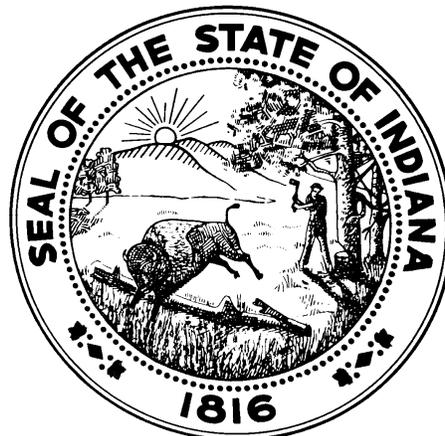


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF

EAST CENTRAL INDIANA
EDUCATIONAL SERVICE CENTER
FAYETTE COUNTY, INDIANA

April 1, 2007 to June 30, 2008



FILED
03/09/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Bookkeeper	Teresa Amick	04-01-07 to 06-30-09
Executive Director	Walter J. Harrison	04-01-07 to 06-30-09
President of the Executive Board	Larry John	04-01-07 to 06-30-09



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE EAST CENTRAL INDIANA EDUCATIONAL
SERVICE CENTER, FAYETTE COUNTY, INDIANA

We have examined the financial information presented herein of the East Central Indiana Educational Service Center (Service Center), for the period of April 1 to June 30, 2007, and the year ended June 30, 2008. The 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 presents fairly, in all material respects, the financial information of the Service Center for the period April 1 to June 30, 2007 and the year ended June 30, 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Combining Schedule and Schedule of Capital Assets are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 20, 2008

EAST CENTRAL INDIANA EDUCATION SERVICE CENTER
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Period April 1 to June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 51,633	\$ -	\$ -	\$ (51,633)
Support services	<u>362,870</u>	<u>535,352</u>	<u>566,219</u>	<u>738,701</u>
Total governmental activities	<u>\$ 414,503</u>	<u>\$ 535,352</u>	<u>\$ 566,219</u>	<u>687,068</u>
General receipts:				
Investment earnings				<u>5,927</u>
Change in net assets				692,995
Net assets - beginning				<u>-</u>
Net assets - ending				<u>\$ 692,995</u>
 <u>Assets</u>				
Cash and investments				<u>\$ 692,995</u>
 <u>Net Assets</u>				
Unrestricted				<u>\$ 692,995</u>

The notes to the financial statements are an integral part of the financial information.

EAST CENTRAL INDIANA EDUCATION SERVICE CENTER
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 50,459	\$ 143,510	\$ 49,668	\$ 142,719
Support services	1,089,763	787,193	241,185	(61,385)
Total governmental activities	\$ 1,140,222	\$ 930,703	\$ 290,853	81,334
General receipts:				
Investment earnings				23,722
Total general receipts				23,722
Change in net assets				105,056
Net assets - beginning				692,995
Net assets - ending				\$ 798,051
 <u>Assets</u>				
Cash and investments				\$ 798,051
 <u>Net Assets</u>				
Unrestricted				\$ 798,051

The notes to the financial statements are an integral part of the financial information.

EAST CENTRAL INDIANA EDUCATION SERVICE CENTER
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Period April 1 to June 30, 2007

	<u>General</u>	<u>Joint Services and Supply</u>	<u>Literacy Initiatives</u>	<u>Other</u>	<u>Totals</u>
Receipts:					
Local sources	\$ 579,326	\$ 98,341	\$ 72,000	\$ 251,958	\$ 1,001,625
State sources	-	-	-	269	269
Sale of property, adjustments and refunds	<u>54,752</u>	<u>50,852</u>	<u>-</u>	<u>-</u>	<u>105,604</u>
Total receipts	<u>634,078</u>	<u>149,193</u>	<u>72,000</u>	<u>252,227</u>	<u>1,107,498</u>
Disbursements:					
Current:					
Instruction	25,297	-	-	26,336	51,633
Support services	<u>145,507</u>	<u>94,262</u>	<u>-</u>	<u>123,101</u>	<u>362,870</u>
Total disbursements	<u>170,804</u>	<u>94,262</u>	<u>-</u>	<u>149,437</u>	<u>414,503</u>
Excess of receipts over disbursements	<u>463,274</u>	<u>54,931</u>	<u>72,000</u>	<u>102,790</u>	<u>692,995</u>
Cash and investments - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 463,274</u>	<u>\$ 54,931</u>	<u>\$ 72,000</u>	<u>\$ 102,790</u>	<u>\$ 692,995</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ 463,274</u>	<u>\$ 54,931</u>	<u>\$ 72,000</u>	<u>\$ 102,790</u>	<u>\$ 692,995</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ 463,274</u>	<u>\$ 54,931</u>	<u>\$ 72,000</u>	<u>\$ 102,790</u>	<u>\$ 692,995</u>

The notes to the financial statements are an integral part of the financial information.

