net Assets of Governmental Activities (Exhibit I)		$ 73,305,561

The accompanying notes are an integral part of the financial statements

EXHIBIT IV

CAPITOL REGION EDUCATION COUNCIL

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

FOR THE YEAR ENDED JUNE 30, 2009

	General Fund	Grants and Contracts Funds	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Tuition	$ 28,914,890	$ 15,255	$	$ 28,930,145
Grants in aid	51,266,228	17,054,217	5,194,366	73,514,811
Room and board	1,739,399			1,739,399
Sales of services	27,470,686	3,637,152		31,107,838
Investment income	82,319		30,210	112,529
Other local revenues	887,666	391,911		1,279,577
Total revenues	110,361,188	21,098,535	5,224,576	136,684,299
Expenditures:				
Current:				
Salaries	61,431,204	9,081,818		70,513,022
Employee benefits	19,126,296	1,913,958		21,040,254
Purchased professional and technical services	5,575,468	1,747,157		7,322,625
Purchased property services	10,139,012	185,695		10,324,707
Other purchased services	5,144,669	7,060,601		12,205,270
Supplies	6,192,791	397,517		6,590,308
Property	3,079,890	35,882		3,115,772
Other objects	107,416	3,528	392,703	503,647
Debt service:				
Principal			396,350	396,350
Interest and fiscal charges			170,417	170,417
Capital outlay			5,704,399	5,704,399
Total expenditures	110,796,746	20,426,156	6,663,869	137,886,771
Excess (Deficiency) of Revenues over Expenditures	(435,558)	672,379	(1,439,293)	(1,202,472)
Other Financing Sources (Uses):				
Transfers in	1,315,182	31,575	658,074	2,004,831
Transfers out	(691,899)	(1,043,095)		(1,734,994)
Capital lease			649,180	649,180
Total other financing sources (uses)	623,283	(1,011,520)	1,307,254	919,017
Net Change in Fund Balances	187,725	(339,141)	(132,039)	(283,455)
Fund Balances at Beginning of Year	11,181,682	(632,525)	2,193,978	12,743,135
Fund Balances at End of Year	$ 11,369,407	$ (971,666)	$ 2,061,939	$ 12,459,680

(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, 2009

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)	$	(283,455)
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		7,901,608
Depreciation expense		(3,269,196)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:		
School building grant receipts		(118,504)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:		
Bond principal payments		380,000
Note principal payments		16,350
Capital lease payments		651,888
Capital lease financing		(649,180)
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		(133,001)
Accrued interest		20,947
Net OPEB expense		(395,100)
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.		338,399
Change in Net Assets of Governmental Activities (Exhibit II)	$	4,460,756

The accompanying notes are an integral part of the financial statements

CAPITOL REGION EDUCATION COUNCIL

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2009

	Business-Type Activities Enterprise Funds				Governmental Activities
	Technology Sale of Services	School Improvement Center	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets:					
Current:					
Cash and cash equivalents	$	$	$ 447,756	$ 447,756	$ 4,327,697
Receivable, net	106,546	354,153	506,062	966,761	235,006
Due from other funds					2,311,483
Other assets			5,683	5,683	25,468
Total current assets	106,546	354,153	959,501	1,420,200	6,899,654
Noncurrent assets:					
Capital assets, net of accumulated depreciation	1,382		6,317	7,699	82,972
Total assets	107,928	354,153	965,818	1,427,899	6,982,626
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	12,071	20,059	81,673	113,803	981,762
Due to other funds	784,817	691,311	66,668	1,542,796	
Deferred revenues	1,250	251,686	224,444	477,380	15,143
Current portion of obligations under capital lease					7,826
Compensated absences	19,117	390	25,983	45,490	48,686
Total liabilities	817,255	963,446	398,768	2,179,469	1,053,417
Net Assets:					
Invested in capital assets, net of related debt	1,382		6,317	7,699	75,146
Unrestricted	(710,709)	(609,293)	560,733	(759,269)	5,854,063
Total Net Assets	$ (709,327)	$ (609,293)	$ 567,050	$ (751,570)	$ 5,929,209

The accompanying notes are an integral part of the financial statements

EXHIBIT VI

CAPITOL REGION EDUCATION COUNCIL

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

FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities Enterprise Funds				Governmental Activities
	Technology Sale of Services	School Improvement Center	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating Revenues:					
Sales of services	$ 252,000	$ 797,483	$ 1,783,405	$ 2,832,888	$ 14,329,495
Other local revenues				-	1,497,440
Total operating revenues	252,000	797,483	1,783,405	2,832,888	15,826,935
Operating Expenses:					
Salaries	198,906	639,084	529,719	1,367,709	1,010,884
Employee benefits	64,006	95,797	132,747	292,550	13,585,641
Purchased professional and technical services	1,863	21,036	403,869	426,768	134,108
Purchased property services			31,350	31,350	59,201
Other purchased services	36,580	57,296	170,722	264,598	473,947
Supplies	3,162	19,568	168,538	191,268	37,794
Property	889	6,125	7,468	14,482	116,044
Depreciation	334		2,512	2,846	35,058
Other	639		14,778	15,417	670
Total operating expenses	306,379	838,906	1,461,703	2,606,988	15,453,347
Operating Income (Loss)	(54,379)	(41,423)	321,702	225,900	373,588
Nonoperating Revenues:					
Investment income					2,179
Grants in aid	161,889		12,584	174,473	
Total nonoperating revenues	161,889	-	12,584	174,473	2,179
Income (Loss) Before Transfers	107,510	(41,423)	334,286	400,373	375,767
Transfers In		2,250		2,250	
Transfers Out	(61,670)	(50,452)	(122,597)	(234,719)	(37,368)
Change in Net Assets	45,840	(89,625)	211,689	167,904	338,399
Net Assets at Beginning of Year	(755,167)	(519,668)	355,361	(919,474)	5,590,810
Net Assets at End of Year	$ (709,327)	$ (609,293)	$ 567,050	$ (751,570)	$ 5,929,209

The accompanying notes are an integral part of the financial statements

EXHIBIT VII

CAPITOL REGION EDUCATION COUNCIL

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities Enterprise Funds				Governmental Activities
	Technology Sale of Services	School Improvement Center	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash Flows from Operating Activities:					
Receipts from customers and users	$ 255,874	$ 815,517	$ 1,852,025	$ 2,923,416	$ 15,711,900
Receipts from interfund services provided		70,512		70,512	
Payments to suppliers	(53,536)	(101,589)	(767,681)	(922,806)	(869,291)
Payments to employees	(267,216)	(736,238)	(648,393)	(1,651,847)	(14,254,720)
Payments for interfund services used	(35,230)		(115,071)	(150,301)	(2,311,483)
Net cash provided by (used in) operating activities	(100,108)	48,202	320,880	268,974	(1,723,594)
Cash Flows from Noncapital Financing Activities:					
Grants in aid	161,889		12,584	174,473	
Transfers from other funds		2,250		2,250	
Transfers out to other funds	(61,670)	(50,452)	(122,597)	(234,719)	(37,368)
Net cash provided by (used in) noncapital financing activities	100,219	(48,202)	(110,013)	(57,996)	(37,368)
Cash Flows from Capital and Related Financing Activities:					
Principal payments on obligations under capital lease				-	(15,189)
Additions to property, plant and equipment	(1,111)			(1,111)	(35,950)
Net cash used in capital and related financing activities	(1,111)	-	-	(1,111)	(51,139)
Cash Flows from Investing Activities:					
Interest on investments				-	2,179
Net cash provided by investing activities	-	-	-	-	2,179
Net Increase (Decrease) in Cash and Cash Equivalents	(1,000)	-	210,867	209,867	(1,809,922)
Cash and Cash Equivalents at Beginning of Year	1,000	-	236,889	237,889	6,137,619
Cash and Cash Equivalents at End of Year	$ -	$ -	$ 447,756	$ 447,756	$ 4,327,697
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	$ (54,379)	$ (41,423)	$ 321,702	$ 225,900	$ 373,588
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	334		2,512	2,846	35,058
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	9,898	(213,491)	62,442	(141,151)	(129,155)
(Increase) decrease in other assets		3,800	1,692	5,492	(19,425)
Increase (decrease) in accounts payable and accrued liabilities	(10,494)	(1,480)	36,571	24,597	(2,311,483)
Increase (decrease) in compensated absences	(4,213)	(1,241)	4,472	(982)	299,739
Increase (decrease) in due to other funds	(35,230)	70,512	(115,071)	(79,789)	13,984
Increase (decrease) in deferred revenues	(6,024)	231,525	6,560	232,061	14,100
Total adjustments	(45,729)	89,625	(822)	43,074	(2,097,182)
Net Cash Provided by (Used in) Operating Activities	$ (100,108)	$ 48,202	$ 320,880	$ 268,974	$ (1,723,594)

The accompanying notes are an integral part of the financial statements

EXHIBIT VIII

CAPITOL REGION EDUCATION COUNCIL

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2009

	Agency Funds
Assets:	
Cash and cash equivalents	$ 432,512
Liabilities:	
Accounts payable	$ 11,120
Fiduciary deposits	421,392
Total Liabilities	$ 432,512

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

Governmental Funds

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

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

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

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

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

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is

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

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

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

CREC reports the following major governmental funds:

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

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

CREC reports the following major proprietary funds:

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

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

Additionally, CREC reports the following fund types:

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

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

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

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

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

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

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

When both restricted and unrestricted resources are available for use, it is CREC's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Deposits and Investments

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

Investments are stated at fair value.

E. Receivables and Payables

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

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

F. Inventories and Prepaid Items

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

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

G. Capital Assets

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

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

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

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

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

H. Compensated Absences

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

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

I. Long-Term Obligations

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

J. Fund Equity

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

K. Equity

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

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

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

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

1. Program directors submit proposed operating budgets for the fiscal year to the Executive Director for approval and adjustment. The operating budgets include proposed expenditures and the means of financing those expenditures.

2. The adjusted budgets are submitted to the Board of Directors and Council where they are legally enacted through resolutions.

3. Program directors may modify budgets between line items within a program; however, any revisions that increase the total budgeted expenditures of any program must be approved by the Board of Directors and Council. The level of control at which expenditures may not legally exceed appropriations is the program level (i.e., Executive Director, Deputy Executive Director for the General Fund and Interdistrict Grants and Project Pact for the Special Revenue Funds).

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

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

The accompanying Statement of Revenues and Expenditures - General Fund and Major Special Revenue Fund - Budget and Actual (Non-GAAP Budgetary Basis) presents comparisons of the legally adopted budget with actual data on a budgetary basis. Also, CREC does not recognize the contribution by the State of Connecticut for teachers' retirement (as discussed in Note 14) for budgetary purposes. Since not all programs included in the General Fund financial statements are budgeted, a reconciliation of the resultant accounting basis entity differences in excess of revenues

and other sources over expenditures and other uses for the General Fund for the year ended June 30, 2009 are presented below.

	General Fund GAAP Basis	Interprogram Eliminations	Non-Budgeted CREC General Program	General Fund Non-GAAP Budgetary Basis
General Fund:				
Revenues and other financing sources	$ 111,676,370	$ 12,426,953	$ (12,533,579)	$ 111,569,744
Expenditures and other financing uses	111,488,645	12,426,953	(11,986,738)	111,928,860
Net Change in Fund Balance	$ 187,725	$ -	$ (546,841)	$ (359,116)

B. Deficit Fund Equity

Fund balance and net asset deficits existed as of June 30, 2009 in the following funds/programs:

General Fund Programs:	
Grants and Development Office	$ 364,248
Administrative Building Cost Center	374,436
Minority Teacher Recruiting	33,291
Project Literacy	75,040
Learning Corridor Cost Center	611,068
Montessori Magnet School	269,008
GHA of Math and Science Magnet School	815,767
Public Safety Academy	234,859
Polaris Center	916,221
Magnet School Cost Center	526,835
Greater Hartford Academy of the Arts	332,984
International Magnet School for Global Citizenship	14,926
Reggio Magnet School for the Arts	349,638
Special Revenue Fund:	
Grants and Contracts Fund:	
Special Services Support Team Program	27,735
Related Services	26,323
Capitol Region Choice Program	741,727
Suburban Youth Programs	2,873
Preschool Intervention Program	62,752
Employment Training Program	184,420
Early Education Programs	257,989
Capital Projects Funds:	
East Hartford/Glastonbury Magnet Construction	53,457

Technology Sale of Services	709,327
School Improvement Center	609,293
Enterprise Funds:	
Learning Corridor Theater	16,385
Conference Services	6,558
Community Education	17,398

These deficits will be covered by transfers from General Fund.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

A. Cash and Cash Equivalents

Deposits

Deposit Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, CREC's deposit will not be returned. CREC does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statues. Deposits may be placed with any qualified public depository that has its main 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*, $4,602,373 of the Town's bank balance of $6,050,660 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 4,042,136
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	560,237
Total Amount Subject to Custodial Credit Risk	$ 4,602,373

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2009, CREC's cash equivalents amounted to $10,527,846. The following table provides a summary of CREC's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	Standard and Poor's	Moody's
State Tax Exempt Proceeds Fund (TEPF)*		
Columbia Treasury Reserves Fund	AAAm	Aaa
Treasury Obligations Fund	AAAm	Aaa

*Fund not rated

B. Investments

Investments as of June 30, 2009 in all funds are as follows:

			Investment Maturities (Years)		
Investment Type	Credit Rating	Fair Value	Less Than 1	1 – 10	More Than 10
Interest-bearing Investments:					
Certificates of deposit	*	$ 82,493	$ 82,493	$ -	$ -

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

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

Credit Risk - Investments - As indicated above, State Statutes limit the investment options. CREC has an investment policy that allows the same type of investments as State Statutes.
Concentration of Credit Risk - CREC has no policy limiting an investment in any one issuer that is in excess of 5% of the CREC's total investments.

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to CREC or that sells investments to or buys them for CREC), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. CREC does not have a policy for custodial credit risk. At June 30, 2009, CREC did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in CREC's name.

4. RECEIVABLES

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

	General	Grants and Contracts Funds	Nonmajor Funds	Internal Service Funds	Technology Sale of Services	School Improvement Center	Nonmajor Enterprise Funds	Total
Receivables:								
Accounts	$ 10,351,029	$ 2,202,778	$	$ 235,006	$ 106,546	$ 354,153	$ 506,062	$ 13,755,574
Intergovernmental	691,359		87,923					779,282
Total Receivables	$ 11,042,388	$ 2,202,778	$ 87,923	$ 235,006	$ 106,546	$ 354,153	$ 506,062	$ 14,534,856

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

	Unavailable	Unearned
School Building Grant	$ 691,359	$
Grant drawdowns prior to meeting all eligibility requirements		520,390
Miscellaneous advance collections		1,148,249
Total Deferred/Unearned Revenue for Governmental Funds and Internal Service Funds	$ 691,359	$ 1,668,639

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 2,224,925	$	$	$ 2,224,925
Construction in progress	489,523	4,802,566		5,292,089
Total capital assets not being depreciated	2,714,448	4,802,566	-	7,517,014
Capital assets being depreciated:				
Buildings and improvements	67,709,591	2,071,050	(46,887)	69,733,754
Vehicles	1,060,232	213,067	(17,100)	1,256,199
Furniture, fixtures and equipment	6,288,126	850,875	(472,430)	6,666,571
Total capital assets being depreciated	75,057,949	3,134,992	(536,417)	77,656,524
Less accumulated depreciation for:				
Buildings and improvements	(17,274,420)	(2,506,920)	46,887	(19,734,453)
Vehicles	(798,182)	(117,911)	17,100	(898,993)
Furniture, fixtures and equipment	(5,154,370)	(679,423)	472,430	(5,361,363)
Total accumulated depreciation	(23,226,972)	(3,304,254)	536,417	(25,994,809)
Total capital assets being depreciated, net	51,830,977	(169,262)	-	51,661,715
Governmental Activities Capital Assets, Net	$ 54,545,425	$ 4,633,304	$ -	$ 59,178,729
Business-type activities:				
Furniture, fixtures and equipment	$ 145,333	$ 1111	$	$ 146,444
Less accumulated depreciation	(135,899)	(2,846)		(138,745)
Business-Type Activities Capital Assets, Net	$ 9,434	$ (1,735)	$ -	$ 7,699

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

Governmental activities:	
Education	$ 3,160,151
Facilities	126,550
Administration	17,553
Total Depreciation Expense - Governmental Activities	$ 3,304,254
Business-type activities:	
Technology Sale of Services	$ 334
Learning Corridor Theater	648
Property Rental	1,351
Community Education	265
School Facility Services	248
Total Depreciation Expense - Business-Type Activities	$ 2,846

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund loans generally are a result of negative equity in pooled cash. The composition of interfund balances as of June 30, 2009 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Grants and Contracts Fund	$ 1,409,711
Internal Service Fund	Grants and Contracts Fund	711,623
	Nonmajor Governmental Funds	57,064
	Technology Sale of Services	784,817
	School Improvement Center	691,311
	Nonmajor Enterprise Funds	66,668
Total		$ 3,721,194

All balances are expected to be repaid within a year.

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

	Transfers In				
	General Fund	Grants and Contracts Fund	School Improvement Center	Nonmajor Governmental And Other Funds	Total
Transfers out:					
General Fund	$	$ 31,575	$ 2,250	$ 658,074	$ 691,899
Grants and Contracts Fund	1,043,095				1,043,095
Internal Service Funds	37,368				37,368
Technology Sale of Services	61,670				61,670
School Improvement Center	50,452				50,452
Nonmajor Enterprise Funds	122,597				122,597
Total Transfers Out	$ 1,315,182	$ 31,575	$ 2,250	$ 658,074	$ 2,007,081

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, 2009 was $1,644,099.

Capital Leases

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

	Governmental Activities
Assets:	
Equipment	$ 719,089
Building and improvement	432,876
Total assets	1,151,965
Less accumulated depreciation for:	
Equipment	(383,411)
Building and improvement	(67,455)
Total accumulated depreciation	(450,806)
Total	$ 701,099

The future minimum lease obligations and the net present value of these payments as of June 30, 2009 were as follows:

Year Ending June 30	Amount
2010	$ 645,669
2011	411,670
2012	200,430
2013	51,303
Total minimum lease payments	1,309,072
Less amount representing interest	(68,735)
Present Value of Minimum Lease Payments	$ 1,240,337

8. LONG-TERM DEBT

General Obligation Bonds

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

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

	Governmental Activities	
	Principal	Interest
2010	$ 380,000	$ 138,090
2011	380,000	112,630
2012	380,000	87,075
2013	275,000	64,869
2014	275,000	46,406
2015-2016	550,000	37,125
Total	$ 2,240,000	$ 486,195

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

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

	Governmental Activities	
	Principal	Interest
2010	$ 16,350	$ 5,886
2011	16,350	4,905
2012	16,350	3,924
2013	16,350	2,943
2014	16,350	1,962
2015	16,350	981
Total	$ 98,100	$ 20,601

In addition, CREC has a credit line agreement which provides for borrowings up to $6,000,000 as a revolving line of credit, with interest charged at the London Interbank Offering Rate. There was no balance due at June 30, 2009. The agreement contains various financial covenants.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable	$ 2,620,000	$	$ (380,000)	$ 2,240,000	$ 380,000
Notes payable	114,450		(16,350)	98,100	16,350
Capital leases	1,258,234	649,180	(667,077)	1,240,337	604,218
Net OPEB obligation		395,100		395,100	
Compensated absences	793,023	940,008	(793,023)	940,008	940,008
Total Governmental Activities Long-Term Liabilities	$ 4,785,707	$ 1,984,288	$ (1,856,450)	$ 4,913,545	$ 1,940,576

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

Bond Anticipation Notes Payable

Bond anticipation notes payable activity for the year ended June 30, 2009 was as follows:

Description	Issue Date	Maturity Date	Interest Rate (%)	Beginning Balance	Additions	Reductions	Ending Balance
Bond anticipation notes	11/15/07	8/14/08	4.000	$ 1,000,000	$ -	$ 1,000,000	$ -

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

9. RISK MANAGEMENT

CREC self-insures its employee health coverage. The plan is administered by an insurance company that processes and pays all claims, which are limited by stop-loss agreements, from the plan bank account. CREC maintains a balance in the account sufficient to fund the maximum allowable withdrawal by the insurance company. Claims are accrued at June 30, 2009 based on claims received subsequent to year-end within the allowable claim period. Claims of $885,292 are reflected in the accrued expenses of the Internal Service Fund at June 30, 2009. All claims are reflected in the statement of net assets as current liabilities.

