

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

EXAMINATION REPORT
OF
NORTHWEST INDIANA EDUCATIONAL SERVICE CENTER
LAKE COUNTY, INDIANA
July 1, 2007 to June 30, 2009



FILED
02/12/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Michael Boskovich	07-01-07 to 06-30-10
Executive Director	Charles Costa, Ph.D.	07-01-07 to 06-30-10
Chairman of the Board of Directors	Ruth Mueller Glenn Krueger, Ph.D. Hilda Damianick	07-01-07 to 06-30-08 07-01-08 to 06-30-09 07-01-09 to 06-30-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF NORTHWEST INDIANA EDUCATIONAL
SERVICE CENTER, LAKE COUNTY, INDIANA

We have examined the financial information presented herein of Northwest Indiana Educational Service Center (Service Center), for the period of July 1, 2007 to June 30, 2009. 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 years ended June 30, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Combining Schedules, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. The Combining Schedules, as listed in the Table of Contents, have been subjected to the examination procedures applied in the examination of the basic financial information and, in our opinion, are fairly stated in all material respects in relation to the basic financial information taken as a whole. The Schedule of Capital Assets has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion.

STATE BOARD OF ACCOUNTS

December 10, 2009

NORTHWEST INDIANA EDUCATIONAL SERVICE CENTER
SCHEDULE 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>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	\$ 801,987	\$ -	\$ 17,611	\$ (784,376)
Support services	283,329	29,441	256,980	3,092
Facilities acquisition and construction	<u>37,861</u>	<u>-</u>	<u>-</u>	<u>(37,861)</u>
Total governmental activities	<u>\$ 1,123,177</u>	<u>\$ 29,441</u>	<u>\$ 274,591</u>	<u>(819,145)</u>
General receipts:				
Other local sources				1,115,642
Grants and contributions not restricted to specific programs				29,704
Investment earnings				4,068
Other				<u>60</u>
Total general receipts				<u>1,149,474</u>
Change in net assets				330,329
Net assets - beginning				<u>150,293</u>
Net assets - ending				<u>\$ 480,622</u>
<u>Assets</u>				
Cash and investments				<u>\$ 480,622</u>
<u>Net Assets</u>				
Unrestricted net assets				<u>\$ 480,622</u>

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

NORTHWEST INDIANA EDUCATIONAL SERVICE CENTER
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<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	\$ 813,415	\$ -	\$ -	\$ (813,415)
Support services	367,234	116,312	354,718	103,796
Facilities acquisition and construction	38,972	-	-	(38,972)
Debt service	1,161	-	-	(1,161)
Total governmental activities	<u>\$ 1,220,782</u>	<u>\$ 116,312</u>	<u>\$ 354,718</u>	<u>(749,752)</u>
General receipts:				
Other local sources				910,343
Grants and contributions not restricted to specific programs				36,700
Investment earnings				3,862
Other				3,294
Total general receipts				<u>954,199</u>
Change in net assets				204,447
Net assets - beginning				<u>480,622</u>
Net assets - ending				<u>\$ 685,069</u>
 <u>Assets</u>				
Cash and investments				<u>\$ 685,069</u>
 <u>Net Assets</u>				
Unrestricted net assets				<u>\$ 685,069</u>