EAST CENTRAL INDIANA EDUCATION SERVICE CENTER
STATEMENT 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, 2008

	General	Joint Services and Supply	Literacy Initiatives	Other	Totals
Receipts:					
Local sources	\$ 358,452	\$ -	\$ -	\$ 167,695	\$ 526,147
State sources	241,185	-	34,384	76,776	352,345
Federal sources	-	-	-	34,068	34,068
Sale of property, adjustments and refunds	51,177	186,016	-	95,525	332,718
Total receipts	650,814	186,016	34,384	374,064	1,245,278
Disbursements:					
Current:					
Instruction	48,533	-	-	1,926	50,459
Support services	638,524	122,985	4,463	323,791	1,089,763
Total disbursements	687,057	122,985	4,463	325,717	1,140,222
Excess (deficiency) of receipts over disbursements	(36,243)	63,031	29,921	48,347	105,056
Other financing sources (uses):					
Transfers in	-	-	-	16,308	16,308
Transfers out	-	-	-	(16,308)	(16,308)
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(36,243)	63,031	29,921	48,347	105,056
Cash and investments - beginning	463,274	54,931	72,000	102,790	692,995
Cash and investments - ending	\$ 427,031	\$ 117,962	\$ 101,921	\$ 151,137	\$ 798,051
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 427,031	\$ 117,962	\$ 101,921	\$ 151,137	\$ 798,051
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	\$ 427,031	\$ 117,962	\$ 101,921	\$ 151,137	\$ 798,051

The notes to the financial statements are an integral part of the financial information.

EAST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

On January 1, 1988, some east central Indiana school corporations mutually promised to establish and maintain an educational service center in order to allow the participating school corporations to cooperate and share certain programs and services which they collectively may implement. Such programs and services might include, but are not limited to, curriculum development, pupil personnel service, in-service education, instructional materials, multi-media service education, purchasing and financial management, needs assessment, computer utilization, natural gas consortium, and research and development. The East Central Indiana Educational Service Center (Service Center) operates under a separate management board which is comprised of seven superintendents of participating school corporations which are elected by the superintendents of participating school corporations. Currently the Service Center has 45 participating school corporations.

Prior to April 1, 2007, the Fayette County School Corporation served as fiscal and financial administrator for the Service Center. Beginning April 1, 2007, the Service Center is maintaining fiscal and financial responsibility and maintaining accounting records.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements 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, fund equity, receipts, and disbursements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Service Center reports the following major governmental funds:

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

The joint services and supply fund accounts for the receipts and disbursements related to providing educational resources, materials and continuing education services to member school corporations.

The literacy initiatives fund accounts for receipts and disbursements related to a grant for training teachers of member school corporations that have been designated by the state of Indiana for literacy initiatives.

EAST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Measurement Focus and Basis of Accounting

The government-wide and governmental fund financial statements 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 statements.

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

3. Equity Classification

Government-Wide Statements

Equity may be classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the Service Center's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

EAST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Receipts and Disbursements

Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided and (2) operating grants and contributions. Internally dedicated resources are reported as general receipts rather than as program receipts.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Budgetary Information

Operating budgets are approved at the local level and are sent to the Indiana Department of Education.

EAST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The Service Center does not have a deposit policy for custodial credit risk. At June 30, 2008, all bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

As of June 30, 2008, the Service Center did not have investments.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2007 and 2008, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2007</u>	<u>2008</u>
Other governmental funds	Other governmental funds	<u>\$ 16,308</u>	<u>\$ 16,308</u>

The Service Center typically uses transfers for cash flow purposes as provided by various statutory provisions.

IV. Other Information

A. Risk Management

The Service Center is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

During 2008 the Service Center joined with other service centers to form the Educational Service Center Risk Funding Trust (ESCRFT), a risk pool serving all Indiana school corporations that are members of a service center and serving all service centers in the state of Indiana. This risk pool was formed January 1, 2008. The purpose of the risk pool is to provide a medium for the funding and administration of various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to

EAST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

employees, retirees, and dependents (excluding postemployment benefits); and natural disasters. The Service Center pays an annual premium to the risk pool for its coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$1,000,000 limit.

B. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The 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 the 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 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 member's 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.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The 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 plan members for PERF are established by the Board of Trustees of PERF. The Service Center's annual pension cost and related information, as provided by the actuary, is presented in this note.

EAST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial information for the above plan is not available due to the Service Center being on a new plan.

	PERF
Contribution rates:	
Service Center	8.5%
Plan members	3%
Actuarial valuation date	N/A
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	N/A
Asset valuation method	75% of expected actuarial value plus 25% of market value

N/A = Not available

Actuarial Assumptions

Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Trend information is not available for this plan.