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

	Accrued Liability Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Accrued Liability Claim Payments	Accrued Liability End of Fiscal Year
2007-08	$ 567,508	$ 7,608,830	$ 7,583,668	$ 592,670
2008-09	592,670	10,605,850	10,313,228	885,292

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, 2009 were $384,903. There was $11,473 accrued as a liability at June 30, 2009 for expected claims.

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

10. FUND BALANCE RESERVED

Fund balance reserved consists of the following:

Reserved for programmatic programs:	
General Fund	$ 34,384
Reserved for purposes of trust:	
Narkin Scholarship - Permanent Fund	17,000
Reserved for debt service:	
Bond Issue Cost Center - Nonmajor Fund	967,554
Total	$ 1,018,938

11. FUND BALANCE DESIGNATED

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

Designated for future obligations	$ 2,640,000
Designated for debt obligations	800,000
Designated for capital improvements	50,000
Designated for legal	50,000
Designated for venture capital	75,000
Designated for payroll	1,000,000
Total	$ 4,615,000

12. CONTINGENT LIABILITIES

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

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

13. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

At January 1, 2008, plan membership consisted of the following:

	Retiree Health Plan
Retired members	10
Spouses of retired members	6
Active plan members	313
Total Participants	329

Funding Policy

CREC's funding and payment of postemployment benefits are accounted for in the Internal Service fund on a pay-as-you go basis. As of June 30, 2009, CREC has not established a trust fund to irrevocably segregate assets to fund the liability associated with the post employment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. Retired plan members and beneficiaries currently receiving benefits are required to contribute 100% of the cost for medical coverage. Spouse coverage continues on the death of the retiree as COBRA benefit.

Annual OPEB Cost and Net OPEB Obligations

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

		Retiree Health Plan
Annual required contribution (ARC)	$	467,300
Interest on net OPEB obligation		-
Adjustment to annual required contribution		-
Annual OPEB cost (expense)		467,300
Contributions made		72,200
Increase in net OPEB obligation		395,100
Net OPEB obligation, beginning of year		-
Net OPEB Obligation, End of Year	$	395,100

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

Fiscal Year Ended		Annual OPEB Cost (AOC)		Actual Contribution	Percentage of AOC Contributed		Net OPEB Obligation
6/30/09	$	467,300	$	72,200	15.5%	$	395,100

As of January 1, 2008, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was $3,767,000, and the actuarial value of assets was $-0-, resulting in an unfunded actuarial accrued liability (UAAL) of approximately $3,767,000. The covered payroll (annual payroll of active employees covered by the plan) was not available.

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.

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, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The annual required contribution (ARC) reflects a 30-year, level amortization of the unfunded actuarial accrued liability (AAL). The actuarial assumptions include a 4.0% investment rate of return. The annual healthcare cost trend rate is 10% initially, reduced by decrements of 1% per year to an ultimate rate of 5%.

14. EMPLOYEE RETIREMENT PLAN

Defined Contribution Pension Plan

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

Plan members may elect to contribute up to the IRS maximum. CREC matches eligible member contributions up to 5% of covered salary. At June 30, 2009, there were 748 plan members. Diversified Investment Advisors administer the retirement plan. Plan provisions and contribution requirements are established and may be amended by the CREC Board.

Employer and plan member contributions are recognized in the period contributions are due. Employer and employee contributions for the year ended June 30, 2009 were $936,463 and $3,281,937, respectively.

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

Teacher Retirement

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

- Attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or;

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

CREC withholds 7.25% of all certified teachers' annual earnings and transmits the funds to the State Teachers' Retirement Board. CREC does not contribute to the plan. Prior to July 1, 1989, teachers were vested in their contributions up to 5% of their earnings prior to five years of service. After five years of service, teachers were fully vested in their own contributions. After ten years of service, teachers are fully vested and entitled to a monthly pension benefit that is payable at the age of 60. The State of Connecticut contributes amounts based on the actuarial reserve basis described in C.G.S. Sections 10-183 b (7). The State's contribution to the plan on behalf of CREC for the fiscal year ended June 30, 2009 was $5,376,435 and is recognized in the governmental funds GAAP-basis statement of revenues, expenditures and changes in fund balances. This contribution is significantly lower than in prior fiscal year. For the year ended June 30, 2009, teachers of CREC contributed $2,499,842 to the plan, and covered payroll for the year was $34,480,579.

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

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

Required Supplementary Information

CAPITOL REGION EDUCATION COUNCIL

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

FOR THE YEAR ENDED JUNE 30, 2009

	General Fund				Grants and Contracts Fund			
	Budget Amounts			Variance Positive	Budget Amounts			Variance Positive
	Original	Final	Actual	(Negative)	Original	Final	Actual	(Negative)
Revenues:								
Tuition	$ 24,206,425	$ 24,323,148	$ 28,914,890	$ 4,591,742	$	$	$ 15,255	$ 15,255
Grants in aid	42,095,920	46,788,478	44,989,965	(1,798,513)	20,631,289	21,014,133	17,054,217	(3,959,916)
Room and board	4,279,449	4,279,449	1,739,399	(2,540,050)				-
Sales of services	34,126,573	34,674,539	27,470,686	(7,203,853)	2,850,773	3,557,223	3,637,152	79,929
Investment income			30	30				-
Other local revenues	132,080	121,600	887,666	766,066			391,911	391,911
Transfers in	9,840,225	10,138,084	7,567,108	(2,570,976)			31,575	31,575
Total revenues	114,680,672	120,325,298	111,569,744	(8,755,554)	23,482,062	24,571,356	21,130,110	(3,441,246)
Expenditures:								
Current:								
Special programs	107,712,612	113,355,574	105,081,072	8,274,502	23,482,062	24,571,356	21,469,251	3,102,105
Facilities	1,105,825	1,105,825	984,167	121,658				-
Administration	5,862,235	5,863,899	5,863,621	278				-
Total expenditures	114,680,672	120,325,298	111,928,860	8,396,438	23,482,062	24,571,356	21,469,251	3,102,105
Excess of Revenues over Expenditures	$ -	$ -	(359,116)	$ (359,116)	$ -	$ -	(339,141)	$ (339,141)
Budgetary excess of revenues over expenditures is different than GAAP net change in fund balance because:								
Revenues and expenditures for CREC General Program are not budgeted			546,841					
Total			$ 187,725				$ (339,141)	

Combining and Individual Fund Statements and Schedules

General Fund

GENERAL FUND

ADMINISTRATION PROGRAMS

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

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

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

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

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

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

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

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

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

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

FACILITIES

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

SPECIAL PROGRAMS

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

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

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

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

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

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

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

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

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

EAST HARTFORD/GLASTONBURY MAGNET SCHOOL - The East Hartford/Glastonbury Magnet School provides a model quality and integrated educational program that draws its students voluntarily from two diverse districts. The school emphasizes science, computer and global education. The school will expand to other districts and construction of a new building is planned for the future.

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

METROPOLITAN LEARNING CENTER MAGNET SCHOOL - The Metropolitan Learning Center Magnet School (MLC) is a global studies magnet school located in Bloomfield, CT. The school features a unique curriculum, an extended school day and extensive use of technology. The school serves close to 700 sixth through twelfth graders.

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

CREC PUBLIC SAFETY ACADEMY - The CREC Public Safety Academy is the first school of its kind in Connecticut. The Academy has been developed in an effort to meet the benchmarks set forth in the 2008 Sheff Settlement and will eventually include grades 6-12. This inter district magnet school opened in September, 2008

with 105 students, and will serve 220 students in 2009-2010. The Academy was developed in partnership with state and local public safety agencies. Academy students receive a rigorous academic curriculum and learn about careers in public safety from experts throughout the state. These careers include law enforcement, firefighting, emergency medical services, public safety communications and homeland security.

UNIVERSITY OF HARTFORD MAGNET SCHOOL - University of Hartford Magnet School (UHMS) opened in September, 2001. The school serves approximately 400 students. The curriculum focus for UHMS is the infusion of Dr. Howard Gardner's Theory of Multiple Intelligences into a PreK - fifth grade school environment.

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

RIVER STREET SCHOOL - River Street School offers highly specialized educational programming for students who require a very predictable, structured environment. LEAs are generally hard-pressed to provide the necessary resources at the local level, and most are unable to provide this type of program over the summer. River Street serves autistic, developmentally delayed, learning disabled, pervasive developmentally delayed and behaviorally disordered students. The school also operates two residential facilities, both licensed by the State Department of Developmental Services. The facilities provide residential services for students attending the River Street School.

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

MAGNET SCHOOL COST CENTER - This program provides for the centralized office services for curriculum and instruction, fiscal, pupil services, transportation and facilities operations for the CREC Magnet Schools. The costs are charged back to the magnet schools.

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

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

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

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

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

GREAT PATH ACADEMY - Great Path Academy, located at Manchester Community College, is a grade 10 through 12 high school with a learning environment that provides students from diverse backgrounds with academic and life skills gained in a blend of high school and college experiences. Currently, the school serves approximately 165 students from many local school districts and will expand with the opening of a new facility in the 2009 - 2010 school year.

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

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

CHARTER SCHOOL FOR YOUNG CHILDREN ON ASYLUM HILL - This **c**harter school is the result of a collaborative effort involving SDE, the Asylum Hill Congregational Church, Saint Joseph's College and CREC. The school was developed to help meet the benchmarks of the 2008 Sheff Settlement Agreement. CREC operates the school and is accountable to its independent board of directors. The charter school is designed to educate children from preschool through grade 3. The program currently serves 185 students from Hartford and its suburbs in an economically, racially and ethnically diverse setting.

LINCOLN ACADEMY - Working in collaboration with 8 local school districts, the Lincoln Academy will provide short term, specialized diagnostic and education services for children who are having difficulty achieving success in their local school districts. The program will serve up to 30 middle and high school-aged students at any one time. Students will participate in a 5.25 hour day of instructional, recreational and group activities. Individual, group and family counseling, as well as ongoing psychiatric consultation, will be provided to the students.

CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM
JUNE 30, 2009

	Administration							
	CREC General	**Executive Director**	**Assistant Executive Director**	**Business Services**	**Human Resources**	**Communications Services**	**Student Services**	**Institute of Teaching and Learning**
ASSETS								
Cash and cash equivalents	$ 2,425,920	$ 4,236	$ 8,991	$	$ 37,206	$ 16,559	$ 6,167	$ 10,749
Investments								
Accounts receivable	691,369	6,966						
Due from other funds	4,766,564			434,001				
Other assets								
Total Assets	$ 7,883,853	$ 11,202	$ 8,991	$ 434,001	$ 37,206	$ 16,559	$ 6,167	$ 10,749
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	$ 363,662	$ 7,371	$ 8,105	$ 411,720	$ 23,235	$ 5,914	$ 2,173	$ 2,501
Due to other funds								
Deferred revenues	691,359	1,323						
Total liabilities	1,055,021	8,694	8,105	411,720	23,235	5,914	2,173	2,501
Fund Balances:								
Reserved for programmatic purposes	34,384							
Unreserved:								
Designated for future obligations	2,640,000							
Designated for debt obligations	800,000							
Designated for capital improvements	50,000							
Designated for legal	50,000							
Designated for venture capital	75,000							
Designated for payroll	1,000,000							
Undesignated	2,179,448	2,508	886	22,281	13,971	10,645	3,994	8,248
Total fund balances	6,828,832	2,508	886	22,281	13,971	10,645	3,994	8,248
Total Liabilities and Fund Balances	$ 7,883,853	$ 11,202	$ 8,991	$ 434,001	$ 37,206	$ 16,559	$ 6,167	$ 10,749

(Continued on next page)

CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2009

	Administration			Facilities	Special Programs			
	Grants and Development Office	Technical Assistance Brokering Services	Total	Administrative Building Cost Center	Connecticut Academy for Educ. Leaders	Interdistrict Grant Office	Minority Teacher Recruiting	Juvenile Detention Center
ASSETS								
Cash and cash equivalents	$	$ 15,686	$ 2,525,514	$ 23,309	$ 788	$ 33,004	$ 12,760	$ 37,664
Investments								
Accounts receivable	19,245		717,580	5,522			12,439	601,120
Due from other funds			5,200,565					
Other assets								396
Total Assets	$ 19,245	$ 15,686	$ 8,443,659	$ 28,831	$ 788	$ 33,004	$ 25,199	$ 639,180
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	$ 12,402	$ 7,658	$ 844,741	$ 40,844	$	$ 2,997	$ 58,490	$ 5,759
Due to other funds	371,091		371,091	362,423				
Deferred revenues			692,682					
Total liabilities	383,493	7,658	1,908,514	403,267	-	2,997	58,490	5,759
Fund Balances:								
Reserved for programmatic purposes			34,384					
Unreserved:								
Designated for future obligations			2,640,000					
Designated for debt obligations			800,000					
Designated for capital improvements			50,000					
Designated for legal			50,000					
Designated for venture capital			75,000					
Designated for payroll			1,000,000					
Undesignated	(364,248)	8,028	1,885,761	(374,436)	788	30,007	(33,291)	633,421
Total fund balances	(364,248)	8,028	6,535,145	(374,436)	788	30,007	(33,291)	633,421
Total Liabilities and Fund Balances	$ 19,245	$ 15,686	$ 8,443,659	$ 28,831	$ 788	$ 33,004	$ 25,199	$ 639,180

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CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2009

	Special Programs						
	Coltsville Facility	**Project Literacy**	**Allied Health Career Collaborative**	**Learning Corridor Cost Center**	**Montessori Magnet School**	**East Hartford/ Glastonbury Magnet School**	**GHA of Math and Science Magnet School**
ASSETS							
Cash and cash equivalents	$ 36,239	$	$ 2,157	$	$	$ 166,568	$
Investments							
Accounts receivable		2,400		449,532	332,327		262,197
Due from other funds							
Other assets							
Total Assets	$ 36,239	$ 2,400	$ 2,157	$ 449,532	$ 332,327	$ 166,568	$ 262,197
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	$ 36,239	$ 5,340	$ 559	$ 328,670	$ 24,618	$ 20,014	$ 82,279
Due to other funds		72,100		731,930	576,717		925,086
Deferred revenues						28,543	70,599
Total liabilities	36,239	77,440	559	1,060,600	601,335	48,557	1,077,964
Fund Balances:							
Reserved for programmatic purposes							
Unreserved:							
Designated for future obligations							
Designated for debt obligations							
Designated for capital improvements							
Designated for legal							
Designated for venture capital							
Designated for payroll							
Undesignated		(75,040)	1,598	(611,068)	(269,008)	118,011	(815,767)
Total fund balances	-	(75,040)	1,598	(611,068)	(269,008)	118,011	(815,767)
Total Liabilities and Fund Balances	$ 36,239	$ 2,400	$ 2,157	$ 449,532	$ 332,327	$ 166,568	$ 262,197

(Continued on next page)

CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2009

	Special Programs						
	Metropolitan Learning Center Magnet School	Two Rivers Magnet Middle School	CREC Public Safety Academy	University of Hartford Magnet School	Soundbridge	River Street School	Polaris Center
ASSETS							
Cash and cash equivalents	$ 95,855	$	$	$	$ 251,702	$ 11,101	$ 3,917
Investments					12,251		
Accounts receivable	338,917	435,944	328,321	488,880	308,124	1,688,173	1,201,579
Due from other funds					742,544	5,096,491	
Other assets							950
Total Assets	$ 434,772	$ 435,944	$ 328,321	$ 488,880	$ 1,314,621	$ 6,795,765	$ 1,206,446
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	$ 163,350	$ 135,383	$ 55,775	$ 113,670	$ 194,223	$ 342,550	$ 67,647
Due to other funds		57,452	497,405	332,104			2,055,020
Deferred revenues	34,716	26,984	10,000	500		60,000	
Total liabilities	198,066	219,819	563,180	446,274	194,223	402,550	2,122,667
Fund Balances:							
Reserved for programmatic purposes							
Unreserved:							
Designated for future obligations							
Designated for debt obligations							
Designated for capital improvements							
Designated for legal							
Designated for venture capital							
Designated for payroll							
Undesignated	236,706	216,125	(234,859)	42,606	1,120,398	6,393,215	(916,221)
Total fund balances	236,706	216,125	(234,859)	42,606	1,120,398	6,393,215	(916,221)
Total Liabilities and Fund Balances	$ 434,772	$ 435,944	$ 328,321	$ 488,880	$ 1,314,621	$ 6,795,765	$ 1,206,446

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CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2009

	Special Programs						
	Magnet School Cost Center	Integrated Program Model	Farmington Valley Diagnostic Center	Special Education Transportation	Greater Hartford Academy of the Arts	Center for Creative Youth	Great Path Academy
ASSETS							
Cash and cash equivalents	$	$ 89,470	$ 50,447	$ 49,072	$ 533	$ 420,436	$ 80,086
Investments						49,635	
Accounts receivable	1,098,667	250,380	291,666	50,496	446,182		119,794
Due from other funds							
Other assets	3,250				1,000	36,134	
Total Assets	$ 1,101,917	$ 339,850	$ 342,113	$ 99,568	$ 447,715	$ 506,205	$ 199,880
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	$ 432,167	$ 101,423	$ 5,640	$ 18,015	$ 52,684	$ 24,945	$ 93,973
Due to other funds	1,196,585				709,803		
Deferred revenues			167,995	6,732	18,212	444,305	29,128
Total liabilities	1,628,752	101,423	173,635	24,747	780,699	469,250	123,101
Fund Balances:							
Reserved for programmatic purposes							
Unreserved:							
Designated for future obligations							
Designated for debt obligations							
Designated for capital improvements							
Designated for legal							
Designated for venture capital							
Designated for payroll							
Undesignated	(526,835)	238,427	168,478	74,821	(332,984)	36,955	76,779
Total fund balances	(526,835)	238,427	168,478	74,821	(332,984)	36,955	76,779
Total Liabilities and Fund Balances	$ 1,101,917	$ 339,850	$ 342,113	$ 99,568	$ 447,715	$ 506,205	$ 199,880

