

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

EXAMINATION REPORT

OF

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER

PUTNAM COUNTY, INDIANA

July 1, 2005 to June 30, 2007



**FILED**

02/22/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Linda McGaughey Debbi J. Christy	07-01-05 to 06-28-06 06-29-06 to 06-30-08
Executive Director	David C. Archer	07-01-05 to 06-30-08
Chairman of the Service Center Executive Board	Robert Green Layton Wall Thomas Edington	07-01-05 to 06-30-06 07-01-06 to 06-30-07 07-01-07 to 06-30-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE WEST CENTRAL INDIANA EDUCATIONAL  
SERVICE CENTER, PUTNAM COUNTY, INDIANA

We have examined the financial information presented herein of the West Central Indiana Educational Service Center (Educational Service Center), for the period of July 1, 2005 to June 30, 2007. The Educational Service Center's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above present fairly, in all material respects, the financial information of the Educational Service Center for the years ended June 30, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Supplementary Information, as listed in the Table of Contents, was presented for additional analysis and is not a required part of the basic financial information. The Supplementary Information has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on the Supplementary Information.

STATE BOARD OF ACCOUNTS

November 5, 2007

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER  
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2006

Functions/Programs	Program Receipts		Net (Disbursement) Receipts and Changes in Net Assets
	Disbursements	Operating Grants and Contributions	Totals
Governmental activities:			
Instruction	\$ 205,213	\$ 218,788	\$ 13,575
Support services	655,820	-	(655,820)
Total governmental activities	\$ 861,033	\$ 218,788	(642,245)
General receipts:			
Other local sources			568,937
State aid			9,312
Grants and contributions not restricted to specific programs			37,407
Sale of property, adjustments, and refunds			7,440
Investment earnings			2,754
Total general receipts			625,850
Change in net assets			(16,395)
Net assets - beginning			224,955
Net assets - ending			\$ 208,560
 <u>Assets</u>			
Cash and investments			\$ 208,560
 <u>Net Assets</u>			
Unrestricted			\$ 208,560

The accompanying notes are an integral part of the financial information.

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER  
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2007

Functions/Programs	Program Receipts		Net (Disbursement) Receipts and Changes in Net Assets
	Disbursements	Operating Grants and Contributions	Totals
Governmental activities:			
Instruction	\$ 125,140	\$ 69,378	\$ (55,762)
Support services	817,274	-	(817,274)
Total governmental activities	\$ 942,414	\$ 69,378	(873,036)
General receipts:			
Other local sources			756,242
State aid			9,312
Grants and contributions not restricted to specific programs			17,402
Sale of property, adjustments, and refunds			4,128
Investment earnings			6,128
Total general receipts			793,212
Change in net assets			(79,824)
Net assets - beginning			208,560
Net assets - ending			\$ 128,736
 <u>Assets</u>			
Cash and investments			\$ 128,736
 <u>Net Assets</u>			
Unrestricted			\$ 128,736

The accompanying notes are an integral part of the financial information.

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER  
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2006

	General Fund	Gifted and Talented Fund	Gifted and Talented Recognition Fund	Drug Education Fund	Other	Totals
<b>Receipts:</b>						
Local sources	\$ 388,969	\$ -	\$ 5,648	\$ 133,007	\$ 44,067	\$ 571,691
State sources	9,312	140,038	78,750	-	-	228,100
Federal sources	-	-	-	500	36,907	37,407
Sale of property, adjustments and refunds	940	-	-	-	6,500	7,440
<b>Total receipts</b>	<u>399,221</u>	<u>140,038</u>	<u>84,398</u>	<u>133,507</u>	<u>87,474</u>	<u>844,638</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	117,793	86,493	-	927	205,213
Support services	422,483	1,215	3,575	142,796	85,751	655,820
<b>Total disbursements</b>	<u>422,483</u>	<u>119,008</u>	<u>90,068</u>	<u>142,796</u>	<u>86,678</u>	<u>861,033</u>
Excess (deficiency) of receipts over disbursements	(23,262)	21,030	(5,670)	(9,289)	796	(16,395)
Cash and investments - beginning	73,482	14,625	90,321	8,981	37,546	224,955
Cash and investments - ending	<u>\$ 50,220</u>	<u>\$ 35,655</u>	<u>\$ 84,651</u>	<u>\$ (308)</u>	<u>\$ 38,342</u>	<u>\$ 208,560</u>
<b>Cash and Investment Assets - Ending</b>						
Total cash and investment assets - ending	<u>\$ 50,220</u>	<u>\$ 35,655</u>	<u>\$ 84,651</u>	<u>\$ (308)</u>	<u>\$ 38,342</u>	<u>\$ 208,560</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Total unrestricted cash and investment fund balance - ending	<u>\$ 50,220</u>	<u>\$ 35,655</u>	<u>\$ 84,651</u>	<u>\$ (308)</u>	<u>\$ 38,342</u>	<u>\$ 208,560</u>