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The 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 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 member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The Service Center may elect to make the contributions on behalf of the member.

EAST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

TRF issues a publicly available financial report that includes financial statements 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 Costs

The 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 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.

The Service Center is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The Service Center's required contributions to the plan for the fiscal years ended June 30, 2007 and 2008, were \$1,710 and \$7,214 respectively. The Service Center actually contributed 100% of the required contribution for both of the fiscal year.

EAST CENTRAL INDIANA EDUCATION 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 Period April 1 to June 30, 2007

	Natural Gas Cooperative	Repair	Indiana Association of Educational Service Centers Directors	IHC Grant	Insurance Pooling	National Board	Kindergarten Standards
Receipts:							
Local sources	\$ 44,429	\$ 7,764	\$ 24,111	\$ 2,625	\$ 250	\$ 2,004	\$ 33,095
State sources	-	-	-	-	-	-	-
Total receipts	<u>44,429</u>	<u>7,764</u>	<u>24,111</u>	<u>2,625</u>	<u>250</u>	<u>2,004</u>	<u>33,095</u>
Disbursements:							
Current:							
Instruction	-	192	-	-	-	-	-
Support services	39,331	5,967	10,711	-	250	-	20,000
Total disbursements	<u>39,331</u>	<u>6,159</u>	<u>10,711</u>	<u>-</u>	<u>250</u>	<u>-</u>	<u>20,000</u>
Excess of receipts over disbursements	<u>5,098</u>	<u>1,605</u>	<u>13,400</u>	<u>2,625</u>	<u>-</u>	<u>2,004</u>	<u>13,095</u>
Cash and investments - beginning	-	-	-	-	-	-	-
Cash and investments - ending	<u>\$ 5,098</u>	<u>\$ 1,605</u>	<u>\$ 13,400</u>	<u>\$ 2,625</u>	<u>\$ -</u>	<u>\$ 2,004</u>	<u>\$ 13,095</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	<u>\$ 5,098</u>	<u>\$ 1,605</u>	<u>\$ 13,400</u>	<u>\$ 2,625</u>	<u>\$ -</u>	<u>\$ 2,004</u>	<u>\$ 13,095</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Unrestricted	<u>\$ 5,098</u>	<u>\$ 1,605</u>	<u>\$ 13,400</u>	<u>\$ 2,625</u>	<u>\$ -</u>	<u>\$ 2,004</u>	<u>\$ 13,095</u>

EAST CENTRAL INDIANA EDUCATION 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 Period April 1 to June 30, 2007
 (Continued)

	Gifted and Talented 06-07	Literacy Initiatives 2	Gifted and Talented 02-03	Technology Fund	LEP 06-07	LEP 07-08	Totals
Receipts:							
Local sources	\$ 29,461	\$ 34,449	\$ 11,580	\$ 6,077	\$ 16,308	\$ 39,805	\$ 251,958
State sources	-	-	-	269	-	-	269
Total receipts	<u>29,461</u>	<u>34,449</u>	<u>11,580</u>	<u>6,346</u>	<u>16,308</u>	<u>39,805</u>	<u>252,227</u>
Disbursements:							
Current:							
Instruction	23,192	-	2,952	-	-	-	26,336
Support services	-	7,037	-	-	-	39,805	123,101
Total disbursements	<u>23,192</u>	<u>7,037</u>	<u>2,952</u>	<u>-</u>	<u>-</u>	<u>39,805</u>	<u>149,437</u>
Excess of receipts over disbursements	<u>6,269</u>	<u>27,412</u>	<u>8,628</u>	<u>6,346</u>	<u>16,308</u>	<u>-</u>	<u>102,790</u>
Cash and investments - beginning	-	-	-	-	-	-	-
Cash and investments - ending	<u>\$ 6,269</u>	<u>\$ 27,412</u>	<u>\$ 8,628</u>	<u>\$ 6,346</u>	<u>\$ 16,308</u>	<u>\$ -</u>	<u>\$ 102,790</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	<u>\$ 6,269</u>	<u>\$ 27,412</u>	<u>\$ 8,628</u>	<u>\$ 6,346</u>	<u>\$ 16,308</u>	<u>\$ -</u>	<u>\$ 102,790</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Unrestricted	<u>\$ 6,269</u>	<u>\$ 27,412</u>	<u>\$ 8,628</u>	<u>\$ 6,346</u>	<u>\$ 16,308</u>	<u>\$ -</u>	<u>\$ 102,790</u>

EAST CENTRAL INDIANA EDUCATION 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, 2008