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CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2009

	Special Programs						
	International Magnet School for Global Citizenship	Reggio Magnet School of the Arts	Charter School for Young Children on Asylum Hill	Lincoln Academy	Total	Eliminations	Total
ASSETS							
Cash and cash equivalents	$	$	$	$ 39,600	$ 1,381,399	$	$ 3,930,222
Investments					61,886		61,886
Accounts receivable	138,934	200,395	1,272,819		10,319,286		11,042,388
Due from other funds					5,839,035	(9,629,889)	1,409,711
Other assets	450	21,621	140		63,941		63,941
Total Assets	$ 139,384	$ 222,016	$ 1,272,959	$ 39,600	$ 17,665,547	$ (9,629,889)	$ 16,508,148
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	$ 45,627	$ 61,993	$ 137,504	$	$ 2,611,534	$	$ 3,497,119
Due to other funds	104,483	509,661	1,128,029		8,896,375	(9,629,889)	-
Deferred revenues	4,200		7,426	39,600	948,940		1,641,622
Total liabilities	154,310	571,654	1,272,959	39,600	12,456,849	(9,629,889)	5,138,741
Fund Balances:							
Reserved for programmatic purposes					-		34,384
Unreserved:							
Designated for future obligations					-		2,640,000
Designated for debt obligations					-		800,000
Designated for capital improvements					-		50,000
Designated for legal					-		50,000
Designated for venture capital					-		75,000
Designated for payroll					-		1,000,000
Undesignated	(14,926)	(349,638)			5,208,698		6,720,023
Total fund balances	(14,926)	(349,638)	-	-	5,208,698	-	11,369,407
Total Liabilities and Fund Balances	$ 139,384	$ 222,016	$ 1,272,959	$ 39,600	$ 17,665,547	$ (9,629,889)	$ 16,508,148

EXHIBIT A-2

CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2009

	Administration							
	CREC General	**Executive Director**	**Assistant Executive Director**	**Business Services**	**Human Resources**	**Communications Services**	**Student Services**	**Institute of Teaching and Learning**
Revenues:								
Tuition	$	$	$	$	$	$	$	$
Grants in aid	6,276,263							
Room and board								
Sales of services				6,038				
Investment income	82,289							
Other local revenues		30,780		725				
Total revenues	6,358,552	30,780	-	6,763	-	-	-	-
Expenditures:								
Current:								
Salaries		262,438	215,036	1,504,425	598,931	146,310	175,799	77,055
Employee benefits	5,376,435	16,496	37,410	361,911	165,587	40,961	31,840	9,668
Purchased professional and technical services		400	548	642,191	34,927	8,988	6,588	5,884
Purchased property services		6,410		19,213	(93)			
Other purchased services	96,803	9,466	15,261	172,293	26,958	27,956	10,680	11,085
Supplies		2,139	501	28,047	4,710	3,557	1,675	6,866
Property				22,243	843	462		5,647
Other uses of funds		6,476		16,312	930	107	1,138	387
Total expenditures	5,473,238	303,825	268,756	2,766,635	832,793	228,341	227,720	116,592
Excess (Deficiency) of Revenues over Expenditures	885,314	(273,045)	(268,756)	(2,759,872)	(832,793)	(228,341)	(227,720)	(116,592)
Other Financing Sources (Uses):								
Transfers in	6,175,027	331,087	368,856	2,992,950	895,365	265,494	259,278	122,892
Transfers out	(6,513,500)	(58,042)	(100,100)	(226,260)	(62,572)	(37,153)	(31,555)	(6,300)
Total other financing sources (uses)	(338,473)	273,045	268,756	2,766,690	832,793	228,341	227,723	116,592
Net Change in Fund Balances	546,841	-	-	6,818	-	-	3	-
Fund Balances at Beginning of Year	6,281,991	2,508	886	15,463	13,971	10,645	3,991	8,248
Fund Balances at End of Year	$ 6,828,832	$ 2,508	$ 886	$ 22,281	$ 13,971	$ 10,645	$ 3,994	$ 8,248

(Continued on next page)

EXHIBIT A-2

CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2009

	Administration			Facilities	Special Programs			
	Grants and Development Office	Technical Assistance Brokering Services	Total	Administrative Building Cost Center	Connecticut Academy for Educ. Leaders	Interdistrict Grant Office	Minority Teacher Recruiting	Juvenile Detention Center
Revenues:								
Tuition	$	$	$ -	$	$	$	$	$ 1,617,506
Grants in aid			6,276,263	10,931			93,137	
Room and board			-					
Sales of services	131,593		137,631	38,023	2,315	111,407	54,498	
Investment income			82,289					
Other local revenues			31,505	1,000			2,000	
Total revenues	131,593	-	6,527,688	49,954	2,315	111,407	149,635	1,617,506
Expenditures:								
Current:								
Salaries	251,665	109,340	3,340,999	91,708		74,263	29,551	911,546
Employee benefits	49,043	27,911	6,117,262	30,714		25,183	3,107	163,500
Purchased professional and technical services	15,265	1,843	716,634	858		213	121,932	20,361
Purchased property services		400	25,930	352,282				427
Other purchased services	9,236	30,023	409,761	16,438	346	4,266	30,330	4,781
Supplies	1,819	6,441	55,755	166,158		(1,502)	449	13,560
Property	659	1,385	31,239	144,933				2,453
Other uses of funds	72	889	26,311	703				238
Total expenditures	327,759	178,232	10,723,891	803,794	346	102,423	185,369	1,116,866
Excess (Deficiency) of Revenues over Expenditures	(196,166)	(178,232)	(4,196,203)	(753,840)	1,969	8,984	(35,734)	500,640
Other Financing Sources (Uses):								
Transfers in	121,860	249,218	11,782,027	813,643				
Transfers out	(20,000)	(70,986)	(7,126,468)	(180,373)	(320)	(6,592)		(99,620)
Total other financing sources (uses)	101,860	178,232	4,655,559	633,270	(320)	(6,592)	-	(99,620)
Net Change in Fund Balances	(94,306)	-	459,356	(120,570)	1,649	2,392	(35,734)	401,020
Fund Balances at Beginning of Year	(269,942)	8,028	6,075,789	(253,866)	(861)	27,615	2,443	232,401
Fund Balances at End of Year	$ (364,248)	$ 8,028	$ 6,535,145	$ (374,436)	$ 788	$ 30,007	$ (33,291)	$ 633,421

(Continued on next page)

EXHIBIT A-2

CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2009

	Special Programs						
	Coltsville Facility	Project Literacy	Allied Health Career Collaborative	Learning Corridor Cost Center	Montessori Magnet School	East Hartford/ Glastonbury Magnet School	GHA of Math and Science Magnet School
Revenues:							
Tuition	$	$	$	$	$	$	$
Grants in aid					3,002,579	2,250,503	2,607,204
Room and board							
Sales of services		101,500	15,025	1,847,671	1,188,220	579,288	1,130,620
Investment income							
Other local revenues							26,816
Total revenues	-	101,500	15,025	1,847,671	4,190,799	2,829,791	3,764,640
Expenditures:							
Current:							
Salaries		4,646	14,989	2,491	2,480,296	1,867,880	2,323,160
Employee benefits		344	1,317	725	611,076	379,531	399,494
Purchased professional and technical services		16,500		1,400	314,264	175,003	339,937
Purchased property services				1,246,520	453,764	168,165	301,954
Other purchased services		44,429	1,012	33,977	57,865	44,445	106,293
Supplies		5,638	266	1,696,574	77,279	43,599	167,289
Property		0		3,425	30,967	21,474	116,617
Other uses of funds		16,555			1,705	578	1,067
Total expenditures	-	88,112	17,584	2,985,112	4,027,216	2,700,675	3,755,811
Excess (Deficiency) of Revenues over Expenditures	-	13,388	(2,559)	(1,137,441)	163,583	129,116	8,829
Other Financing Sources (Uses):							
Transfers in				763,315			
Transfers out		(8,972)	(952)		(175,656)	(120,528)	(175,630)
Total other financing sources (uses)	-	(8,972)	(952)	763,315	(175,656)	(120,528)	(175,630)
Net Change in Fund Balances	-	4,416	(3,511)	(374,126)	(12,073)	8,588	(166,801)
Fund Balances at Beginning of Year	-	(79,456)	5,109	(236,942)	(256,935)	109,423	(648,966)
Fund Balances at End of Year	$ -	$ (75,040)	$ 1,598	$ (611,068)	$ (269,008)	$ 118,011	$ (815,767)

(Continued on next page)

EXHIBIT A-2

CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2009

	Special Programs						
	Metropolitan Learning Center Magnet School	**Two Rivers Magnet Middle School**	**CREC Public Safety Academy**	**University of Hartford Magnet School**	**Soundbridge**	**River Street School**	**Polaris Center**
Revenues:							
Tuition	$	$	$	$	$ 2,624,940	$ 16,689,580	$ 3,627,910
Grants in aid	7,442,786	6,246,602	2,199,591	4,968,669	460,490	4,982	205,670
Room and board						1,446,312	275,737
Sales of services	1,781,969	2,670,712	1,020,605	1,596,948	2,241,033	4,967,051	301,744
Investment income							
Other local revenues	120	447	38,201	184,266	47,875	3,382	182,918
Total revenues	9,224,875	8,917,761	3,258,397	6,749,883	5,374,338	23,111,307	4,593,979
Expenditures:							
Current:							
Salaries	5,635,767	5,258,089	1,041,105	4,126,224	3,137,098	13,876,748	3,245,833
Employee benefits	991,896	1,076,075	208,085	827,712	822,719	3,731,369	678,632
Purchased professional and technical services	599,870	643,438	164,577	348,177	129,962	485,951	144,659
Purchased property services	693,297	505,356	1,255,005	427,711	154,386	1,211,227	80,762
Other purchased services	170,085	89,752	77,077	58,957	176,515	159,094	83,725
Supplies	563,373	560,795	296,584	535,495	143,935	595,148	270,416
Property	136,111	381,680	542,792	98,287	312,199	31,171	16,175
Other uses of funds	11,456	8,171	150	2,253	(1,150)	3,248	6,469
Total expenditures	8,801,855	8,523,356	3,585,375	6,424,816	4,875,664	20,093,956	4,526,671
Excess (Deficiency) of Revenues over Expenditures	423,020	394,405	(326,978)	325,067	498,674	3,017,351	67,308
Other Financing Sources (Uses):							
Transfers in			102,991		10,623	175,425	
Transfers out	(398,678)	(375,648)	(10,872)	(269,762)	(504,142)	(2,260,798)	(361,557)
Total other financing sources (uses)	(398,678)	(375,648)	92,119	(269,762)	(493,519)	(2,085,373)	(361,557)
Net Change in Fund Balances	24,342	18,757	(234,859)	55,305	5,155	931,978	(294,249)
Fund Balances at Beginning of Year	212,364	197,368	-	(12,699)	1,115,243	5,461,237	(621,972)
Fund Balances at End of Year	$ 236,706	$ 216,125	$ (234,859)	$ 42,606	$ 1,120,398	$ 6,393,215	$ (916,221)

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EXHIBIT A-2

CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2009

	Special Programs						
	Magnet School Cost Center	Integrated Program Model	Farmington Valley Diagnostic Center	Special Education Transportation	Greater Hartford Academy of the Arts	Center for Creative Youth	Great Path Academy
Revenues:							
Tuition	$	$ 1,711,521	$ 1,074,830	$	$ 1,218,270	$ 350,333	$
Grants in aid	3,232,138			50,000	4,569,467	263,558	1,626,842
Room and board						17,350	
Sales of services	2,303,706	2,024,317		411,490	847,987	14,362	561,143
Investment income							
Other local revenues		163,912			53,191	76,637	
Total revenues	5,535,844	3,899,750	1,074,830	461,490	6,688,915	722,240	2,187,985
Expenditures:							
Current:							
Salaries	1,946,083	2,635,640	634,873	202,514	3,821,767	278,724	1,437,919
Employee benefits	295,837	724,480	154,179	76,450	774,272	42,983	262,101
Purchased professional and technical services	307,327	97,064	10,082	4,020	392,904	9,371	115,728
Purchased property services	20,658	73,287	137,694	4,929	936,882	2,432	
Other purchased services	2,781,319	37,524	9,040	26,010	193,275	346,693	109,456
Supplies	19,541	43,449	24,907	43,679	252,567	7,548	96,625
Property	24,912	6,034	6,047	26,581	266,797	391	
Other uses of funds	4,933			106	2,718	750	9,201
Total expenditures	5,400,610	3,617,478	976,822	384,289	6,641,182	688,892	2,031,030
Excess (Deficiency) of Revenues over Expenditures	135,234	282,272	98,008	77,201	47,733	33,348	156,955
Other Financing Sources (Uses):							
Transfers in		12,337					
Transfers out	(48,257)	(426,677)	(98,008)	(2,380)	(265,066)	(31,214)	(90,232)
Total other financing sources (uses)	(48,257)	(414,340)	(98,008)	(2,380)	(265,066)	(31,214)	(90,232)
Net Change in Fund Balances	86,977	(132,068)	-	74,821	(217,333)	2,134	66,723
Fund Balances at Beginning of Year	(613,812)	370,495	168,478	-	(115,651)	34,821	10,056
Fund Balances at End of Year	$ (526,835)	$ 238,427	$ 168,478	$ 74,821	$ (332,984)	$ 36,955	$ 76,779

(Continued on next page)

EXHIBIT A-2

CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2009

	Special Programs						
	International Magnet School for Global Citizenship	Reggio Magnet School of the Arts	Charter School for Young Children on Asylum Hill	Lincoln Academy	Total	Eliminations	Total
Revenues:							
Tuition	$	$	$	$	$ 28,914,890	$	$ 28,914,890
Grants in aid	1,581,828	1,952,930	2,220,058		44,979,034		51,266,228
Room and board					1,739,399		1,739,399
Sales of services	535,829	637,821	347,771		27,295,032		27,470,686
Investment income	12	18			30		82,319
Other local revenues	32,220	42,956	220		855,161		887,666
Total revenues	2,149,889	2,633,725	2,568,049	-	103,783,546	-	110,361,188
Expenditures:							
Current:							
Salaries	872,340	1,182,821	956,130		57,998,497		61,431,204
Employee benefits	225,796	250,535	250,922		12,978,320		19,126,296
Purchased professional and technical services	148,408	189,401	77,427		4,857,976		5,575,468
Purchased property services	596,138	798,011	692,195		9,760,800		10,139,012
Other purchased services	26,996	26,181	19,027		4,718,470		5,144,669
Supplies	120,922	216,387	176,355		5,970,878		6,192,791
Property	235,239	335,677	308,689		2,903,718		3,079,890
Other uses of funds	299	4,801	6,854		80,402		107,416
Total expenditures	2,226,138	3,003,814	2,487,599	-	99,269,061	-	110,796,746
Excess (Deficiency) of Revenues over Expenditures	(76,249)	(370,089)	80,450	-	4,514,485	-	(435,558)
Other Financing Sources (Uses):							
Transfers in	61,323	20,451			1,146,465	(12,426,953)	1,315,182
Transfers out			(80,450)		(5,812,011)	12,426,953	(691,899)
Total other financing sources (uses)	61,323	20,451	(80,450)	-	(4,665,546)	-	623,283
Net Change in Fund Balances	(14,926)	(349,638)	-	-	(151,061)	-	187,725
Fund Balances at Beginning of Year	-	-	-	-	5,359,759	-	11,181,682
Fund Balances at End of Year	$ (14,926)	$ (349,638)	$ -	$ -	$ 5,208,698	$ -	$ 11,369,407

EXHIBIT A-3

CAPITOL REGION EDUCATION COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budget Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Special Programs:				
Tuition	$ 24,206,425	$ 24,323,148	$ 28,914,890	$ 4,591,742
Grants in aid	42,095,920	46,788,478	44,979,034	(1,809,444)
Room and board	4,279,449	4,279,449	1,739,399	(2,540,050)
Sales of services	34,126,573	34,674,539	27,295,032	(7,379,507)
Investment income	-	-	30	30
Other local revenues	132,080	121,600	855,161	733,561
Transfers	3,218,260	3,511,119	1,146,465	(2,364,654)
Total special programs	108,058,707	113,698,333	104,930,011	(8,768,322)
Administration/Facilities:				
Grants in aid			10,931	10,931
Sales of services			175,654	175,654
Other local revenues			32,505	32,505
Transfers	6,621,965	6,626,965	6,420,643	(206,322)
Total administration/facilities	6,621,965	6,626,965	6,639,733	12,768
Total revenues	114,680,672	120,325,298	111,569,744	(8,755,554)
Expenditures:				
Administration:				
Executive Director	362,087	362,087	361,867	220
Assistant Executive Director	368,856	368,856	368,856	-
Business Services	2,992,950	2,992,950	2,992,895	55
Human Resources	895,365	895,365	895,365	-
Communications Services	265,494	265,494	265,494	-
Student Services	259,278	259,278	259,275	3
Institute of Teaching and Learning	122,892	122,892	122,892	-
Grants and Development Office	346,095	347,759	347,759	-
Technical Assistance Brokering Services	249,218	249,218	249,218	-
Total administration	5,862,235	5,863,899	5,863,621	278
Facilities:				
Administrative Building Cost Center	1,105,825	1,105,825	984,167	121,658

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EXHIBIT A-3

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, 2009

	Budget Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Special Programs:				
Connecticut Academy for Education Leaders	$ 3,600	$ 3,600	$ 666	$ 2,934
Interdistrict Grant Office	122,550	122,550	109,015	13,535
Minority Teacher Recruiting	29,000	185,369	185,369	-
Juvenile Detention Center	1,095,815	1,216,486	1,216,486	-
Coltsville Facility	1,222,500	1,222,500		1,222,500
Project Literacy	95,000	97,084	97,084	-
Allied Health Career Collaborative	20,000	20,000	18,536	1,464
Learning Corridor Cost Center	4,170,680	4,170,680	2,985,112	1,185,568
Montessori Magnet School	3,929,950	4,202,872	4,202,872	-
East Hartford/Glastonbury Magnet School	2,864,947	2,864,947	2,821,203	43,744
GHA Math and Science Magnet School	3,958,855	3,958,855	3,931,441	27,414
Metropolitan Learning Center Magnet School	9,330,881	9,330,181	9,200,533	129,648
Two Rivers Magnet Middle School	8,785,404	8,899,004	8,899,004	-
CREC Public Safety Academy	2,579,250	3,708,952	3,596,247	112,705
University of Hartford Magnet School	6,383,734	6,694,578	6,694,578	-
Soundbridge	5,030,000	5,379,806	5,379,806	-
River Street School	23,844,900	23,844,900	22,354,754	1,490,146
Polaris Center	8,193,400	8,193,400	4,888,228	3,305,172
Magnet School Cost Center	4,644,700	5,448,867	5,448,867	-
Integrated Program Model	4,330,275	4,330,275	4,044,155	286,120
Farmington Valley Diagnostic Center	1,078,100	1,078,100	1,074,830	3,270
Special Education Transportation	322,500	386,669	386,669	-
Greater Hartford Academy of the Arts	5,974,651	6,906,248	6,906,248	-
Center for Creative Youth	724,850	724,850	720,106	4,744
Great Path Academy	2,100,470	2,121,262	2,121,262	-
Magnet School for Global Citizenship	2,353,600	2,353,600	2,226,138	127,462
Reggio Magnet School of the Arts	2,511,875	3,003,814	3,003,814	-
Charter School for Young Children on Asylum Hill	2,011,125	2,886,125	2,568,049	318,076
Total special programs	107,712,612	113,355,574	105,081,072	8,274,502
Total expenditures	114,680,672	120,325,298	111,928,860	8,396,438
Deficiency of Revenues over Expenditures	$ -	$ -	(359,116)	$ (359,116)
Budgetary deficiency of revenues over expenditures is different than GAAP net change in fund balance:				
Revenue and expenditures for CREC General Program are not budgeted. Net change in fund balance for CREC General program is.			546,841	
Net Change in Fund Balance - GAAP Basis			$ 187,725	

Special Revenue Fund

SPECIAL REVENUE FUND

GRANTS AND CONTRACTS FUND

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

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

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

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

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

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

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

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

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

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

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

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

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

ENTITLEMENT GRANTS - CREC was awarded Federal entitlement grants: Title I, Improving Basic Programs; Title IV, Safe and Drug Free Schools; and Title V, Innovative Education. All of the funds must be used to reach one or more of five goals designed to improve student performance that the State Board of Education has adopted as part of the No Child Left Behind Act of 2001.