The accompanying notes are an integral part of the financial information.

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER  
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2007

	General Fund	Gifted and Talented Fund	Gifted and Talented Recognition Fund	Drug Education Fund	Other	Totals
<b>Receipts:</b>						
Local sources	\$ 514,433	\$ -	\$ -	\$ 122,287	\$ 125,650	\$ 762,370
State sources	9,312	68,250	1,128	-	-	78,690
Federal sources	-	-	-	1,000	16,402	17,402
Sale of property, adjustments and refunds	28	-	-	-	4,100	4,128
<b>Total receipts</b>	<u>523,773</u>	<u>68,250</u>	<u>1,128</u>	<u>123,287</u>	<u>146,152</u>	<u>862,590</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	30,024	14,530	80,586	-	-	125,140
Support services	511,300	-	-	159,782	146,192	817,274
<b>Total disbursements</b>	<u>541,324</u>	<u>14,530</u>	<u>80,586</u>	<u>159,782</u>	<u>146,192</u>	<u>942,414</u>
Excess (deficiency) of receipts over disbursements	(17,551)	53,720	(79,458)	(36,495)	(40)	(79,824)
Cash and investments - beginning	50,220	35,655	84,651	(308)	38,342	208,560
Cash and investments - ending	<u>\$ 32,669</u>	<u>\$ 89,375</u>	<u>\$ 5,193</u>	<u>\$ (36,803)</u>	<u>\$ 38,302</u>	<u>\$ 128,736</u>
<b>Cash and Investment Assets - Ending</b>						
Total cash and investment assets - ending	<u>\$ 32,668</u>	<u>\$ 89,376</u>	<u>\$ 5,193</u>	<u>\$ (36,803)</u>	<u>\$ 38,302</u>	<u>\$ 128,736</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Total unrestricted cash and investment fund balance - ending	<u>\$ 32,668</u>	<u>\$ 89,376</u>	<u>\$ 5,193</u>	<u>\$ (36,803)</u>	<u>\$ 38,302</u>	<u>\$ 128,736</u>

The accompanying notes are an integral part of the financial information.

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER  
SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2006

	Private-Purpose Trust Funds	Agency Funds
Additions:		
Contributions:		
Other	\$ <u>4,300</u>	
Deductions:		
Administrative and general	<u>4,763</u>	
Excess (deficiency) of total additions over total deductions	(463)	
Cash and investment fund balance - beginning	<u>2,253</u>	
Cash and investment fund balance - ending	<u>\$ 1,790</u>	
Net assets:		
Cash and investments	\$ <u>1,790</u>	\$ <u>3,738</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,790</u>	<u>\$ 3,738</u>

The accompanying notes are an integral part of the financial information.

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER  
 SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2007

	Private-Purpose Trust Funds	Agency Funds
Additions:		
Contributions:		
Other	\$ <u>3,885</u>	
Deductions:		
Administrative and general	<u>5,207</u>	
Excess (deficiency) of total additions over total deductions	(1,322)	
Cash and investment fund balance - beginning	<u>1,790</u>	
Cash and investment fund balance - ending	<u>\$ 468</u>	
Net assets:		
Cash and investments	\$ <u>468</u>	\$ <u>34,431</u>
Total net assets - cash and investment basis held in trust	<u>\$ 468</u>	<u>\$ 34,431</u>

The accompanying notes are an integral part of the financial information.