	Natural Gas Cooperative	Repair	Indiana Association of Educational Service Centers Directors	Insurance Trust	High Ability Grant
Receipts:					
Local sources	\$ 110,958	\$ 24,080	\$ -	\$ 32,657	\$ -
State sources	-	-	-	-	49,668
Federal sources	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	95,525	-	-
Total receipts	110,958	24,080	95,525	32,657	49,668
Disbursements:					
Current:					
Instruction	-	327	-	-	-
Support services	108,787	24,423	79,499	31,316	191
Total disbursements	108,787	24,750	79,499	31,316	191
Excess (deficiency) of receipts over disbursements	2,171	(670)	16,026	1,341	49,477
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,171	(670)	16,026	1,341	49,477
Cash and investments - beginning	5,098	1,605	13,400	-	2,625
Cash and investments - ending	<u>\$ 7,269</u>	<u>\$ 935</u>	<u>\$ 29,426</u>	<u>\$ 1,341</u>	<u>\$ 52,102</u>
Cash and Investment Assets - Ending					
Cash and investments	<u>\$ 7,269</u>	<u>\$ 935</u>	<u>\$ 29,426</u>	<u>\$ 1,341</u>	<u>\$ 52,102</u>
Cash and Investment Fund Balance - Ending					
Unrestricted	<u>\$ 7,269</u>	<u>\$ 935</u>	<u>\$ 29,426</u>	<u>\$ 1,341</u>	<u>\$ 52,102</u>

EAST CENTRAL INDIANA EDUCATION 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, 2008
 (Continued)

	<u>National Board</u>	<u>Kindergarten Standards</u>	<u>Gifted and Talented 06-07</u>	<u>Literacy Initiatives 2</u>	<u>Gifted and Talented 02-03</u>
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	25,000	-	-
Federal sources	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total receipts	-	-	25,000	-	-
Disbursements:					
Current:					
Instruction	-	-	1,199	-	400
Support services	-	13,095	-	27,412	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total disbursements	-	13,095	1,199	27,412	400
Excess (deficiency) of receipts over disbursements	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	(13,095)	23,801	(27,412)	(400)
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	(13,095)	23,801	(27,412)	(400)
Cash and investments - beginning	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,004	13,095	6,269	27,412	8,628
Cash and investments - ending	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 2,004	\$ -	\$ 30,070	\$ -	\$ 8,228
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 2,004	\$ -	\$ 30,070	\$ -	\$ 8,228
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 2,004	\$ -	\$ 30,070	\$ -	\$ 8,228

EAST CENTRAL INDIANA EDUCATION 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, 2008
 (Continued)

	Technology Fund	Drug Free Schools	LEP 06-07	LEP 07-08	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 167,695
State sources	2,108	-	-	-	76,776
Federal sources	-	-	-	34,068	34,068
Sale of property, adjustments and refunds	-	-	-	-	95,525
Total receipts	<u>2,108</u>	<u>-</u>	<u>-</u>	<u>34,068</u>	<u>374,064</u>
Disbursements:					
Current:					
Instruction	-	-	-	-	1,926
Support services	5,000	-	-	34,068	323,791
Total disbursements	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>34,068</u>	<u>325,717</u>
Excess (deficiency) of receipts over disbursements	<u>(2,892)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,347</u>
Other financing sources (uses):					
Transfers in	-	16,308	-	-	16,308
Transfers out	-	-	(16,308)	-	(16,308)
Total other financing sources (uses)	<u>-</u>	<u>16,308</u>	<u>(16,308)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,892)</u>	<u>16,308</u>	<u>(16,308)</u>	<u>-</u>	<u>48,347</u>
Cash and investments - beginning	<u>6,346</u>	<u>-</u>	<u>16,308</u>	<u>-</u>	<u>102,790</u>
Cash and investments - ending	<u>\$ 3,454</u>	<u>\$ 16,308</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,137</u>
Cash and Investment Assets - Ending					
Cash and investments	<u>\$ 3,454</u>	<u>\$ 16,308</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,137</u>
Cash and Investment Fund Balance - Ending					
Unrestricted	<u>\$ 3,454</u>	<u>\$ 16,308</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,137</u>

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

June 30, 2007

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Machinery and equipment	<u>\$ 224,413</u>

NOTE: June 30, 2007, is the latest asset valuation date available for capital assets.

EAST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER
EXAMINATION RESULT AND COMMENT

LIST OF EMPLOYEES

A list of employees was not certified to the County Treasurer.

Additionally, East Central Indiana Educational Service Center did not file a certified report of compensation of officers and employees (Form 100-R or its equivalent) with the State Board of Accounts for the years 2007 and 2008.

IC 6-1.1-22-14(a) states in part: "on or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

IC 5-11-13-1 states in part: "Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

EAST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER
EXIT CONFERENCE

The contents of this report were discussed on January 20, 2009, with Teresa Amick, Bookkeeper; Walter J. Harrison, Executive Director; Larry John, President of the Executive Board; and Paul Garrison, Executive Board member. The officials concurred with our examination finding.