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

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

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

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

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

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

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

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

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

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

SUPPLEMENTAL SERVICES - CREC has a contract with Hartford Public Schools to provide supplemental services to students who attend three of Hartford's elementary schools: Milner, Moylan and Kinsella. CREC is approved by the State Department of Education as a service provider along with the rest of the RESC Alliance members. Highly qualified teachers and paraprofessionals from the CREC region teach small groups of students using research-based programs to improve verbal skills, vocabulary and early reading behaviors. The program can support up to 75 students this year.

EXHIBIT B-1

CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
BALANCE SHEET - BY PROGRAM
JUNE 30, 2009

	Grants and Contracts Fund					
	Interdistrict Grants	**Project PACT**	**Teaching American History**	**GHAMAS Outreach Science Resource Center**	**Special Services Support Team**	**Related Services**
ASSETS						
Cash and cash equivalents	$ 205,587	$ 30,410	$ 85,108	$	$	$
Accounts receivable	683		4,499		279,557	810,435
Other assets						5,716
Total Assets	$ 206,270	$ 30,410	$ 89,607	$ -	$ 279,557	$ 816,151
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	$ 146,882	$ 30,410	$ 89,607	$	$ 18,539	$ 131,245
Due to other funds					197,154	652,183
Deferred revenues	55,911				91,599	59,046
Total liabilities	202,793	30,410	89,607	-	307,292	842,474
Fund Balances:						
Unreserved, undesignated	3,477	-	-	-	(27,735)	(26,323)
Total Liabilities and Fund Balances	$ 206,270	$ 30,410	$ 89,607	$ -	$ 279,557	$ 816,151

(Continued on next page)

EXHIBIT B-1

CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2009

	Grants and Contracts Fund						
	Connecticut Technical High Schools	**Summer Youth Employment**	**Capitol Region Choice Program**	**School to Career Initiatives**	**Suburban Youth Programs**	**Pupil Partners**	**Connecticut Migratory Children's Program**
ASSETS							
Cash and cash equivalents	$	$ 9,303	$	$ 52,495	$ 14,047	$ 34,482	$
Accounts receivable	121,403		45,262	65,459		309	
Other assets							
Total Assets	$ 121,403	$ 9,303	$ 45,262	$ 117,954	$ 14,047	$ 34,791	$ -
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	$ 6,303	$ 2,988	$ 363,560	$ 88,933	$ 3,406	$ 30,634	$
Due to other funds	68,037		417,429				
Deferred revenues			6,000	28,695	13,514		
Total liabilities	74,340	2,988	786,989	117,628	16,920	30,634	-
Fund Balances:							
Unreserved, undesignated	47,063	6,315	(741,727)	326	(2,873)	4,157	-
Total Liabilities and Fund Balances	$ 121,403	$ 9,303	$ 45,262	$ 117,954	$ 14,047	$ 34,791	$ -

(Continued on next page)

EXHIBIT B-1

CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2009

	Grants and Contracts Fund						
	Entitlement Grants	**Department of Corrections Professional Development**	**Community Education**	**Metacomet Ridge Academy**	**EQUAL Summer**	**Regional School Choice Office**	**Preschool Intervention Program**
ASSETS							
Cash and cash equivalents	$	$ 46,915	$	$ 4,319	$ 18,494	$ 50,276	$
Accounts receivable	66,969	7,376	378,735				2,790
Other assets							
Total Assets	$ 66,969	$ 54,291	$ 378,735	$ 4,319	$ 18,494	$ 50,276	$ 2,790
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	$ 26,818	$ 615	$ 92,267	$ 4,319	$ 2,433	$ 48,276	$ 3,034
Due to other funds	36,833		209,576				51,197
Deferred revenues	720	30,370	68,903		14,164	2,000	11,311
Total liabilities	64,371	30,985	370,746	4,319	16,597	50,276	65,542
Fund Balances:							
Unreserved, undesignated	2,598	23,306	7,989	-	1,897	-	(62,752)
Total Liabilities and Fund Balances	$ 66,969	$ 54,291	$ 378,735	$ 4,319	$ 18,494	$ 50,276	$ 2,790

(Continued on next page)

EXHIBIT B-1

CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
BALANCE SHEET - BY PROGRAM (CONTINUED)
JUNE 30, 2009

	Grants and Contracts Fund					
	Hartford Association for the Education of Young Children	**Birth to Three**	**Employment Training Program**	**Early Education Programs**	**Supplemental Services**	**Total**
ASSETS						
Cash and cash equivalents	$ 16,993	$ 93,640	$	$	$ 78,626	$ 740,695
Accounts receivable	40,613	113,261	156,964	35,963	72,500	2,202,778
Other assets						5,716
Total Assets	$ 57,606	$ 206,901	$ 156,964	$ 35,963	$ 151,126	$ 2,949,189
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	$ 6,060	$ 35,967	$ 12,438	$ 123,973	$ 10,424	$ 1,279,131
Due to other funds			318,946	169,979		2,121,334
Deferred revenues	51,546	54,000	10,000		22,611	520,390
Total liabilities	57,606	89,967	341,384	293,952	33,035	3,920,855
Fund Balances:						
Unreserved, undesignated	-	116,934	(184,420)	(257,989)	118,091	(971,666)
Total Liabilities and Fund Balances	$ 57,606	$ 206,901	$ 156,964	$ 35,963	$ 151,126	$ 2,949,189

EXHIBIT B-2

CAPITOL REGION EDUCATION COUNCIL
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2009

	Grants and Contracts Fund					
	Interdistrict Grants	Project PACT	Teaching American History	GHAMAS Outreach Science Resource Center	Special Services Support Team	Related Services
Revenues:						
Tuition	$ 2,905	$	$	$	$	$
Grants in aid	1,510,160	35,532	650,450		158,460	854,075
Sales of services					1,126,449	1,663,305
Other local revenues	6,000					
Total revenues	1,519,065	35,532	650,450	-	1,284,909	2,517,380
Expenditures:						
Current:						
Salaries	202,918	369	127,573		825,979	1,559,865
Employee benefits	14,986	75	31,196		140,955	348,025
Purchased professional and technical services	158,025	7,004	200,462		176,321	405,964
Purchased property services	6,000		3,500			
Other purchased services	1,026,132	864	195,179		28,222	18,433
Supplies	31,037	25,528	40,048		9,850	56,405
Property						
Other objects					274	176
Total expenditures	1,439,098	33,840	597,958	-	1,181,601	2,388,868
Excess (Deficiency) of Revenues over Expenditures	79,967	1,692	52,492	-	103,308	128,512
Other Financing Sources (Uses):						
Transfers in					31,575	
Transfers out	(79,967)	(1,692)	(52,492)	(49)	(113,877)	(153,580)
Total other financing sources (uses)	(79,967)	(1,692)	(52,492)	(49)	(82,302)	(153,580)
Net Change in Fund Balances	-	-	-	(49)	21,006	(25,068)
Fund Balances at Beginning of Year	3,477	-	-	49	(48,741)	(1,255)
Fund Balances at End of Year	$ 3,477	$ -	$ -	$ -	$ (27,735)	$ (26,323)

(Continued on next page)

EXHIBIT B-2

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, 2009

	Grants and Contracts Fund						
	Connecticut Technical High Schools	**Summer Youth Employment**	**Capitol Region Choice Program**	**School to Career Initiatives**	**Suburban Youth Programs**	**Pupil Partners**	**Connecticut Migratory Children's Program**
Revenues:							
Tuition	$	$	$	$	$	$	$
Grants in aid	298,760	164,105	5,499,296	439,817	143,524	100,000	
Sales of services			34,750				
Other local revenues			45,007				
Total revenues	298,760	164,105	5,579,053	439,817	143,524	100,000	-
Expenditures:							
Current:							
Salaries	66,306	118,152	1,152,574	116,920	76,758	8,000	
Employee benefits	20,079	14,639	193,095	28,925	15,818	2,694	
Purchased professional and technical services	115,446	2	88,644	63,000	1,458	3,000	
Purchased property services			27,899	500			
Other purchased services	69,750	5,643	4,190,897	144,757	14,219	76,729	
Supplies	3	14,161	21,339	42,719	26,051	2,152	
Property			10,581				
Other objects							
Total expenditures	271,584	152,597	5,685,029	396,821	134,304	92,575	-
Excess (Deficiency) of Revenues over Expenditures	27,176	11,508	(105,976)	42,996	9,220	7,425	-
Other Financing Sources (Uses):							
Transfers in							
Transfers out	(27,176)	(11,508)	(25,298)	(42,996)	(9,220)	(7,425)	(5,768)
Total other financing sources (uses)	(27,176)	(11,508)	(25,298)	(42,996)	(9,220)	(7,425)	(5,768)
Net Change in Fund Balances	-	-	(131,274)	-	-	-	(5,768)
Fund Balances at Beginning of Year	47,063	6,315	(610,453)	326	(2,873)	4,157	5,768
Fund Balances at End of Year	$ 47,063	$ 6,315	$ (741,727)	$ 326	$ (2,873)	$ 4,157	$ -

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EXHIBIT B-2

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, 2009

	Grants and Contracts Fund						
	Entitlement Grants	**Department of Corrections Professional Development**	**Community Education**	**Metacomet Ridge Academy**	**EQUAL Summer**	**Regional School Choice Office**	**Preschool Intervention Program**
Revenues:							
Tuition	$	$	$	$	$	$	$
Grants in aid	62,336	147,308	1,937,457	60,572	81,738	1,296,495	178,765
Sales of services			544,428				3,864
Other local revenues	100,044				15,759		3,015
Total revenues	162,380	147,308	2,481,885	60,572	97,497	1,296,495	185,644
Expenditures:							
Current:							
Salaries	2,787	116,687	1,245,784	30,511	48,939	728,515	113,561
Employee benefits		12,132	310,458	2,619	4,382	153,885	39,877
Purchased professional and technical services	120,571	1,124	155,863	6,994	8,909	99,775	320
Purchased property services			35,012			899	9,997
Other purchased services	44	2,279	502,697	12,928	25,473	250,430	7,976
Supplies	3,179	4,176	62,118	3,023	1,104	5,959	2,781
Property			1,500			21,615	
Other objects			1,712				
Total expenditures	126,581	136,398	2,315,144	56,075	88,807	1,261,078	174,512
Excess (Deficiency) of Revenues over Expenditures	35,799	10,910	166,741	4,497	8,690	35,417	11,132
Other Financing Sources (Uses):							
Transfers in							
Transfers out	(32,983)	(10,910)	(166,735)	(4,497)	(8,690)	(35,417)	(11,130)
Total other financing sources (uses)	(32,983)	(10,910)	(166,735)	(4,497)	(8,690)	(35,417)	(11,130)
Net Change in Fund Balances	2,816	-	6	-	-	-	2
Fund Balances at Beginning of Year	(218)	23,306	7,983	-	1,897	-	(62,754)
Fund Balances at End of Year	$ 2,598	$ 23,306	$ 7,989	$ -	$ 1,897	$ -	$ (62,752)

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EXHIBIT B-2

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, 2009

	Grants and Contracts Fund					
	Hartford Association for the Education of Young Children	**Birth to Three**	**Employment Training Program**	**Early Education Programs**	**Supplemental Services**	**Total**
Revenues:						
Tuition	$	$	$ 12,350	$	$	$ 15,255
Grants in aid	159,317	1,542,121	535,365	880,678	317,886	17,054,217
Sales of services	338	4,825	61,131	198,062		3,637,152
Other local revenues		137,455	45,781	38,850		391,911
Total revenues	159,655	1,684,401	654,627	1,117,590	317,886	21,098,535
Expenditures:						
Current:						
Salaries	91,717	1,159,636	425,127	582,673	280,467	9,081,818
Employee benefits	21,327	288,012	98,250	128,801	43,728	1,913,958
Purchased professional and technical services	15,252	22,952	1,898	93,310	863	1,747,157
Purchased property services	4,000	43,312	52,553	2,023		185,695
Other purchased services	10,849	75,725	13,548	383,538	4,289	7,060,601
Supplies	1,962	2,249	28,433	13,204	36	397,517
Property		522	792	872		35,882
Other objects	141	170	460	595		3,528
Total expenditures	145,248	1,592,578	621,061	1,205,016	329,383	20,426,156
Excess (Deficiency) of Revenues over Expenditures	14,407	91,823	33,566	(87,426)	(11,497)	672,379
Other Financing Sources (Uses):						
Transfers in						31,575
Transfers out	(14,407)	(165,262)	(32,531)	(13,676)	(15,809)	(1,043,095)
Total other financing sources (uses)	(14,407)	(165,262)	(32,531)	(13,676)	(15,809)	(1,011,520)
Net Change in Fund Balances	-	(73,439)	1,035	(101,102)	(27,306)	(339,141)
Fund Balances at Beginning of Year	-	190,373	(185,455)	(156,887)	145,397	(632,525)
Fund Balances at End of Year	$ -	$ 116,934	$ (184,420)	$ (257,989)	$ 118,091	$ (971,666)

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, 2009

	Budget Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Grants and Contracts Fund				
Interdistrict Grants				
Revenues:				
Grants in aid	$ 1,495,243	$ 1,519,070	$ 1,510,160	$ (8,910)
Tuition			2,905	2,905
Other local revenue			6,000	6,000
Total revenues	1,495,243	1,519,070	1,519,065	(5)
Total expenditures	1,495,243	1,519,070	1,519,065	5
Deficiency of Revenues over Expenditures	$ -	$ -	$ -	$ -
Project PACT				
Revenues:				
Grants in aid	$ 64,600	$ 64,600	$ 35,532	$ (29,068)
Total expenditures	64,600	64,600	35,532	29,068
Excess of Revenues over Expenditures	$ -	$ -	$ -	$ -
Teaching American History				
Revenues:				
Grants in aid	$ 666,670	$ 666,670	$ 650,450	$ (16,220)
Total expenditures	666,670	666,670	650,450	16,220
Excess of Revenues over Expenditures	$ -	$ -	$ -	$ -
GHMAS Outreach Science Resource Center				
Revenues:				
Grants in aid	$	$	$	$ -
Sales of services				-
Total revenues				
Total expenditures			49	(49)
Excess of Revenues over Expenditures	$ -	$ -	$ (49)	$ (49)
Special Services Support Team				
Revenues:				
Grants in aid	$	$	$ 158,460	$ 158,460
Sales of services	1,191,000	1,342,950	1,126,449	(216,501)
Transfers			31,575	31,575
Total revenues	1,191,000	1,342,950	1,316,484	(26,466)
Total expenditures	1,191,000	1,342,950	1,295,478	47,472
Deficiency of Revenues over Expenditures	$ -	$ -	$ 21,006	$ 21,006

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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, 2009

	Budget Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Related Services				
Revenues:				
Grants in aid	$ 742,379	$ 931,504	$ 854,075	$ (77,429)
Sales of services	1,062,000	1,616,500	1,663,305	46,805
Total revenues	1,804,379	2,548,004	2,517,380	(30,624)
Total expenditures	1,804,379	2,548,004	2,542,448	5,556
Deficiency of Revenues over Expenditures	$ -	$ -	$ (25,068)	$ (25,068)
Connecticut Technical High Schools				
Revenues:				
Grants in aid	$ 400,000	$ 400,000	$ 298,760	$ (101,240)
Total expenditures	400,000	400,000	298,760	101,240
Excess of Revenues over Expenditures	$ -	$ -	$ -	$ -
Summer Youth Employment				
Revenues:				
Grants in aid	$ 179,250	$ 179,250	$ 164,105	$ (15,145)
Total expenditures	179,250	179,250	164,105	15,145
Excess of Revenues over Expenditures	$ -	$ -	$ -	$ -
Capitol Region Choice Program				
Revenues:				
Grants in aid	$ 6,363,808	$ 6,363,808	$ 5,499,296	$ (864,512)
Sales of Services			34,750	34,750
Other local revenues			45,007	45,007
Total revenues	6,363,808	6,363,808	5,579,053	(784,755)
Total expenditures	6,363,808	6,363,808	5,710,327	653,481
Deficiency of Revenues over Expenditures	$ -	$ -	$ (131,274)	$ (131,274)

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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, 2009

	Budget Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
School to Career Initiatives				
Revenues:				
Grants in aid	$ 413,750	$ 516,550	$ 439,817	$ (76,733)
Sales of services				-
Total revenues	413,750	516,550	439,817	(76,733)
Total expenditures	413,750	516,550	439,817	76,733
Excess of Revenues over Expenditures	$ -	$ -	$ -	$ -
Suburban Youth Programs				
Revenues:				
Grants in aid	$ 272,050	$ 272,050	$ 143,524	$ (128,526)
Total expenditures	272,050	272,050	143,524	128,526
Deficiency of Revenues over Expenditures	$ -	$ -	$ -	$ -
Pupil Partners				
Revenues:				
Grants in aid	$ 100,000	$ 100,000	$ 100,000	$ -
Total expenditures	100,000	100,000	100,000	-
Excess of Revenues over Expenditures	$ -	$ -	$ -	$ -
Connecticut Migratory Children's Program				
Revenues:				
Grants in aid	$	$	$	$ -
Total expenditures			5,768	(5,768)
Excess of Revenues over Expenditures	$ -	$ -	$ (5,768)	$ (5,768)
Entitlement Grants				
Revenues:				
Grants in aid	$ 711,196	$ 711,196	$ 62,336	$ (648,860)
Other local revenues			100,044	100,044
Total revenues	711,196	711,196	162,380	(548,816)
Total expenditures	711,196	711,196	159,564	551,632
Excess of Revenues over Expenditures	$ -	$ -	$ 2,816	$ 2,816

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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, 2009