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Educational Service Center was established under the laws of the State of Indiana. The Educational Service Center operates under a Board of School Trustees form of government and provides educational services.

The accompanying financial schedules present the activities of the Educational Service Center (primary government). There are no significant component units which require inclusion.

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Information

Government-Wide Financial Information

The Schedule of Cash and Investments and the Schedule of Cash Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Information

Fund financial schedules of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial schedules are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial schedules. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial schedules.

The Educational Service Center reports the following major governmental funds:

The general fund is the Educational Service Center's primary operating fund and accounts for all financial resources of the Educational Service Center, except those required to be accounted for in another fund.

The gifted and talented fund accounts for grants and distributions received from the state for the program.

The gifted and talented recognition fund accounts for grants and distributions received from the state for the program.

The drug education fund accounts for receipts and disbursements of the drug education curriculum.

Additionally, the Educational Service Center reports the following fund types:

The private-purpose trust fund reports a trust arrangement under which principal and income are used for sponsorship of parent-teacher conferences.

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Agency funds account for assets held by the Educational Service Center as an agent for other governments and serve as control of accounts for certain cash transactions during the time they are a liability to the Educational Service Center.

**B. Measurement Focus and Basis of Accounting**

The government-wide, governmental fund, proprietary fund and fiduciary fund financial schedules are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial schedules.

If the Educational Service Center utilized the basis of accounting recognized as generally accepted, the fund financial schedules for governmental funds would use the modified accrual basis of accounting, while the fund financial schedules for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund schedules 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 enterprise funds, subject to this same limitation. The Educational Service Center 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 schedules.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The Educational Service Center does not have any enterprise funds.

When both restricted and unrestricted resources are available for use, the Educational Service Center's policy is to use restricted resources first, then unrestricted resources as they are needed.

**Note 3. Budgets**

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. Annual appropriations lapse at calendar year end.

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER  
NOTES TO FINANCIAL INFORMATION  
(Continued)

On or before September 10, the fiscal officer of the Educational Service Center submits to the Executive Board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the Executive Board to obtain taxpayer comments. No later than September 20th of each year, the Executive Board, through the passage of a resolution, adopts the budget for the next year. Copies of the budget resolution and the advertisement for funds for which property taxes are levied are sent to the Indiana Department of Local Government Finance. The budget becomes effective after the Educational Service Center receives notice from of the Indiana Department of Local Government Finance.

The Educational Service Center's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the Executive Board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

Note 4. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Educational Service Center to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Educational Service Center contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Educational Service Center authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER  
NOTES TO FINANCIAL INFORMATION  
(Continued)

PERF administers the plan and issues a publicly available financial report that includes financial Schedules and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

B. Teachers' Retirement Fund

Plan Description

The Educational Service Center contributes to the Indiana Teachers' Retirement Fund (TRF), a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the TRF Board, most requirements of the system, and gives the Educational Service Center authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The Educational Service Center may elect to make the contributions on behalf of the member.

TRF issues a publicly available financial report that includes financial schedules and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Teachers' Retirement Fund  
150 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 232-3860

Funding Policy and Annual Pension Cost

The Educational Service Center contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The Educational Service Center currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006

	General Emergency Fund	Risk Insurance Pool	School Technology Fund	Fine Arts Classroom Grant	Serve America Grant	Putnam Co. Tobacco Grant	Safe and Drug Free Schools
Receipts:							
Local sources	\$ -	\$ -	\$ 1,178	\$ -	\$ -	\$ -	\$ 2,350
Federal sources	-	-	-	-	-	4,000	10,000
Sale of property, adjustments and refunds	-	6,500	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>6,500</b>	<b>1,178</b>	<b>-</b>	<b>-</b>	<b>4,000</b>	<b>12,350</b>
Disbursements:							
Current:							
Instruction	-	-	-	927	-	-	-
Support services	-	-	-	-	789	5,310	11,071
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>927</b>	<b>789</b>	<b>5,310</b>	<b>11,071</b>
Excess (deficiency) of receipts over disbursements	-	6,500	1,178	(927)	(789)	(1,310)	1,279
Cash and investments - beginning	4,188	-	1,925	927	789	1,528	4,810
Cash and investments - ending	<u>\$ 4,188</u>	<u>\$ 6,500</u>	<u>\$ 3,103</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218</u>	<u>\$ 6,089</u>
<b>Cash and Investment Assets - Ending</b>							
Total cash and investment assets - ending	<u>\$ 4,188</u>	<u>\$ 6,500</u>	<u>\$ 3,103</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218</u>	<u>\$ 6,089</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Total unrestricted cash and investment fund balance - ending	<u>\$ 4,188</u>	<u>\$ 6,500</u>	<u>\$ 3,103</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218</u>	<u>\$ 6,089</u>

