

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

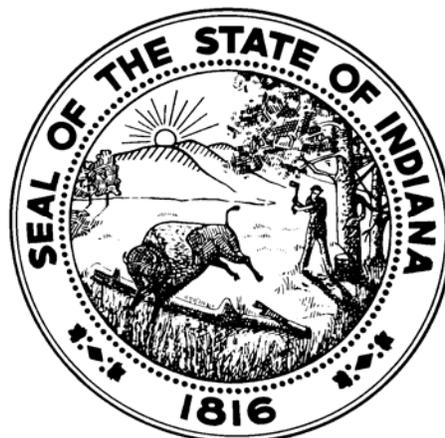
EXAMINATION REPORT

OF

EAST CENTRAL INDIANA SPECIAL SERVICES DISTRICT

FRANKLIN, UNION, AND WAYNE COUNTIES, INDIANA

July 1, 2004 to June 30, 2006



**FILED**

07/06/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	David Chastain Lisa B. Bates	07-01-03 to 12-31-05 01-01-06 to 06-30-07
President of the Board of Directors	Mark Ransford Lynn A. Sheets	07-01-04 to 01-09-07 01-10-07 to 06-30-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF EAST CENTRAL INDIANA SPECIAL SERVICES DISTRICT

We have examined the records of the East Central Indiana Special Services District for the period from July 1, 2004 to June 30, 2006, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Examination Result and Comment. The financial transactions of this office are reflected in the Audit Report of Union County College Corner Joint School District for the period July 1, 2004 to June 30, 2006.

STATE BOARD OF ACCOUNTS

May 14, 2007

EAST CENTRAL INDIANA SPECIAL SERVICES DISTRICT  
FRANKLIN, UNION, AND WAYNE COUNTIES  
EXAMINATION RESULT AND COMMENT

JOINT SERVICE AGREEMENT

The East Central Indiana Special Services District, (ECISSD), was created on July 1, 2003, for the purpose of providing special education services to students with disabilities whose legal settlement is within the participating school corporations. The participating school corporations are Franklin County School Corporation, Northeastern Wayne School Corporation, Union County College Corner Joint School District (UCCCJSD), and Western Wayne School Corporation. UCCCJSD was designated as the administering school corporation.

The Board of Directors is the governing board of ECISSD and is comprised of all the superintendents of the participating school corporations. The Superintendent of UCCCJSD serves as the President of the Board of Directors. All participating school corporations signed a joint services agreement that includes the design and implementation of the policies and procedures that govern ECISSD.

Our analysis of the accounting records indicated that the total owed to the Administering School Corporation of the Cooperative by participating school corporations at the end of the school years 2005 and 2006 amounted to \$62,035 and \$208,646, respectively (amounts billed to participating school corporations less amounts actually paid). Consequently, the Cooperative funds maintained on the records of the Administering School Corporation (UCCCJSD) operated at a deficit.

The Director of Special Education did not make timely comparisons of estimated pro rata costs billed to actual costs incurred for determining the subsequent year's estimated billings. The comparisons were not performed until February of the subsequent year.

The administrative duties of billings to participating school corporations, and the annual comparison of estimated costs billed to actual costs incurred were not performed by the Director of Special Education, but were performed by the Treasurer of the Administering School Corporation.

Section IV A of the joint services agreement states in part: "The Director and other administrative personnel shall provide over-all administration and supervision for all services provided through the Cooperative Program and shall work with administrators of the Participating Corporations in providing administration and supervision for local special education programs. The Director shall also be responsible for formulating administrative guidelines, assembling the annual budget, completing all compliance reporting and grant documents required under federal and state law, and shall fulfill all administrative tasks as shall be from time to time assigned by the Board of Directors."

Section V (A) of the joint service agreement states in part: "The Director of Special Education shall annually prepare a Cooperative budget for approval by the Board of Directors." "Each participating Corporation shall be responsible for a pro rata share of the Cooperative costs based on that Corporation's percentage of the total December 1 child count during the budget period." "Participating Corporations shall forward fund all expenditures obligated to the Cooperative Budget. At no time shall the Cooperative Budget operate at a deficit."

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

EAST CENTRAL INDIANA SPECIAL SERVICES DISTRICT  
FRANKLIN, UNION, AND WAYNE COUNTIES  
EXIT CONFERENCE

The contents of this report were discussed on May 14, 2007, with Lisa B. Bates, Director; Lynn A. Sheets, President of the Board of Directors; and Marsha Maze, Treasurer of Union County College Corner Joint School District.

A preliminary discussion draft of the Examination Result and Comment section of this report was mailed to Mark Ransford. His official response has been made a part of this report and may be found on page 6.

June 27, 2007

Indiana State Board of Accounts  
302 West Washington Street, Room E418  
Indianapolis, Indiana 46204-2765

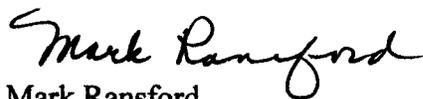
RE: Official Response by Superintendent Mark Ransford

Members, Indiana State Board of Accounts:

I have received a copy of the "Audit Results and Comments" with a cover letter dated June 20, 2007, and I am filing this response according to the usual protocol.

I have read the "Audit Results and Comments" and find the results appropriate and the guidance contained within them helpful.

Respectfully submitted this 27<sup>th</sup> day of June, 2007,



Mark Ransford