	Budget Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Department of Corrections Professional Development				
Revenues:				
Grants in aid	$ 263,000	$ 263,000	$ 147,308	$ (115,692)
Total expenditures	263,000	263,000	147,308	115,692
Excess of Revenues over Expenditures	$ -	$ -	$ -	$ -
Community Education				
Revenues:				
Grants in aid	$ 2,503,750	$ 2,503,750	$ 1,937,457	$ (566,293)
Sales of services	498,200	498,200	544,428	46,228
Total revenues	3,001,950	3,001,950	2,481,885	(520,065)
Total expenditures	3,001,950	3,001,950	2,481,879	520,071
Deficiency of Revenues over Expenditures	$ -	$ -	$ 6	$ 6
Metacomet Ridge Academy				
Revenues:				
Grants in aid	$ 61,136	$ 61,136	$ 60,572	$ (564)
Total expenditures	61,136	61,136	60,572	564
Excess of Revenues over Expenditures	$ -	$ -	$ -	$ -
EQUAL Summer				
Revenues:				
Grants in aid	$ 98,000	$ 98,000	$ 81,738	$ (16,262)
Other local revenues			15,759	15,759
Total revenues	98,000	98,000	97,497	(503)
Total expenditures	98,000	98,000	97,497	503
Excess of Revenues over Expenditures	$ -	$ -	$ -	$ -

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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, 2009

	Budget Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Regional School Choice Office				
Revenues:				
Grants in aid	$ 1,703,800	$ 1,703,800	$ 1,296,495	$ (407,305)
Total expenditures	1,703,800	1,703,800	1,296,495	407,305
Excess of Revenues over Expenditures	$ -	$ -	$ -	$ -
Preschool Intervention Program				
Revenues:				
Grants in aid	$ 339,300	$ 339,300	$ 178,765	(160,535)
Sales of services			3,864	3,864
Other local revenues			3,015	3,015
Total revenues	339,300	339,300	185,644	$ (153,656)
Total expenditures	339,300	339,300	185,642	153,658
Deficiency of Revenues over Expenditures	$ -	$ -	$ 2	$ 2
Hartford Association for the Education of Young Children (HAEYC)				
Revenues:				
Grants in aid	$ 178,130	$ 178,130	$ 159,317	$ (18,813)
Sales of services			338	338
Total revenues	178,130	178,130	159,655	(18,475)
Total expenditures	178,130	178,130	159,655	18,475
Excess of Revenues over Expenditures	$ -	$ -	$ -	$ -
Birth to Three				
Revenues:				
Grants in aid	$ 1,817,900	$ 1,817,900	$ 1,542,121	$ (275,779)
Sales of services			4,825	4,825
Other local revenues			137,455	137,455
Total revenues	1,817,900	1,817,900	1,684,401	(133,499)
Total expenditures	1,817,900	1,817,900	1,757,840	60,060
Excess of Revenues over Expenditures	$ -	$ -	$ (73,439)	$ (73,439)

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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, 2009

	Budget Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Employment Training Program				
Revenues:				
Grants in aid	$ 656,100	$ 656,100	$ 535,365	$ (120,735)
Other local revenue			45,781	45,781
Tuition			12,350	12,350
Sales of services			61,131	61,131
Total revenues	656,100	656,100	654,627	(1,473)
Total expenditures	656,100	656,100	653,592	2,508
Deficiency of Revenues over Expenditures	$ -	$ -	$ 1,035	$ 1,035
Early Education Programs				
Revenues:				
Grants in aid	$ 1,323,127	$ 1,323,127	$ 880,678	$ (442,449)
Sales of services	99,573	99,573	198,062	98,489
Other local revenue			38,850	38,850
Total revenues	1,422,700	1,422,700	1,117,590	(305,110)
Total expenditures	1,422,700	1,422,700	1,218,692	204,008
Deficiency of Revenues over Expenditures	$ -	$ -	$ (101,102)	$ (101,102)
Supplemental Services				
Revenues:				
Grants in aid	$ 278,100	$ 345,192	$ 317,886	$ (27,306)
Total expenditures	278,100	345,192	345,192	-
Deficiency of Revenues over Expenditures	$ -	$ -	$ (27,306)	$ (27,306)

Nonmajor
Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUND

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

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

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

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

CAPITAL LEASE - Accounts for CREC's capital leases.

PERMANENT FUND

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

DEBT SERVICE FUNDS

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

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

SPECIAL REVENUE FUND

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

CAPITOL REGION EDUCATION COUNCIL

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2009

	Capital Projects Funds					
	Special Education Schools Capital Projects	**East Hartford/ Glastonbury Magnet Construction**	**Soundbridge Construction**	**River Street Construction**	**Capital Lease**	**Total Capital Projects Funds**
ASSETS						
Cash and cash equivalents	$ 433,810	$	$ 742,544	$ 607,636	$	$ 1,783,990
Investments						-
Accounts receivable				87,923		87,923
Other assets			7,205			7,205
Total Assets	$ 433,810	$ -	$ 749,749	$ 695,559	$ -	$ 1,879,118
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	$	$	$ 551,763	$	$	$ 551,763
Due to other funds		53,457				53,457
Deferred revenues			197,986			197,986
Total liabilities	-	53,457	749,749	-	-	803,206
Fund Balances:						
Reserved for purposes of trust						-
Reserved for debt service						-
Unreserved:						
Undesignated	433,810	(53,457)		695,559		1,075,912
Total fund balance	433,810	(53,457)	-	695,559	-	1,075,912
Total Liabilities and Fund Balances	$ 433,810	$ -	$ 749,749	$ 695,559	$ -	$ 1,879,118

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CAPITOL REGION EDUCATION COUNCIL

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)

JUNE 30, 2009

	Permanent Fund	Debt Service Funds			Special Revenues	
	Narkin Scholarship Fund	Administration Center Parking Lot	Bond Issue Cost Center	Total Debt Service Funds	CREC Foundation Inc.	Total Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	$	$	$ 967,554	$ 967,554	$ 1,473	$ 2,753,017
Investments	20,607			-		20,607
Accounts receivable				-		87,923
Other assets				-		7,205
Total Assets	$ 20,607	$ -	$ 967,554	$ 967,554	$ 1,473	$ 2,868,752
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	$	$	$	$ -	$	$ 551,763
Due to other funds	3,607			-		57,064
Deferred revenues				-		197,986
Total liabilities	3,607	-	-	-	-	806,813
Fund Balances:						
Reserved for purposes of trust	17,000			-		17,000
Reserved for debt service			967,554	967,554		967,554
Unreserved:						
Undesignated				-	1,473	1,077,385
Total fund balance	17,000	-	967,554	967,554	1,473	2,061,939
Total Liabilities and Fund Balances	$ 20,607	$ -	$ 967,554	$ 967,554	$ 1,473	$ 2,868,752

CAPITOL REGION EDUCATION COUNCIL

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2009

	Capital Projects Funds					
	Special Education Schools Capital Projects	**East Hartford/ Glastonbury Magnet Construction**	**Soundbridge Construction**	**River Street Construction**	**Capital Lease**	**Total Capital Projects Funds**
Revenues:						
Grants in aid	$	$	$ 4,802,566	$	$	$ 4,802,566
Investment income						-
Total revenues	-	-	4,802,566	-	-	4,802,566
Expenditures:						
Current:						
Other objects						
Debt service:						
Principal						
Interest and fiscal charges						
Capital outlay			4,802,566	252,653	649,180	5,704,399
Total expenditures	-	-	4,802,566	252,653	649,180	5,704,399
Excess (Deficiency) of Revenues over Expenditures	-	-	-	(252,653)	(649,180)	(901,833)
Other Financing Sources:						
Transfers in	123,658					123,658
Proceeds from capital lease					649,180	649,180
Total other financing sources	123,658	-	-	-	649,180	772,838
Net Change in Fund Balances	123,658	-	-	(252,653)	-	(128,995)
Fund Balances at Beginning of Year	310,152	(53,457)	-	948,212	-	1,204,907
Fund Balances at End of Year	$ 433,810	$ (53,457)	$ -	$ 695,559	$ -	$ 1,075,912

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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, 2009

	Permanent Fund	Debt Service Funds			Special Revenues	
	Narkin Scholarship Fund	Administration Center Parking Lot	Bond Issue Cost Center	Total Debt Service Funds	CREC Foundation Inc.	Total Nonmajor Governmental Funds
Revenues:						
Grants in aid	$	$	$	$ -	$ 391,800	$ 5,194,366
Investment income			30,210	30,210		30,210
Total revenues	-	-	30,210	30,210	391,800	5,224,576
Expenditures:						
Current:						
Other objects				-	392,703	392,703
Debt service:						
Principal		16,350	380,000	396,350		396,350
Interest and fiscal charges		6,867	163,550	170,417		170,417
Capital outlay				-		5,704,399
Total expenditures	-	23,217	543,550	566,767	392,703	6,663,869
Excess (Deficiency) of Revenues over Expenditures	-	(23,217)	(513,340)	(536,557)	(903)	(1,439,293)
Other Financing Sources:						
Transfers in		23,217	511,199	534,416		658,074
Proceeds from capital lease						649,180
Total other financing sources	-	23,217	511,199	534,416	-	1,307,254
Net Change in Fund Balances	-	-	(2,141)	(2,141)	(903)	(132,039)
Fund Balances at Beginning of Year	17,000	-	969,695	969,695	2,376	2,193,978
Fund Balances at End of Year	$ 17,000	$ -	$ 967,554	$ 967,554	$ 1,473	$ 2,061,939

Nonmajor
Enterprise Funds

NONMAJOR ENTERPRISE FUNDS

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

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

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

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

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

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

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

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

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

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

TECHNICAL ASSISTANCE BROKERING SERVICE - This fund is used to account for the operations of CREC's full-service educational brokering service, providing technical assistance training and consultation to local school districts, state agencies and CREC programs.

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

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

CAPITOL REGION EDUCATION COUNCIL

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2009

	Montessori Training Center of New England	Learning Corridor Theater	Cooperative Purchasing	Regional Fingerprinting Services	Office of Communications	Staff Development	BEST Services
Assets:							
Current:							
Cash and cash equivalents	$ 128,745	$	$ 28,487	$ 15,694	$ 25,755	$ 74,072	$ 20,934
Accounts receivable	102,003	23,163	2,255	840			
Other assets							
Total current assets	230,748	23,163	30,742	16,534	25,755	74,072	20,934
Noncurrent:							
Capital assets, net		642					
Total assets	230,748	23,805	30,742	16,534	25,755	74,072	20,934
Liabilities:							
Current:							
Accounts payable and accrued liabilities	11,207	16,659	614	4,009			268
Due to other funds		23,531					
Deferred revenue	148,003						
Compensated absences							
Total current liabilities	159,210	40,190	614	4,009	-	-	268
Net Assets:							
Invested in capital assets, net of related debt		642					
Unrestricted	71,538	(17,027)	30,128	12,525	25,755	74,072	20,666
Total Net Assets	$ 71,538	$ (16,385)	$ 30,128	$ 12,525	$ 25,755	$ 74,072	$ 20,666

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CAPITOL REGION EDUCATION COUNCIL

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS (CONTINUED)

JUNE 30, 2009

	Property and Equipment Rental	CASBO Support Services	Conference Services	Technical Assistance Brokering Service	Community Education	School Facility Services	Total
Assets:							
Current:							
Cash and cash equivalents	$ 32,408	$ 16,078	$	$ 105,583	$	$	$ 447,756
Accounts receivable		4,252	7,785	72,893	52,302	240,569	506,062
Other assets			5,683				5,683
Total current assets	32,408	20,330	13,468	178,476	52,302	240,569	959,501
Noncurrent:							
Capital assets, net	4,993					682	6,317
Total assets	37,401	20,330	13,468	178,476	52,302	241,251	965,818
Liabilities:							
Current:							
Accounts payable and accrued liabilities	29		5,801	9,091	10,002	23,993	81,673
Due to other funds			10,384		4,739	28,014	66,668
Deferred revenue				23,677	52,764		224,444
Compensated absences			3,841		2,195	19,947	25,983
Total current liabilities	29	-	20,026	32,768	69,700	71,954	398,768
Net Assets:							
Invested in capital assets, net of related debt	4,993					682	6,317
Unrestricted	32,379	20,330	(6,558)	145,708	(17,398)	168,615	560,733
Total Net Assets	$ 37,372	$ 20,330	$ (6,558)	$ 145,708	$ (17,398)	$ 169,297	$ 567,050

CAPITOL REGION EDUCATION COUNCIL

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

FOR THE YEAR ENDED JUNE 30, 2009

	Montessori Training Center of New England	Learning Corridor Theater	Cooperative Purchasing	Regional Fingerprinting Services	Office of Communications	Staff Development	Best Services
Operating Revenues:							
Sales of services	$ 260,973	$ 100,016	$ 26,505	$ 90,461	$ 1,368	$	$ 20,413
Operating Expenses:							
Salaries	124,925	27,718		19,477			13,246
Employee benefits	14,784	12,921		2,560			1,604
Purchased professional and technical services	58,702	200	6,800				13
Purchased property services	2,325	16,610		6,600			
Other purchased services	22,064	850	4,923	57,244	12		123
Supplies	13,486	15,054	56	1,203			
Property		2,438		2,070			
Depreciation		648					
Other	4,384		6,959				
Total operating expenses	240,670	76,439	18,738	89,154	12	-	14,986
Operating Income (Loss)	20,303	23,577	7,767	1,307	1,356	-	5,427
Nonoperating Revenue:							
Grants in aid							
Income (Loss) Before Transfers	20,303	23,577	7,767	1,307	1,356	-	5,427
Transfers Out	(21,732)	(12,149)			(818)		(2,040)
Change in Net Assets	(1,429)	11,428	7,767	1,307	538	-	3,387
Net Assets at Beginning of Year	72,967	(27,813)	22,361	11,218	25,217	74,072	17,279
Net Assets and End of Year	$ 71,538	$ (16,385)	$ 30,128	$ 12,525	$ 25,755	$ 74,072	$ 20,666

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CAPITOL REGION EDUCATION COUNCIL

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

FOR THE YEAR ENDED JUNE 30, 2009

	Property and Equipment Rental	CASBO Support Services	Conference Services	Technical Assistance Brokering Service	Community Education	School Facility Services	Total
Operating Revenues:							
Sales of services	$	$ 9,424	$ 206,711	$ 406,276	$ 210,315	$ 450,943	$ 1,783,405
Operating Expenses:							
Salaries		2,555	86,018	20,996	92,240	142,544	529,719
Employee benefits		195	30,160	4,364	16,273	49,886	132,747
Purchased professional and technical services			250	234,390	4,986	98,528	403,869
Purchased property services					5,815		31,350
Other purchased services		2,473	3,039	36,148	29,289	14,557	170,722
Supplies		616	81,526	637	55,420	540	168,538
Property					515	2,445	7,468
Depreciation	1,351				265	248	2,512
Other				3,161	129	145	14,778
Total operating expenses	1,351	5,839	200,993	299,696	204,932	308,893	1,461,703
Operating Income (Loss)	(1,351)	3,585	5,718	106,580	5,383	142,050	321,702
Nonoperating Revenue:							
Grants in aid					12,584		12,584
Income (Loss) Before Transfers	(1,351)	3,585	5,718	106,580	17,967	142,050	334,286
Transfers Out		(1,366)		(22,239)	(15,905)	(46,348)	(122,597)
Change in Net Assets	(1,351)	2,219	5,718	84,341	2,062	95,702	211,689
Net Assets at Beginning of Year	38,723	18,111	(12,276)	61,367	(19,460)	73,595	355,361
Net Assets and End of Year	$ 37,372	$ 20,330	$ (6,558)	$ 145,708	$ (17,398)	$ 169,297	$ 567,050

CAPITOL REGION EDUCATION COUNCIL

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2009

	Montessori Training Center of New England	Learning Corridor Theater	Cooperative Purchasing	Regional Fingerprinting Services	Office of Communications	Staff Development	BEST Services
Cash Flows from Operating Activities:							
Cash received from customers and users	$ 320,947	$ 89,166	$ 24,600	$ 91,361	$ 9,685	$	$ 28,324
Cash payments to suppliers	(94,657)	(19,940)	(18,124)	(63,716)	(12)		(136)
Cash payments to employees	(138,100)	(40,544)		(21,966)			(15,032)
Cash payments for interfund services used		(16,533)					
Net cash provided by operating activities	88,190	12,149	6,476	5,679	9,673	-	13,156
Cash Flows from Noncapital Financing Activities:							
Grants in aid							
Transfers to other funds	(21,732)	(12,149)			(818)		(2,040)
Net cash used in noncapital financing activities	(21,732)	(12,149)	-	-	(818)	-	(2,040)
Net Increase in Cash and Cash Equivalents	66,458	-	6,476	5,679	8,855	-	11,116
Cash and Cash Equivalents at Beginning of Year	62,287	-	22,011	10,015	16,900	74,072	9,818
Cash and Cash Equivalents at End of Year	$ 128,745	$ -	$ 28,487	$ 15,694	$ 25,755	$ 74,072	$ 20,934
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:							
Operating income (loss)	$ 20,303	$ 23,577	$ 7,767	$ 1,307	$ 1,356	$ -	$ 5,427
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation		648					
Change in assets and liabilities:							
(Increase) decrease in accounts receivable	19,006	(10,850)	(1,905)	900	8,317		7,911
(Increase) decrease in other assets							
Increase (decrease) in accounts payable and accrued liabilities	7,913	15,307	614	3,472			(182)
Increase (decrease) in compensated absences							
Increase (decrease) in due to other funds		(16,533)					
Increase (decrease) in deferred revenues	40,968						
Total adjustments	67,887	(11,428)	(1,291)	4,372	8,317	-	7,729
Net Cash Provided by Operating Activities	$ 88,190	$ 12,149	$ 6,476	$ 5,679	$ 9,673	$ -	$ 13,156

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CAPITOL REGION EDUCATION COUNCIL

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

	Property and Equipment Rental	CASBO Support Services	Conference Services	Technical Assistance Brokering Service	Community Education	School Facility Services	Total
Cash Flows from Operating Activities:							
Cash received from customers and users	$ 7	$ 13,898	$ 213,506	$ 436,864	$ 253,423	$ 370,244	$ 1,852,025
Cash payments to suppliers		(3,089)	(83,211)	(271,907)	(108,474)	(104,415)	(767,681)
Cash payments to employees		(2,750)	(115,582)	(24,489)	(108,192)	(181,738)	(648,393)
Cash payments for interfund services used			(14,713)	(12,646)	(33,436)	(37,743)	(115,071)
Net cash provided by operating activities	7	8,059	-	127,822	3,321	46,348	320,880
Cash Flows from Noncapital Financing Activities:							
Grants in aid					12,584		12,584
Transfers to other funds	-	(1,366)		(22,239)	(15,905)	(46,348)	(122,597)
Net cash used in noncapital financing activities	-	(1,366)	-	(22,239)	(3,321)	(46,348)	(110,013)
Net Increase in Cash and Cash Equivalents	7	6,693	-	105,583	-	-	210,867
Cash and Cash Equivalents at Beginning of Year	32,401	9,385	-	-	-	-	236,889
Cash and Cash Equivalents at End of Year	$ 32,408	$ 16,078	$ -	$ 105,583	$ -	$ -	$ 447,756
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:							
Operating income (loss)	$ (1,351)	$ 3,585	$ 5,718	$ 106,580	$ 5,383	$ 142,050	$ 321,702
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation	1,351				265	248	2,512
Change in assets and liabilities:							
(Increase) decrease in accounts receivable		4,474	6,795	97,976	3,642	(73,824)	62,442
(Increase) decrease in other assets			(58)		1,750		1,692
Increase (decrease) in accounts payable and accrued liabilities	7		1,869	3,300	(12,119)	16,390	36,571
Increase (decrease) in compensated absences					(1,630)	6,102	4,472
Increase (decrease) in due to other funds			(14,713)	(12,646)	(33,436)	(37,743)	(115,071)
Increase (decrease) in deferred revenues			389	(67,388)	39,466	(6,875)	6,560
Total adjustments	1,358	4,474	(5,718)	21,242	(2,062)	(95,702)	(822)
Net Cash Provided by Operating Activities	$ 7	$ 8,059	$ -	$ 127,822	$ 3,321	$ 46,348	$ 320,880

Internal Service Funds

INTERNAL SERVICE FUNDS

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

CREC WIDE AREA NETWORK - An Internal Service Fund developed for centralizing organization-wide technology costs and allocating costs to the internal users of these services.