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Student Assistants Team Training	NCLB Consortium Improving Teacher Quality	Discovery Health Connection Grant	Dibels Dynamic Indicators Grant	Technology Literacy Challenge Grant	Totals
Receipts:						
Local sources	\$ 1,480	\$ 36,559	\$ 2,500	\$ -	\$ -	\$ 44,067
Federal sources	17,857	-	50	5,000	-	36,907
Sale of property, adjustments and refunds	-	-	-	-	-	6,500
<b>Total receipts</b>	<u>19,337</u>	<u>36,559</u>	<u>2,550</u>	<u>5,000</u>	<u>-</u>	<u>87,474</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	927
Support services	23,238	30,215	8,950	5,000	1,178	85,751
<b>Total disbursements</b>	<u>23,238</u>	<u>30,215</u>	<u>8,950</u>	<u>5,000</u>	<u>1,178</u>	<u>86,678</u>
Excess (deficiency) of receipts over disbursements	(3,901)	6,344	(6,400)	-	(1,178)	796
Cash and investments - beginning	-	15,801	6,400	-	1,178	37,546
Cash and investments - ending	<u>\$ (3,901)</u>	<u>\$ 22,145</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,342</u>
<u>Cash and Investment Assets - Ending</u>						
Total cash and investment assets - ending	<u>\$ (3,901)</u>	<u>\$ 22,145</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,342</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Total unrestricted cash and investment fund balance - ending	<u>\$ (3,901)</u>	<u>\$ 22,145</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,342</u>

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007

	General Emergency Fund	Risk Insurance Pool	School Technology Fund	Putnam Co. Tobacco Grant	Safe and Drug Free Schools	Student Assistants Team Training	NCLB Consortium Improving Teacher Quality	Totals
Receipts:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 19,697	\$ 3,150	\$ 102,803	\$ 125,650
Federal sources	-	-	-	4,000	8,500	3,902	-	16,402
Sale of property, adjustments and refunds	-	4,100	-	-	-	-	-	4,100
Total receipts	-	4,100	-	4,000	28,197	7,052	102,803	146,152
Disbursements:								
Current:								
Support services	-	10,600	-	1,750	38,429	3,151	92,262	146,192
Excess (deficiency) of receipts over disbursements	-	(6,500)	-	2,250	(10,232)	3,901	10,541	(40)
Cash and investments - beginning	4,188	6,500	3,103	218	6,089	(3,901)	22,145	38,342
Cash and investments - ending	<u>\$ 4,188</u>	<u>\$ -</u>	<u>\$ 3,103</u>	<u>\$ 2,468</u>	<u>\$ (4,143)</u>	<u>\$ -</u>	<u>\$ 32,686</u>	<u>\$ 38,302</u>
<u>Cash and Investment Assets - Ending</u>								
Total cash and investment assets - ending	<u>\$ 4,188</u>	<u>\$ -</u>	<u>\$ 3,103</u>	<u>\$ 2,468</u>	<u>\$ (4,143)</u>	<u>\$ -</u>	<u>\$ 32,686</u>	<u>\$ 38,302</u>
<u>Cash and Investment Fund Balance - Ending</u>								
Total unrestricted cash and investment fund balance - ending	<u>\$ 4,188</u>	<u>\$ -</u>	<u>\$ 3,103</u>	<u>\$ 2,468</u>	<u>\$ (4,143)</u>	<u>\$ -</u>	<u>\$ 32,686</u>	<u>\$ 38,302</u>

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2006

	Federal Tax Clearing Fund	Certified Social Security	Indiana state Tax Withholdings	County Tax Clearing Fund	Voluntary TRF
Cash and Investments - June 30	\$ -	\$ -	\$ 856	\$ 315	\$ 2,018

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	PERF Clearing Fund	Life/Health Insurance	Annuity Clearing Fund	IFCU Credit Union Clearing Fund	Totals
Cash and Investments - June 30	\$ 537	\$ 12	\$ -	\$ -	\$ 3,738

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2007

	Federal Tax Clearing Fund	Certified Social Security	Indiana state Tax Withholdings	County Tax Clearing Fund	Voluntary TRF	PERF Clearing Fund
Cash and Investments - June 30	\$ 2,699	\$ 2,186	\$ 2,601	\$ 917	\$ 4,932	\$ 605

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Life/Health Insurance	Annuity Clearing Fund	IFCU Credit Union Clearing Fund	Payroll Support	Totals
Cash and Investments - June 30	\$ (240)	\$ 1,964	\$ 340	\$ 18,427	\$ 34,431

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

June 30, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Machinery and equipment	\$ 379,389
Total governmental activities, capital assets not being depreciated	<u>\$ 379,389</u>

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER  
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The Drug Education Fund and the Safe and Drug Free Fund were overdrawn in 2007.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OUTSTANDING TEMPORARY LOAN

The West Central Indiana Educational Service Center has a temporary loan from the General Fund to the Student Leadership Academy Fund that has been outstanding since June 30, 1996. A similar comment was reported in Reports B09075, B13720, B18472, B22714, and B26343.

Indiana Code 36-1-8-4 concerning temporary loans states in part:

"(a) . . . (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs. (4) The amount transferred must be returned to the other fund at the end of the prescribed period. . . ."

Payments or transfers which are not authorized by statute, ordinance, resolution, or court order must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER  
EXIT CONFERENCE

The contents of this report were discussed on November 8, 2007, with Dave C. Archer, Executive Director; and Debbi J. Christy, Treasurer. The official response has been made a part of this report and may be found on page 24.

**WEST CENTRAL INDIANA EDUCATIONAL  
SERVICE CENTER**

P.O. Box 21  
Greencastle, IN 46135  
(765) 653-2727

DAVID C. ARCHER  
Executive Director

FAX (765) 653-7897  
EMAIL WCIESC.K12.IN.US

November 6, 2007

To: State Board of Accounts Auditors:

Re: Funds 582/586 and how we address the negative balance and loan repayment.

First, this fund has during previous audits shown a negative balance and we have been working on various options to resolve this issue.

The reasons for a negative balance in Funds 582/586, (1.) Schools have been slow to pay invoices incurred, thus our revenue for this fund laps into the next fiscal year. (2.) In the last year, we have seen an increase in our expenses for our presenters and other items associated with putting on programs. (3.) Starting 3-4 years ago we saw a decrease of students/schools participating in our programs. This is starting to change with more students attending which helps to spread the costs and develop a better revenue stream.

How are we going to correct this problem in Funds 582/586?

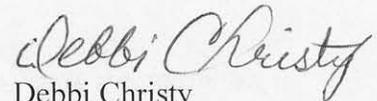
- (1.) We will be working closer with the schools to identify why they are taking so long to pay invoices and encourage them to pay their bills on time.
- (2.) For this year, we have increased our fees to better address the rising costs to offer these programs. We will continue to evaluate this each year to stay current with escalating costs and see if we can minimize some of our expenditures.
- (3.) We are looking at other sources of revenue in particular other grants and sponsorships to help raise revenue for our student programs.
- (4.) If we have a negative balance at the end of the year for Funds 582/586, we will with Board approval, transfer funds from Fund 150 to balance the account with a loan as has been done in the past. When there is a balance left at the end of the fiscal year in Funds 582/586 that money will be transferred to Fund 150 to pay on the loan.
- (5.) We will evaluate each program and determine if we financially can provide the program, if not, we will eliminate the program.



David Archer  
Executive Director



Tamara Brothers  
Director of Student Programs



Debbi Christy  
Treasurer