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

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

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

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

EXHIBIT E-1

CAPITOL REGION EDUCATION COUNCIL

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2009

	CREC Staff Development	CREC Wide Area Network	Copy Center	Self Insurance	CREC Unemployment	Employee Benefit Fund	Total
Assets:							
Current:							
Cash and cash equivalents	$ 92,945	$ 175,942	$ 207,339	$ 1,763,516	$ 1,092,008	$ 995,947	$ 4,327,697
Accounts receivable		217,429		17,577			235,006
Due from other funds				2,311,483			2,311,483
Other assets	14,010		11,458				25,468
Total current assets	106,955	393,371	218,797	4,092,576	1,092,008	995,947	6,899,654
Noncurrent:							
Capital assets, net		78,904	4,068				82,972
Total assets	106,955	472,275	222,865	4,092,576	1,092,008	995,947	6,982,626
Liabilities:							
Accounts payable and accrued liabilities	2,487	52,258	4,534	894,754	27,729		981,762
Deferred revenue	13,500	600		1,043			15,143
Current portion of obligations under capital lease		7,826					7,826
Current portion of compensated absences		43,201	2,086	3,399			48,686
Total liabilities	15,987	103,885	6,620	899,196	27,729	-	1,053,417
Net Assets:							
Invested in capital assets, net of related debt		71,078	4,068				75,146
Unrestricted	90,968	297,312	212,177	3,193,380	1,064,279	995,947	5,854,063
Total Net Assets	$ 90,968	$ 368,390	$ 216,245	$ 3,193,380	$ 1,064,279	$ 995,947	$ 5,929,209

EXHIBIT E-2

CAPITOL REGION EDUCATION COUNCIL

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2009

	CREC Staff Development	CREC Wide Area Network	Copy Center	Self Insurance	CREC Unemployment	Employee Benefit Fund	Total
Operating Revenues:							
Sales of services	$ 145,046	$ 1,640,782	$ 244,422	$ 11,019,918	$ 226,621	$ 1,052,706	$ 14,329,495
Other local revenues	5,500			1,491,940			1,497,440
Total operating revenues	150,546	1,640,782	244,422	12,511,858	226,621	1,052,706	15,826,935
Operating Expenses:							
Salaries	7,884	813,432	43,168	146,400			1,010,884
Employee benefits	2,357	226,416	15,423	12,006,950	384,903	949,592	13,585,641
Purchased professional and technical services	44,005	55,010		30,173	4,920		134,108
Purchased property services		23,336	33,675	2,190			59,201
Other purchased services	65,521	310,875	92,680	4,871			473,947
Supplies	3,369	421	21,145	12,859			37,794
Property		116,044					116,044
Depreciation		33,077	1,981				35,058
Other	275			395			670
Total operating expenses	123,411	1,578,611	208,072	12,203,838	389,823	949,592	15,453,347
Operating Income (Loss)	27,135	62,171	36,350	308,020	(163,202)	103,114	373,588
Nonoperating Revenue:							
Income on investments				2,179			2,179
Income (Loss) Before Transfers	27,135	62,171	36,350	310,199	(163,202)	103,114	375,767
Transfers Out		(24,638)	(12,730)				(37,368)
Change in Net Assets	27,135	37,533	23,620	310,199	(163,202)	103,114	338,399
Net Assets at Beginning of Year	63,833	330,857	192,625	2,883,181	1,227,481	892,833	5,590,810
Net Assets at End of Year	$ 90,968	$ 368,390	$ 216,245	$ 3,193,380	$ 1,064,279	$ 995,947	$ 5,929,209

EXHIBIT E-3

CAPITOL REGION EDUCATION COUNCIL

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2009

	CREC Staff Development	CREC Wide Area Network	Copy Center	Self Insurance	CREC Unemployment	Employee Benefit Fund	Total
Cash Flows from Operating Activities:							
Cash received from customers and users	$ 164,046	$ 1,501,369	$ 244,442	$ 12,522,716	$ 226,621	$ 1,052,706	$ 15,711,900
Cash payments to suppliers	(124,979)	(529,543)	(152,334)	(54,577)	(7,858)		(869,291)
Cash payments to employees	(9,955)	(1,018,562)	(58,566)	(11,855,514)	(362,531)	(949,592)	(14,254,720)
Cash payments for interfund services used				(2,311,483)			(2,311,483)
Net cash provided by (used in) operating activities	29,112	(46,736)	33,542	(1,698,858)	(143,768)	103,114	(1,723,594)
Cash Flows from Noncapital Financing Activities:							
Transfers to other funds	-	(24,638)	(12,730)	-	-	-	(37,368)
Cash Flows from Capital and Related Financing Activities:							
Principal payments on obligations under capital lease		(15,189)					(15,189)
Additions to property, plant and equipment		(35,950)					(35,950)
Net cash used in capital and related financing activities	-	(51,139)	-	-	-	-	(51,139)
Cash Flows from Investing Activities:							
Interest on investments	-	-	-	2,179	-	-	2,179
Net Increase (Decrease) in Cash and Cash Equivalents	29,112	(122,513)	20,812	(1,696,679)	(143,768)	103,114	(1,809,922)
Cash and Cash Equivalents at Beginning of Year	63,833	298,455	186,527	3,460,195	1,235,776	892,833	6,137,619
Cash and Cash Equivalents at End of Year	$ 92,945	$ 175,942	$ 207,339	$ 1,763,516	$ 1,092,008	$ 995,947	$ 4,327,697
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:							
Operating income (loss)	$ 27,135	$ 62,171	$ 36,350	$ 308,020	$ (163,202)	$ 103,114	$ 373,588
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation		33,077	1,981				35,058
Change in assets and liabilities:							
(Increase) decrease in accounts receivable		(140,013)		10,858			(129,155)
(Increase) decrease in other assets	(14,010)		(5,415)				(19,425)
(Increase) decrease in due from other funds				(2,311,483)			(2,311,483)
Increase (decrease) in accounts payable and accrued liabilities	2,487	(16,912)	711	294,019	19,434		299,739
Increase (decrease) in compensated absences		14,341	(85)	(272)			13,984
Increase (decrease) in deferred revenues	13,500	600					14,100
Total adjustments	1,977	(108,907)	(2,808)	(2,006,878)	19,434	-	(2,097,182)
Net Cash Provided by (Used in) Operating Activities	$ 29,112	$ (46,736)	$ 33,542	$ (1,698,858)	$ (143,768)	$ 103,114	$ (1,723,594)

Fiduciary Funds

FIDUCIARY FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CAPITOL REGION EDUCATION COUNCIL

FIDUCIARY FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2009

	RSS Equipment Escrow	River Street/ Coltsville	Greater Hartford Academy of the Arts	Metropolitan Learning Center	Special Education Escrow	River Street School	Great Path Academy	Statewide RESCS Escrow	GHAMAS Escrow	Integrated Program Model
Assets:										
Cash and cash equivalents	$ 10,800	$ 23,421	$ 78,994	$ 16,369	$ 84,192	$ 139,425	$ 15,703	$ 4,898	$ 5,942	$ 235
Liabilities:										
Accounts payable	$	$	$ 8,763	$	$	$ 1,196	$	$	$ 44	$
Fiduciary deposits	10,800	23,421	70,231	16,369	84,192	138,229	15,703	4,898	5,898	235
Total Liabilities	$ 10,800	$ 23,421	$ 78,994	$ 16,369	$ 84,192	$ 139,425	$ 15,703	$ 4,898	$ 5,942	$ 235

(Continued on next page)

CAPITOL REGION EDUCATION COUNCIL

FIDUCIARY FUNDS
COMBINING BALANCE SHEET (CONTINUED)

JUNE 30, 2009

	East Hartford/ Glastonbury Magnet School Escrow	RESC Alliance Minority Recruiting	CREC Charter Oak Escrow	Polaris Student Activity	Choice Escrow	Two Rivers Escrow	Montessori Magnet School	Reggio Escrow	IMS Escrow	Total
Assets:										
Cash and cash equivalents	$ 3,261	$ 744	$ 199	$ 1,862	$ 3,354	$ 25,778	$ 15,310	$ 1,933	$ 92	$ 432,512
Liabilities:										
Accounts payable	$ 410	$	$	$	$	$	$ 316	$ 391	$	$ 11,120
Fiduciary deposits	2,851	744	199	1,862	3,354	25,778	14,994	1,542	92	421,392
Total Liabilities	$ 3,261	$ 744	$ 199	$ 1,862	$ 3,354	$ 25,778	$ 15,310	$ 1,933	$ 92	$ 432,512

CAPITOL REGION EDUCATION COUNCIL

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
ASSETS				
Cash and Cash Equivalents:				
RSS Equipment Escrow	$ 5,865	$ 4,935	$	$ 10,800
River Street/Coltsville	4,234	19,967	780	23,421
Greater Hartford Arts Academy	99,480	48,560	69,046	78,994
Metropolitan Learning Center	17,996	173	1,800	16,369
Special Education Escrow	464,897	204,389	585,094	84,192
River Street School	143,658	10,839	15,072	139,425
Great Path Academy	1139	16,558	1,994	15,703
Statewide RESCS Escrow		68,000	63,102	4,898
GHAMAS Escrow	1,154	4,832	44	5,942
Integrated Program Model	235			235
East Hartford/Glastonbury Magnet School Escrow	2,502	943	184	3,261
RESC Alliance Minority Recruiting	744			744
CREC Charter Oak Escrow	199			199
Polaris Student Activity	1,862			1,862
Choice Escrow	1,463	4,691	2,800	3,354
Two Rivers Escrow	23,702	2,076		25,778
Montessori Magnet School	12,184	6,519	3,393	15,310
Reggio Escrow		6,443	4,510	1,933
IMS Escrow		1,240	1,148	92
Total cash and cash equivalents	781,314	400,165	748,967	432,512
Other Assets:				
RSS Equipment Escrow	3,003		3,003	-
Statewide RESC Escrow	10,566		10,566	-
Total other assets	13,569	-	13,569	-
Total Assets	$ 794,883	$ 400,165	$ 762,536	$ 432,512

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CAPITOL REGION EDUCATION COUNCIL

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
LIABILITIES				
Accounts Payable:				
Greater Hartford Academy of the Arts	$ 2,515	$ 6,248	$	$ 8,763
River Street School		1,196		1,196
Statewide RESCS Escrow	10,566		10,566	-
GHAMAS Escrow	43	1		44
East Hartford/Glastonbury Magnet School Escrow		410		410
Montessori Magnet School		316		316
Reggio Escrow		391		391
Total accounts payable	13,124	8,562	10,566	11,120
Fiduciary Deposits:				
RSS Equipment Escrow	8,868	4,935	3,003	10,800
River Street/Coltsville	4,234	19,967	780	23,421
Greater Hartford Academy of the Arts	96,965	42,312	69,046	70,231
Metropolitan Learning Center	17,996	173	1,800	16,369
Special Education Escrow	464,897	204,389	585,094	84,192
River Street School	143,658	9,643	15,072	138,229
Great Path Academy	1,139	16,558	1,994	15,703
Statewide RESCS Escrow		68,000	63,102	4,898
GHAMAS Escrow	1,111	4,831	44	5,898
Integrated Program Model	235			235
East Hartford/Glastonbury Magnet School Escrow	2,502	533	184	2,851
RESC Alliance Minority Recruiting	744			744
CREC Charter Oak Escrow	199			199
Polaris Student Activity	1,862			1,862
Choice Escrow	1,463	4,691	2,800	3,354
Two Rivers Escrow	23,702	2,076		25,778
Montessori Magnet School	12,184	6,203	3,393	14,994
Reggio Escrow		6,052	4,510	1,542
IMS Escrow		1,240	1,148	92
Total fiduciary deposits	781,759	391,603	751,970	421,392
Total Liabilities	$ 794,883	$ 400,165	$ 762,536	$ 432,512

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.

EXHIBIT G-1

CAPITOL REGION EDUCATION COUNCIL

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

COMPARATIVE SCHEDULE BY SOURCE

JUNE 30, 2009 AND 2008

	2009	2008
Governmental Funds Capital Assets:		
Land	$ 2,224,925	$ 2,224,925
Buildings and improvements	69,729,664	67,705,501
Vehicles	1,256,199	1,060,232
Furniture, fixtures and improvements	6,268,103	5,919,208
Construction in progress	5,292,089	489,523
Total	$ 84,770,980	$ 77,399,389
Investments in Governmental Funds Capital Assets by Source:		
General Fund	$ 34,835,353	$ 31,832,273
Special Revenue Fund	255,157	252,084
Capital Projects Fund	49,680,470	45,315,032
Total	$ 84,770,980	$ 77,399,389

CAPITOL REGION EDUCATION COUNCIL

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY

JUNE 30, 2009

	Land	Buildings and Improvements	Vehicles	Furniture, Fixtures and Equipment	Construction in Progress	Total
Education	$ 1,892,925	$ 66,059,698	$ 1,241,764	$ 5,389,902	$ 5,292,089	$ 79,876,378
Facilities	332,000	3,669,966	14,435	298,841		4,315,242
Administration				579,360		579,360
Total	$ 2,224,925	$ 69,729,664	$ 1,256,199	$ 6,268,103	$ 5,292,089	$ 84,770,980

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, 2009

	Governmental Funds Capital Assets July 1, 2008	Additions	Deductions	Governmental Funds Capital Assets June 30, 2009
Education	$ 72,497,705	$ 7,870,370	$ (491,697)	$ 79,876,378
Facilities	4,295,465	21,411	(1,634)	4,315,242
Administration	606,219	9,828	(36,687)	579,360
Total	$ 77,399,389	$ 7,901,609	$ (530,018)	$ 84,770,980

Statistical Section

Statistical Section Information

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

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.

- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).

- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.

- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.

- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

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

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

TABLE 1

CAPITOL REGION EDUCATION COUNCIL

NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS

(In Thousands)

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

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

TABLE 2

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

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

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

TABLE 3

CAPITOL REGION EDUCATION COUNCIL

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(In Thousands)

	FISCAL YEAR									
	2009	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**	**2000**
General Fund:										
Reserved	$ 34	$ 34	$ 34	$ 73	$ 73	$ 34	$ 64	$ 59	$ 55	$ 74
Unreserved	11,335	11,147	10,805	9,497	8,796	8,474	8,242	8,163	8,223	6,381
Total General Fund	$ 11,369	$ 11,181	$ 10,839	$ 9,570	$ 8,869	$ 8,508	$ 8,306	$ 8,222	$ 8,278	$ 6,455
All other governmental funds:										
Reserved	$ 985	$ 987	$ 1,014	$ 1,015	$ 1,001	$ 1,173	$ 1,166	$ 1,156	$ 4,879	$ 4,810
Unreserved, reported in:										
Special revenue funds	(970)	(630)	(361)	(335)	(435)	(40)	63	251	289	93
Capital projects funds	1,076	1,205	101	(399)	(405)	(668)	(968)	(1,480)	(1,089)	(1,096)
Total All Other Governmental Funds	$ 1,091	$ 1,562	$ 754	$ 281	$ 161	$ 465	$ 261	$ (73)	$ 4,079	$ 3,807

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

TABLE 4

CAPITOL REGION EDUCATION COUNCIL

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Revenues:										
Tuition	$ 28,930	$ 28,653	$ 24,881	$ 22,259	$ 20,092	$ 18,268	$ 16,402	$ 15,287	$ 13,471	$ 11,450
Grants in aid	73,515	67,768	46,153	51,752	51,588	49,381	44,139	47,431	61,748	32,424
Room and board	1,740	3,916	4,195	3,770	3,443	3,249	3,387	3,338	3,368	2,909
Sales of services	31,108	30,509	25,218	23,655	19,429	18,380	12,808	10,027	8,721	6,754
Investment income	112	381	537	442	171	71	100	273	765	366
Other local revenues	1,279	768	330	299	598	340	388	279	356	308
Total revenues	136,684	131,995	101,314	102,177	95,321	89,689	77,224	76,635	88,429	54,211
Expenditures:										
Current:										
Special Programs	120,088	103,156	90,594	90,471	87,025	77,331	66,579	67,405	62,618	38,814
Facilities/Service Center	804	762	673	551	494	429	422	527	482	568
Administration	10,724	25,919	7,843	7,231	5,826	5,727	5,560	4,920	4,234	3,692
Debt service:										
Principal	396	396	396	367	356	371	351	351	336	370
Interest	170	247	223	248	272	295	317	339	359	387
Capital outlay	5,704	1,205	780	2,982	1,479	6,278	3,626	7,325	18,431	6,073
Total expenditures	137,886	131,685	100,509	101,850	95,452	90,431	76,855	80,867	86,460	49,904
Excess (Deficiency) of Revenue Over Expenditures	(1,202)	310	805	327	(131)	(742)	369	(4,232)	1,969	4,307
Other Financing Sources (Uses):										
Transfers in	2,005	3,107	2,540	3,129	2,086	2,063	2,359	1,782	893	2,298
Transfers out	(1,735)	(3,043)	(2,382)	(3,136)	(1,898)	(1,974)	(2,327)	(1,758)	(840)	(2,261)
Proceeds from debt obligation									34	41
Proceeds from capital lease	649	775	780	500		1,059			26	308
Total other financing sources (uses)	919	839	938	493	188	1,148	32	24	113	386
Net Change in Fund Balances	$ (283)	$ 1,149	$ 1,743	$ 820	$ 57	$ 406	$ 401	$ (4,208)	$ 2,082	$ 4,693
Debt Service as a Percentage of Noncapital Expenditures	0.4%	0.5%	0.6%	0.6%	0.7%	0.8%	0.9%	0.9%	1.0%	1.8%

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	2009	2008	2007	2006	2005
Avon	$ 509,459	$ 411,644	$ 432,721	$ 437,309	$ 481,966
Berlin	657,617	602,847	512,471	522,508	656,446
Bloomfield	1,195,271	1,080,427	1,247,505	1,219,140	1,240,087
Bolton	341,121	445,621	293,054	184,853	121,533
Bristol	1,053,757	949,988	915,772	855,628	748,631
Canton	109,770	86,471	177,844	63,987	19,236
Cromwell	92,149	70,232	136,558	152,856	118,882
East Granby	242,423	308,632	275,928	256,843	274,519
East Hartford	1,737,077	1,231,268	910,516	1,050,230	943,432
East Windsor	784,166	640,913	622,158	447,139	265,786
Ellington	469,247	408,981	333,729	296,438	340,514
Enfield	985,477	706,461	645,983	581,976	723,830
Farmington	866,012	815,686	498,101	411,680	525,976
Glastonbury	1,855,129	1,723,785	1,480,456	1,409,111	1,159,214
Granby	356,496	238,508	208,631	192,777	169,498
Hartford	9,709,037	11,748,752	8,503,666	6,192,910	5,896,757
Hartland	47	195	872	262	53
Manchester	2,201,824	2,103,398	1,729,777	1,369,700	1,194,006
New Britain	1,539,669	1,155,155	1,054,410	1,119,261	751,186
New Hartford	34,142	25,227	21,955	94,900	125,456
Newington	824,313	599,836	715,973	652,861	706,047
Plainville	441,249	500,873	597,783	399,922	436,041
Portland	231,044	163,000	173,460	114,652	106,250
Rocky Hill	526,987	465,500	441,104	412,417	405,982
Simsbury	1,111,469	1,067,371	880,541	1,123,970	1,018,849
Somers	402,289	318,045	295,063	180,533	156,169
South Windsor	1,158,877	839,836	806,468	910,679	938,524
Southington	1,484,531	1,350,307	1,138,220	989,059	708,844
Suffield	693,565	502,231	426,362	290,053	151,732
Vernon	892,226	1,098,644	1,141,140	1,173,871	876,976
West Hartford	780,713	803,273	706,950	659,329	433,626
Wethersfield	1,063,339	631,898	669,057	603,541	832,737
Windsor	1,963,023	1,692,897	1,262,231	1,309,246	1,211,639
Windsor Locks	435,466	525,145	592,509	505,339	663,143
Regional District #10	187,447	355,341	197,232	215,162	126,625
Revenue from Member Boards of Education	36,936,428	35,668,388	30,046,200	26,400,142	24,530,192
Other Sources					
Other LEAs and Agencies	50,892,112	63,781,900	42,379,052	39,430,868	32,117,168
State Grants	62,181,044	43,520,547	38,926,479	44,431,612	45,194,842
Federal Grants	3,899,042	3,802,135	3,062,660	3,970,958	4,309,424
Other Special Revenues	1,612,148	1,636,212	1,610,331	1,316,367	971,145
Revenue from Other Sources	118,584,346	112,740,794	85,978,522	89,149,805	82,592,579
Total Revenues	$ 155,520,774	$ 148,409,182	$ 116,024,722	$ 115,549,947	$ 107,122,771

Source: Capitol Region Education Council Business Services Department

TABLE 6

CAPITOL REGION EDUCATION COUNCIL

PRINCIPAL REVENUE PAYERS

CURRENT YEAR AND NINE YEARS AGO

Clients	2009	2000
Hartford	$ 9,709,037	$ 1,995,115
Manchester	2,201,824	738,770
Windsor	1,963,023	678,632
Glastonbury	1,855,129	414,243
East Hartford	1,737,077	175,342
New Britain	1,539,669	459,532
Southington	1,484,531	537,140
Middletown	1,278,034	487,788
Springfield	1,243,357	603,062
Bloomfield	1,195,271	471,484
South Windsor	1,158,877	264,062
Simsbury	1,111,469	448,169
Wethersfield	1,063,339	429,744
Bristol	1,053,757	406,144
Enfield	985,477	317,078
Vernon	892,226	221,127
Farmington	866,012	248,341
Newington	824,313	388,391
East Windsor	784,166	140,553
West Hartford	780,713	334,110
Berlin	657,617	154,217

TABLE 7

CAPITOL REGION EDUCATION COUNCIL

RATIOS OF OUTSTANDING DEBT BY TYPE

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

	Governmental Activities					
Fiscal Year	**General Obligation Bonds**	**Notes Payable**	**Capital Leases**	**Total Primary Government**	**Program Enrollment**	**Debt Per Capita**
2009	$ 2,240	$ 98	$ 1,240	$ 3,578	4,008	0.89 %
2008	2,620	114	1,258	3,992	3,395	1.18
2007	3,000	131	993	4,124	3,361	1.23
2006	3,380	147	441	3,968	3,251	1.22
2005	3,730	167	373	4,270	3,228	1.32
2004	4,070	197	719	4,986	3,040	1.64
2003	4,425	229	88	4,742	2,719	1.74
2002	4,760	260	113	5,133	2,057	2.50
2001	5,095	292	163	5,550	1,533	3.62
2000	5,415	285	298	5,998	1,196	5.02

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

TABLE 8

CAPITOL REGION EDUCATION COUNCIL

CREC MEMBER DATA

		2000 Population	Population Growth 1990-2000	Number of Public Schools	District Reference Group (DRG)	Public School Enrollment as a Percent of Town Population	% of Students Eligible for Free/Reduced-Priced Meals
	Connecticut						
1	Avon	15,832	13.6%	5	B	22.8%	2.7%
2	Berlin	18,215	8.5%	5	D	17.9%	6.2%
3	Bloomfield	19,587	0.5%	7	G	11.3%	40.0%
4	Bolton	5,017	9.7%	2	C	17.4%	5.8%
5	Bristol	60,062	(1.0)%	15	G	14.9%	31.9%
6	Canton	8,840	6.9%	4	C	19.5%	2.8%
7	Cromwell	12,871	4.8%	4	D	15.4%	11.2%
8	East Granby	4,745	10.3%	4	D	19.2%	1.1%
9	East Hartford	49,575	(1.7)%	14	H	15.0%	45.0%
10	East Windsor	9,818	(2.6)%	3	F	15.0%	25.7%
11	Ellington	12,921	15.4%	6	C	20.1%	4.7%
12	Enfield	45,212	(0.7)%	12	F	14.1%	23.8%
13	Farmington	23,641	14.7%	7	B	17.7%	5.4%
14	Glastonbury	31,876	14.2%	9	B	21.5%	4.6%
15	Granby	10,347	10.4%	5	B	22.5%	4.5%
16	Hartford	121,578	(13.0)%	39	I	18.4%	>95.0%
17	Hartland	2,012	7.8%	1	E	11.7%	0.9%
18	Manchester	54,740	6.0%	12	G	12.5%	36.1%
19	New Britain	71,538	(5.2)%	15	I	14.8%	62.7%
20	Newington	29,306	0.3%	7	D	15.5%	16.0%
21	New Hartford	6,088	5.5%	3	C	10.1%	4.7%
22	Plainville	17,328	(0.4)%	5	F	15.0%	16.3%
23	Portland	8,732	3.7%	5	E	16.3%	10.1%
24	Regional District #10	16,473	34.4%	4	C	17.3%	3.0%
25	Rocky Hill	17,966	8.5%	5	D	14.5%	7.7%
26	Simsbury	23,234	5.5%	7	B	21.3%	3.7%
27	Somers	10,417	14.4%	3	C	16.5%	4.4%
28	South Windsor	24,412	10.5%	7	B	20.2%	5.4%
29	Southington	39,728	3.1%	11	D	17.4%	8.1%
30	Suffield	13,552	18.6%	4	C	19.1%	4.7%
31	Vernon	28,063	(6.0)%	7	G	13.2%	27.6%
32	West Hartford	63,589	5.8%	16	B	15.7%	15.1%
33	Wethersfield	26,271	2.4%	7	D	14.5%	11.6%
34	Windsor	28,237	1.5%	7	D	14.5%	25.0%
35	Windsor Locks	12,043	(2.5)%	4	F	15.2%	22.4%
	Totals	943,866		271			

Source: State of Connecticut Department of Education Division of Grant Services. Strategic School Profiles 07-08.

TABLE 9

CAPITOL REGION EDUCATION COUNCIL

PER PUPIL EXPENSE

	Net Expense Per Pupil 2009	Net Expense Per Pupil 2008	Net Expense Per Pupil 2007	Net Expense Per Pupil 2006	Net Expense Per Pupil 2005	Net Expense Per Pupil 2004	Net Expense Per Pupil 2003	Net Expense Per Pupil 2002	Net Expense Per Pupil 2001	Net Expense Per Pupil 2000
Avon	$ 11,282	$ 10,822	$ 10,301	$ 10,216	$ 9,874	$ 9,301	$ 9,447	$ 8,875	$ 8,376	$ 8,086
Berlin	12,063	11,222	10,618	9,786	9,172	8,555	8,755	8,291	7,962	7,509
Bloomfield	15,881	14,712	13,855	12,855	12,464	11,548	11,017	10,172	10,050	9,137
Bolton	13,908	13,196	12,030	11,328	10,914	10,194	9,761	9,300	8,673	8,101
Bristol	11,652	10,991	10,606	9,973	9,570	9,105	8,477	8,310	8,016	7,712
Canton	12,006	11,993	11,116	10,480	9,937	9,440	9,065	8,574	8,205	7,645
Cromwell	12,000	11,936	11,620	10,793	10,067	9,482	9,516	9,125	8,647	8,082
East Granby	14,067	13,447	12,158	11,828	11,316	10,800	9,939	8,998	9,227	8,542
East Hartford	11,709	11,109	10,481	10,119	10,067	9,421	9,058	8,810	8,450	7,978
East Windsor	12,828	11,536	10,343	9,464	8,907	8,466	8,495	7,614	7,643	7,745
Ellington	10,595	10,165	9,842	9,574	9,227	8,982	8,518	8,195	7,758	7,437
Enfield	11,741	11,430	10,861	10,012	9,440	9,335	9,024	8,940	8,557	8,117
Farmington	11,968	11,868	11,338	10,513	9,566	9,199	9,056	8,540	8,167	7,654
Glastonbury	11,608	11,210	10,519	9,778	9,271	8,699	8,446	8,023	7,675	7,456
Granby	11,709	11,119	10,446	9,933	9,493	8,999	8,754	8,460	7,846	7,782
Hartford	16,202	15,717	15,448	14,365	13,236	12,366	12,151	12,136	11,312	10,995
Hartland	13,382	12,903	12,175	11,845	11,173	9,987	10,285	8,671	8,257	7,579
Manchester	13,163	12,960	12,025	11,201	10,320	10,003	9,618	9,055	8,927	8,188
New Britain	11,910	11,654	10,824	10,603	10,430	10,070	9,913	9,855	8,987	8,352
New Hartford	12,401	11,886	11,498	10,848	10,293	10,153	9,568	9,325	8,566	8,478
Newington	12,491	11,881	11,301	10,602	10,101	9,434	8,991	8,499	8,036	8,176
Plainville	12,915	12,456	11,655	10,951	10,598	10,142	9,723	9,105	8,921	8,265
Portland	12,159	12,056	11,289	11,343	10,504	9,918	9,280	8,767	8,522	7,898
Regional District #10	11,080	10,593	10,184	9,572	9,352	8,877	8,683	8,226	8,095	7,862
Rocky Hill	11,710	11,431	10,766	10,331	10,095	9,507	9,121	8,989	8,681	8,319
Simsbury	12,181	11,739	11,222	10,422	9,933	9,522	9,084	8,513	8,239	7,592
Somers	11,386	10,796	10,085	9,516	9,151	8,639	8,501	8,350	8,108	7,753
South Windsor	12,048	11,162	10,540	9,904	9,514	8,793	8,634	8,288	7,734	7,398
Southington	11,587	11,099	10,731	10,415	9,892	9,461	8,940	8,434	8,568	7,795
Suffield	11,859	10,820	10,133	9,439	8,957	8,400	8,147	7,563	7,225	6,906
Vernon	12,812	12,098	11,664	11,126	10,401	10,154	9,705	9,480	9,059	8,564
West Hartford	12,325	11,939	11,476	10,842	10,302	9,783	9,434	8,851	8,595	8,488
Wethersfield	12,948	11,861	11,234	10,767	10,254	9,371	9,182	8,843	8,472	8,293
Windsor	13,393	12,598	11,845	11,372	10,873	10,398	9,906	9,422	8,318	8,079
Windsor Locks	14,032	13,274	12,562	11,163	10,715	10,246	10,063	9,055	8,094	7,438

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

TABLE 10

CAPITOL REGION EDUCATION COUNCIL

TOTAL POPULATION BY TOWN

FISCAL YEARS 2000 TO 2008

Town	2008	2007	2006	2005	2004	2003	2002	2001	2000
Avon	17,328	17,333	17,342	17,209	16,992	16,709	16,346	16,323	15,832
Berlin	20,364	20,254	20,137	19,590	19,471	19,322	19,116	18,281	18,215
Bloomfield	20,727	20,693	20,643	20,581	20,414	19,803	19,794	19,134	19,587
Bolton	5,117	5,116	5,142	5,170	5,173	5,199	5,154	5,140	5,017
Bristol	60,927	60,911	61,258	61,353	60,994	60,722	60,541	60,026	60,062
Canton	10,104	10,086	10,081	9,932	9,603	9,413	9,061	9,162	8,840
Cromwell	13,600	13,552	13,540	13,594	13,520	13,471	13,370	13,080	12,871
East Granby	5,155	5,122	5,082	5,058	5,018	4,977	4,910	4,880	4,745
East Hartford	48,571	48,697	48,934	49,173	49,416	49,596	49,650	49,734	49,575
East Windsor	10,822	10,617	10,563	10,447	10,261	10,185	10,095	9,958	9,818
Ellington	14,568	14,426	14,370	14,217	14,141	13,952	13,571	13,145	12,921
Enfield	44,895	45,011	45,297	45,441	45,567	45,539	45,379	44,987	45,212
Farmington	25,116	25,084	25,040	24,941	24,682	24,507	24,189	23,969	23,641
Glastonbury	33,263	33,169	33,077	33,089	32,852	32,789	32,575	32,985	31,876
Granby	11,219	11,215	11,187	11,088	10,989	10,869	10,696	10,721	10,347
Hartford	124,062	124,563	124,699	124,397	125,053	124,387	124,558	123,850	124,121
Hartland	2,079	2,077	2,090	2,082	2,078	2,068	2,053	1,993	2,012
Manchester	56,385	55,857	55,738	55,572	55,563	55,390	55,084	54,680	54,740
New Britain	70,486	70,664	70,855	71,254	71,832	71,572	71,589	71,665	71,538
New Hartford	6,728	6,736	6,794	6,746	6,662	6,548	6,413	6,202	6,088
Newington	29,699	29,619	29,586	29,676	29,646	29,695	29,623	29,349	29,306
Plainville	17,221	17,193	17,312	17,382	17,371	17,461	17,407	17,335	17,328
Portland	9,551	9,537	9,595	9,543	9,340	9,264	9,125	9,293	8,732
Regional District #10	14,710	14,707	14,749	14,668	14,478	14,303	14,069	13,744	13,473
Rocky Hill	18,852	18,808	18,835	18,760	18,620	18,528	18,305	17,683	17,966
Simsbury	23,615	23,659	23,660	23,656	23,460	23,496	23,421	23,740	23,234
Somers	10,984	10,850	10,888	10,877	10,888	10,870	10,608	10,502	10,417
Southington	42,250	42,142	42,249	42,077	41,723	41,397	40,943	40,227	39,728
South Windsor	25,966	25,940	26,030	25,985	25,586	25,270	24,846	24,773	24,412
Suffield	15,136	15,104	15,127	14,704	14,539	14,217	14,021	13,990	13,552
Vernon	29,839	29,620	29,672	29,491	29,338	29,206	28,718	27,861	28,063
West Hartford	60,495	60,486	60,794	61,173	61,392	61,424	61,365	61,578	61,070
Wethersfield	25,719	25,781	26,057	26,220	26,358	26,398	26,390	26,262	26,271
Windsor	28,851	28,754	28,703	28,778	28,652	28,565	28,519	27,731	28,237
Windsor Locks	12,495	12,491	12,444	12,411	12,333	12,256	12,237	11,919	12,043
Total CREC Membership	966,899	965,874	967,570	966,335	964,005	959,368	953,741	945,902	940,890

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

TABLE 11

CAPITOL REGION EDUCATION COUNCIL

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

FISCAL YEARS 2000 TO 2009

Town	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Avon	3,574	3,596	3,513	3,400	3,315	3,265	3,086	2,988	2,900	2,714
Berlin	3,267	3,313	3,323	3,410	3,426	3,414	3,355	3,381	3,345	3,319
Bloomfield	2,557	2,630	2,701	2,735	2,767	2,755	2,715	2,764	2,720	2,780
Bolton	845	869	922	941	942	969	996	976	953	940
Bristol	8,913	9,038	9,100	9,107	9,073	9,051	9,017	8,978	8,930	8,732
Canton	1,784	1,730	1,734	1,693	1,669	1,631	1,632	1,637	1,587	1,549
Cromwell	2,011	1,983	1,997	1,969	1,931	1,891	1,854	1,847	1,793	1,818
East Granby	906	914	938	903	892	896	896	903	836	856
East Hartford	7,918	8,064	8,358	8,363	8,144	8,198	8,243	8,106	8,014	7,867
East Windsor	1,526	1,556	1,616	1,635	1,662	1,653	1,628	1,628	1,551	1,558
Ellington	2,662	2,628	2,561	2,521	2,487	2,418	2,394	2,330	2,313	2,262
Enfield	6,399	6,436	6,580	6,716	6,792	6,860	6,953	6,843	6,866	6,889
Farmington	4,168	4,178	4,231	4,260	4,393	4,343	4,232	4,192	4,135	4,060
Glastonbury	7,036	7,021	6,931	6,879	6,802	6,732	6,555	6,406	6,199	5,983
Granby	2,205	2,261	2,258	2,233	2,214	2,203	2,163	2,093	2,038	1,927
Hartford	21,725	22,323	22,407	22,946	23,411	24,054	24,188	24,320	24,501	24,126
Hartland	337	339	351	359	379	392	378	405	400	409
Manchester	7,480	7,430	7,608	7,666	7,907	7,979	7,993	7,959	7,756	7,855
New Britain	10,814	10,982	11,224	11,249	11,171	11,070	10,930	10,837	10,413	10,339
New Hartford	1,157	1,142	1,156	1,150	1,179	1,154	1,176	1,156	1,168	1,118
Newington	4,525	4,552	4,578	4,587	4,612	4,599	4,641	4,524	4,460	4,317
Plainville	2,525	2,606	2,633	2,638	2,628	2,645	2,670	2,701	2,681	2,721
Portland	1,464	1,448	1,471	1,423	1,445	1,437	1,463	1,451	1,393	1,413
Regional District #10	2,829	2,823	2,809	2,804	2,731	2,705	2,639	2,633	2,548	2,535
Rocky Hill	2,640	2,626	2,606	2,563	2,488	2,489	2,503	2,432	2,445	2,415
Simsbury	4,961	4,967	4,991	5,063	5,053	5,035	5,017	4,998	4,887	4,748
Somers	1,702	1,707	1,716	1,724	1,722	1,731	1,712	1,663	1,619	1,581
Southington	6,817	6,882	6,871	6,801	6,771	6,743	6,676	6,688	6,620	6,546
South Windsor	4,965	5,084	5,190	5,238	5,161	5,277	5,154	5,083	5,024	4,918
Suffield	2,440	2,500	2,496	2,441	2,385	2,376	2,267	2,220	2,157	2,148
Vernon	3,638	3,757	3,802	3,849	3,989	4,023	4,017	4,068	4,133	4,121
West Hartford	10,111	9,997	10,130	9,995	9,935	9,853	9,732	9,608	9,444	9,084
Wethersfield	3,966	3,921	3,946	3,855	3,801	3,771	3,675	3,607	3,487	3,470
Windsor	4,461	4,560	4,651	4,655	4,696	4,714	4,699	4,608	4,704	4,556
Windsor Locks	1,972	1,964	2,038	2,072	2,063	2,028	2,050	2,104	2,107	2,107
Total CREC Membership	156,300	157,827	159,437	159,843	160,036	160,354	159,299	158,137	156,127	153,781

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

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

PROGRAM ENROLLMENT SUMMARY

PROGRAM	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
East Hartford/Glastonbury Magnet School	251	257	255	249	258	258	259	277	279	290
Farmington Valley Diagnostic Center	16	32	15	16	17	11	13	10		
Great Path Academy	165	111	89	84	83					
Greater Hartford Academy of the Arts	507	424	412	393	387	380	325	313	251	208
Greater Hartford Academy of Math & Science	283	211	232	202	204	211	199	175	148	
Integrated Program Model	24	26	32	32	31	32	35	33	35	36
International Magnet School for Global Citizenship	125									
Metropolitan Learning Center	683	676	681	675	681	573	500	384	287	197
Montessori Magnet School	332	331	330	331	305	295	264	250	219	150
Polaris Center	68	89	82	68	56	65	53	51	48	89
Public Safety Academy	105									
Reggio Magnet School of the Arts	152									
River Street School	198	190	185	178	165	157	150	148	136	139
Soundbridge	98	61	57	59	64	65	69	75	70	87
Two Rivers Magnet Middle School	589	581	609	583	594	598	425			
Tunxis Middle College High School							76	81	60	
University of Hartford Magnet School	412	406	382	381	383	395	351	260		
TOTAL	4,008	3,395	3,361	3,251	3,228	3,040	2,719	2,057	1,533	1,196

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

(Details provided on following pages)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

EAST HARTFORD/GLASTONBURY MAGNET SCHOOL

Student Enrollment by LEA (Continued)

LEA	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Avon										
Berlin										
Bloomfield										
Bolton										
Bristol										
Canton										
Cromwell										
East Granby										
East Hartford	136	133	137	134	151	149	155	173	169	178
East Windsor										
Ellington										
Enfield										
Farmington										
Glastonbury	115	124	118	115	107	109	104	104	110	112
Granby										
Hartford										
Hartland										
Manchester										
New Britain										
New Hartford										
Newington										
Plainville										
Portland										
Rocky Hill										
Simsbury										
Somers										
South Windsor										
Southington										
Suffield										
Vernon										
West Hartford										
Wethersfield										
Windsor										
Windsor Locks										
Region #10										
Non-Member LEAs										
TOTAL	251	257	255	249	258	258	259	277	279	290

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

FARMINGTON VALLEY DIAGNOSTIC CENTER

Student Enrollment by LEA (Continued)

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

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

GREAT PATH ACADEMY
Student Enrollment by LEA (Continued)

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

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

GREATER HARTFORD ACADEMY OF THE ARTS

Student Enrollment by LEA (Continued)

LEA	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Avon	8	5	6	4	3	3	3	3	4	1
Berlin	7	8	4	3	2					
Bloomfield	3	2	4	3	8	7	7	10	2	3
Bolton	3		2	6	4	5	5	3	1	2
Bristol	3		2	2		2	2	4	1	1
Canton	7	11	10	12	12	8	3	2	1	
Cromwell	2	4	6	3	2	6	2	4	3	4
East Granby	1	2	2	2	2	3	2	2	3	
East Hartford	15	7	7	8	5	6	5	6	4	4
East Windsor	2			1	3	4	1	2	2	3
Ellington	6	6	5	5	2			3	4	3
Enfield	6	7	5	5	10	10	10	9	7	5
Farmington	9	7	4	5	5	5	4	4	6	7
Glastonbury	22	19	19	25	21	25	23	13	12	7
Granby	8	6	4	6	9	9	12	11	6	7
Hartford	114	63	59	53	63	69	52	63	50	42
Hartland		2	2							
Manchester	20	17	13	12	12	12	10	15	9	10
New Britain	11	11	18	17	13	16	18	14	13	5
New Hartford	2	1		1	1					
Newington	8	11	12	16	14	17	14	9	9	7
Plainville	2			1			1	1		
Portland	3	4	3	5	3		1	1		
Rocky Hill	22	26	24	22	19	15	12	10	4	4
Simsbury	25	28	27	21	22	19	12	9	9	6
Somers	1								2	
South Windsor	5	4	7	7	6	7	8	6	3	2
Southington	12	15	16	10	12	14	15	15	6	6
Suffield	5	7	6	6	6	4	2	2	2	2
Vernon	10	8	4	5	6	5	3	2	1	2
West Hartford	27	26	25	19	27	25	20	17	13	11
Wethersfield	20	20	15	15	14	10	8	7	5	4
Windsor	13	15	11	12	8	8	6	3	4	3
Windsor Locks	4	4	6	9	9	9	8	9	9	2
Region #10	2	0	3	2	2	1	1	5	6	7
Non-Member LEAs	99	78	81	70	62	56	55	49	50	48
TOTAL	507	424	412	393	387	380	325	313	251	208

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

GREATER HARTFORD ACADEMY OF MATH & SCIENCE

Student Enrollment by LEA (Continued)

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

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

INTEGRATED PROGRAM MODEL

Student Enrollment by LEA (Continued)

LEA	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Avon										
Berlin		1	1	1	1	1	1	1		1
Bloomfield						1	1	1		
Bolton							1		1	2
Bristol	1									
Canton	1	1	1							
Cromwell										
East Granby										
East Hartford			1							
East Windsor										
Ellington					1	1	1	1	1	
Enfield										
Farmington					1	1	1			
Glastonbury										
Granby										
Hartford	1	1	1	3	2	2	2	2	3	3
Hartland										
Manchester										
New Britain	3	3	1	1	1					
New Hartford						1				
Newington										
Plainville	2	2	3	3	3	2	2	3	5	6
Portland	1		1	1	1	1	1	1	1	1
Rocky Hill			1	1	1	1	2	1	1	1
Simsbury							1	1	1	1
Somers										
South Windsor										
Southington										
Suffield										
Vernon			1	1	1	1	4	4	4	
West Hartford										
Wethersfield								1		
Windsor										
Windsor Locks				1	1		1			
Region #10				1						
Non-Member LEAs	15	18	21	19	18	20	17	17	18	21
TOTAL	24	26	32	32	31	32	35	33	35	36

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

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

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

TOTAL 125

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

METROPOLITAN LEARNING CENTER

Student Enrollment by LEA (Continued)

LEA	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Avon										
Berlin										
Bloomfield	138	136	141	138	134	105	92	71	55	37
Bolton										
Bristol										
Canton										
Cromwell										
East Granby	1									
East Hartford	4	9								
East Windsor	42	40	46	41	44	38	29	23	16	14
Ellington	1									
Enfield	42	40	43	38	41	33	28	17	14	9
Farmington										
Glastonbury										
Granby										
Hartford	221	209	200	197	191	173	149	111	87	60
Hartland										
Manchester	1	5								
New Britain	6	1								
New Hartford										
Newington										
Plainville										
Portland										
Rocky Hill										
Simsbury	1									
Somers										
South Windsor	1									
Southington										
Suffield	1									
Vernon		1								
West Hartford	8									
Wethersfield	2									
Windsor	150	168	186	200	203	160	147	116	81	59
Windsor Locks	64	67	65	61	68	64	55	46	34	18
Region #10										
Non-Member LEAs										
TOTAL	683	676	681	675	681	573	500	384	287	197

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

MONTESSORI MAGNET SCHOOL

Student Enrollment by LEA (Continued)

LEA	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Avon	2	2	1							1
Berlin	2	1	1	1						
Bloomfield	17	25	29	31	30	29	32	33	27	27
Bolton						1	1			
Bristol	2									
Canton					1	2	2			1
Cromwell	2	2	2	2	2					
East Granby										
East Hartford	27	28	25	26	21	19	13	14	14	10
East Windsor	1			1						
Ellington	1	1	2	2	2	2	2	2		
Enfield			1				1		1	1
Farmington		1						1	1	
Glastonbury	1		1			1			2	3
Granby										
Hartford	168	174	166	164	147	137	132	123	104	74
Hartland										
Manchester	8	10	12	12	17	14	12	9	8	4
Middletown	3		2	2	4	2	2			
New Britain	11	10	10	8	9	9	6	8	7	5
New Hartford	1	1	2							
Newington	2	2	2	4	3	4	4	2	1	
Plainville	3	1	1	1	1	1				
Portland										
Rocky Hill	7	5	5	4	3	5	1	1		
Simsbury	1	1	1					2	1	
Somers										
South Windsor	1	1	2		1		1	1		
Southington	2	2	1	1	1	1	1	1	1	
Suffield										
Vernon	4					1	2	2	3	3
West Hartford	11	7	10	9	8	13	9	10	9	4
Wethersfield	12	13	11	9	8	4	1	1	1	
Windsor	32	34	36	44	45	49	41	32	33	12
Windsor Locks				1						
Region #10		0	1	1			1	2	2	1
Non-Member LEAs	11	10	6	8	2	1		6	4	4
TOTAL	332	331	330	331	305	295	264	250	219	150

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

POLARIS CENTER

Student Enrollment by LEA (Continued)

LEA	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Avon										
Berlin		1		2					1	1
Bloomfield	1	1	2	1	1	1	3	2	2	2
Bolton	2	1	1	1				1		
Bristol		1	2		1	2	2		2	1
Canton										
Cromwell						1	1	1		
East Granby						1	1			
East Hartford	1	1		2	2	1	3	1		1
East Windsor	1	2	4	1		1	1	3		1
Ellington					1	1			1	1
Enfield		1	1	1	2	1		1	1	
Farmington										
Glastonbury	3	3			1					
Granby	2	1	1			1	1	2	1	1
Hartford	27	24	25	16	13	14	6	10	7	16
Hartland										
Manchester	9	9	4	7	1	7	4	2	2	
New Britain	7	7	7	8	3	6	4	4	4	10
New Hartford										
Newington	2			2	1		1			1
Plainville			1					1		
Portland										1
Rocky Hill							1		1	2
Simsbury			1							
Somers					1					
South Windsor	1	2		1	2	2		1	1	3
Southington							1	2		
Suffield										
Vernon	1	1	1	3	1	1		2	1	
West Hartford		1	1	1		1	1	2	3	6
Wethersfield	1							1		1
Windsor	5	4	1	1	2	2	2	1		1
Windsor Locks		3	3		1					
Region #10								1		
Non-Member LEAs	5	26	27	21	23	22	21	13	21	40
TOTAL	68	89	82	68	56	65	53	51	48	89

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

Public Safety Academy
Student Enrollment by LEA (Continued)

LEA	2008
Avon	
Berlin	
Bloomfield	
Bolton	1
Bristol	
Canton	
Cromwell	
East Granby	
East Hartford	4
East Windsor	4
Ellington	1
Enfield	17
Farmington	
Glastonbury	1
Granby	
Hartford	63
Hartland	
Manchester	5
New Britain	
New Hartford	
Newington	
Plainville	
Portland	
Rocky Hill	
Simsbury	
Somers	
South Windsor	3
Southington	
Suffield	
Vernon	2
West Hartford	
Wethersfield	1
Windsor	
Windsor Locks	2
Region #10	
Non-Member LEAs	1

TOTAL 105

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

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

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

TOTAL 152

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

RIVER STREET SCHOOL

Student Enrollment by LEA (Continued)

LEA	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Avon	1	1	1	1	1	1	1			
Berlin	4	4	4	3	4		1			1
Bloomfield	5	7	6	4	4	3	3	4	4	3
Bolton	1	1	1							
Bristol	5	5	5	4	4	4	4	4	3	2
Canton			1							
Cromwell			1					1	2	2
East Granby	1	1	1	1	1	2	1	1		1
East Hartford	2			1	1	1	1	1	1	
East Windsor	3	4	3	2	1	1	1	1	1	1
Ellington	3	3	1	1	1	1	1	1	1	
Enfield	7	7	6	6	7	9	8	5	4	6
Farmington	2	2		2	1	3	3	3	3	3
Glastonbury	9	7	7	5	5	4	4	6	3	3
Granby										
Hartford	9	4	3	5	8	8	13	12	10	12
Hartland										
Manchester	8	6	7	3	5	4	3	3	6	10
New Britain	3	2	2	4	2	2	1	3	4	2
New Hartford				1	1	1	1			
Newington	3	3	4	4	4	3	2	2	2	2
Plainville			2	2	2	3	3	3	3	3
Portland								1	1	1
Rocky Hill	2	2	2	2	2	1				
Simsbury	4	4	3	3	2	3	3	1	1	1
Somers	3	3	3	2	2	2	2	3		6
South Windsor	4	3	3	3	3	1			5	
Southington	5	5	3	3	2	3	3	3	2	1
Suffield	6	5	4	2	2	3	1	1		
Vernon	5	6	6	6	5	5	5	4	2	3
West Hartford	3	4	5	5	3	4	3	3	2	2
Wethersfield	2	2	2	3	3	5	5	4	3	3
Windsor	10	10	9	10	7	7	7	7	4	9
Windsor Locks	1	1	3	4	4	3	3	3	6	4
Region #10	1	1								
Non-Member LEAs	86	87	87	86	78	70	67	68	63	58
TOTAL	198	190	185	178	165	157	150	148	136	139

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

SOUNDBRIDGE

Student Enrollment by LEA (Continued)

LEA	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Avon										
Berlin	2			1	3	2	2			
Bloomfield			3	4	5	5	4	3	3	2
Bristol	6	6	5	3	5	6	5	5	6	6
Canton										
Cromwell										
East Granby					1	1	1	1		
East Hartford	3	3	3	3	1	2	1	1	1	1
East Windsor										
Ellington										
Enfield				2	2	2	2	2	2	3
Farmington										
Glastonbury	1			1	1				1	1
Granby										
Hartford	6	6	6	7	8	11	14	14	13	18
Hartland										
Manchester	1	1	1	3	1	1		2	4	5
New Britain	2	4	5	6	4	4	5	5	3	3
New Hartford										
Newington	9	3	4	4	4	4	4	4	5	6
Plainville	1	1	1							
Portland										
Rocky Hill	4		2	2	2	2	2	2	2	2
Simsbury			1	3	3	3	2	3	3	3
Somers										
South Windsor	1	1		1	1	1	2	2	2	2
Southington	4	4	3	1	3	2	2	3	4	5
Suffield									1	
Vernon										2
West Hartford							2	2	2	2
Wethersfield	33	5	4	6	6	6	6	5	5	6
Windsor	3	1						1		
Windsor Locks	1	1	1	1	1	1	1	1	1	
Region #10				1						
Non-Member LEAs	21	25	18	10	13	12	14	19	12	20
TOTAL	98	61	57	59	64	65	69	75	70	87

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

TWO RIVERS MAGNET MIDDLE SCHOOL

Student Enrollment by LEA (Continued)

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

(Continued on following page)

TABLE 12

CAPITOL REGION EDUCATION COUNCIL

UNIVERSITY OF HARTFORD MAGNET SCHOOL

Student Enrollment by LEA (Continued)

LEA	2008	2007	2006	2005	2004	2003	2002	2001
Avon	24	27	29	32	31	25	22	10
Berlin								
Bloomfield	16	17	15	11	11	16	14	9
Bolton								
Bristol								
Canton	1							
Cromwell								
East Granby								
East Hartford	9	8						
East Windsor								
Ellington								
Enfield	1	1						
Farmington	25	25	19	19	24	30	26	22
Glastonbury								
Granby								
Hartford	205	202	205	209	209	205	179	141
Hartland								
Manchester	2	2						
New Britain	7	4						
New Hartford								
Newington	1	1						
Plainville								
Portland								
Rocky Hill								
Simsbury	25	27	30	38	32	29	30	24
Somers								
South Windsor				2	2	2		
Southington								
Suffield								
Vernon								
West Hartford	56	54	47	41	42	50	51	33
Wethersfield	33	31	37	29	32	38	29	21
Windsor	6	7						
Windsor Locks		0						
Region #10								
Non-Member LEAs	1							
TOTAL	412	406	382	381	383	395	351	260

TABLE 13

CAPITOL REGION EDUCATION COUNCIL

TUITION RATES PER STUDENT

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

Source: Capitol Region Education Council Business Services Department

TABLE 14

CAPITOL REGION EDUCATION COUNCIL

WORKFORCE ANALYSIS

NUMBER OF EMPLOYEES LAST NINE YEARS

	2008	2007	2006	2005	2004	2003	2002	2001	2000
Job Categories:									
Officials and managers	105	100	84	82	76	77	67	74	60
Professionals	603	511	504	487	497	448	448	319	269
Technicians	80	76	74	72	76	75	68	136	128
Office and clerical	88	86	82	81	79	80	78	78	66
Operatives (semi-skilled)	7	9	9	9	8	8	9	10	9
Service workers	345	325	315	276	282	274	180	158	154
Total Workforce Analysis	1,228	1,107	1,068	1,007	1,018	962	850	775	686

Source: CREC's Human Resource Department

TABLE 15

CAPITOL REGION EDUCATION COUNCIL

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Education:										
Land	$ 1,892,925	$ 1,892,925	$ 1,892,925	$ 1,892,925	$ 1,892,925	$ 2,171,178	$ 2,171,178	$ 2,171,178	$ 2,171,178	$ 2,171,178
Buildings and improvements	66,059,698	64,044,935	63,985,134	60,529,341	51,681,596	52,418,497	52,282,372	51,689,327	20,438,129	20,424,045
Vehicles	1,241,764	1,045,797	1,061,739	909,719	747,816	864,380	769,287	769,287	474,039	396,995
Furniture, fixtures and equipment	5,389,902	5,024,525	4,841,774	5,380,876	4,818,264	4,073,652	2,872,151	3,589,895	3,001,735	5,033,707
Construction in progress	5,292,089	489,523	62,657	3,336,379	12,097,958	10,640,432	5,623,531	2,981,072	27,157,656	8,726,371
Facilities:										
Land	332,000	332,000	332,000	332,000	332,000	332,000	332,000	332,000	332,000	332,000
Buildings and improvements	3,669,966	3,660,566	3,367,706	3,276,720	3,123,235	3,123,235	3,123,235	3,124,220	3,124,220	3,124,220
Vehicles	14,435	14,435	14,435	14,435	14,435	3,085	3,085	3,085	3,285	3,285
Furniture, fixtures and equipment	298,841	288,464	279,107	278,143	273,421	249,248	215,660	1,246,047	1,242,804	1,551,932
Administration:										
Buildings and improvements								2,961	2,961	
Vehicles									24,490	24,490
Furniture, fixtures and equipment	579,360	606,219	590,207	784,661	773,350	686,648	627,627	585,578	474,728	376,969
Construction in progress				4,700	4,700					
Total	$ 84,770,980	$ 77,399,389	$ 76,427,684	$ 76,739,899	$ 75,759,700	$ 74,562,355	$ 68,020,126	$ 66,494,650	$ 58,447,225	$ 42,165,192