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

NORTHWEST 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, 2008

	General	Gifted and Talented	Workshop Fund	Other	Totals
Receipts:					
Local sources	\$ 633,026	\$ -	\$ 303,512	\$ 212,613	\$ 1,149,151
State sources	240,962	16,018	-	17,611	274,591
Federal sources	-	-	-	29,704	29,704
Other	60	-	-	-	60
Total receipts	874,048	16,018	303,512	259,928	1,453,506
Disbursements:					
Current:					
Instruction	605,871	16,656	-	179,460	801,987
Support services	10,605	-	190,458	82,266	283,329
Facilities acquisition and construction	37,861	-	-	-	37,861
Total disbursements	654,337	16,656	190,458	261,726	1,123,177
Excess (deficiency) of receipts over disbursements	219,711	(638)	113,054	(1,798)	330,329
Other financing sources (uses):					
Transfers in	1,600	-	14,513	24,304	40,417
Transfers out	-	-	(25,904)	(14,513)	(40,417)
Total other financing sources (uses)	1,600	-	(11,391)	9,791	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	221,311	(638)	101,663	7,993	330,329
Cash and investments - beginning	16,413	1,227	76,012	56,641	150,293
Cash and investments - ending	<u>\$ 237,724</u>	<u>\$ 589</u>	<u>\$ 177,675</u>	<u>\$ 64,634</u>	<u>\$ 480,622</u>
Assets					
Cash and investments	<u>\$ 237,724</u>	<u>\$ 589</u>	<u>\$ 177,675</u>	<u>\$ 64,634</u>	<u>\$ 480,622</u>
Net Assets					
Unrestricted net assets	<u>\$ 237,724</u>	<u>\$ 589</u>	<u>\$ 177,675</u>	<u>\$ 64,634</u>	<u>\$ 480,622</u>

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

NORTHWEST 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, 2009

	General	Gifted and Talented	Workshop Fund	Other	Totals
Receipts:					
Local sources	\$ 448,204	\$ -	\$ 351,181	\$ 231,132	\$ 1,030,517
State sources	237,691	117,027	-	-	354,718
Federal sources	-	-	-	36,700	36,700
Other	1,094	-	-	2,200	3,294
Total receipts	686,989	117,027	351,181	270,032	1,425,229
Disbursements:					
Current:					
Instruction	587,629	45,989	-	179,797	813,415
Support services	59,712	-	231,185	76,337	367,234
Facilities acquisition and construction	38,972	-	-	-	38,972
Debt services	1,161	-	-	-	1,161
Total disbursements	687,474	45,989	231,185	256,134	1,220,782
Excess (deficiency) of receipts over disbursements	(485)	71,038	119,996	13,898	204,447
Other financing sources (uses):					
Transfers in	51,939	-	719	7,000	59,658
Transfers out	-	(73)	(51,866)	(7,719)	(59,658)
Total other financing sources (uses)	51,939	(73)	(51,147)	(719)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	51,454	70,965	68,849	13,179	204,447
Cash and investments - beginning	237,724	589	177,675	64,634	480,622
Cash and investments - ending	<u>\$ 289,178</u>	<u>\$ 71,554</u>	<u>\$ 246,524</u>	<u>\$ 77,813</u>	<u>\$ 685,069</u>
Assets					
Cash and investments	<u>\$ 289,178</u>	<u>\$ 71,554</u>	<u>\$ 246,524</u>	<u>\$ 77,813</u>	<u>\$ 685,069</u>
Net Assets					
Unrestricted net assets	<u>\$ 289,178</u>	<u>\$ 71,554</u>	<u>\$ 246,524</u>	<u>\$ 77,813</u>	<u>\$ 685,069</u>

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

NORTHWEST INDIANA EDUCATIONAL SERVICE CENTER
NOTES TO FINANCIAL INFORMATION

Note 1. Reporting Entity

On May 13, 1985, 16 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 development. The Northwest Indiana Educational Service Center (Service Center) operates under a separate management board which is comprised of the superintendents of each member public school corporation or their designee. Currently, the Service Center has 23 participating public school corporations, 9 charter schools, 7 private schools, and 5 associate members. (3 local universities, Ivy Tech, and Lake County Library System)

The School Town of Highland currently serves as the administering school corporation for the Service Center. The administering school corporation acts as a fiscal agent by administering the fiscal responsibility and maintains the accounting records.

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Schedules

Government-Wide Financial Schedules

The Schedule of Activities and Net Assets - Cash and Investment Basis, displays 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 inter-governmental revenues, and other nonexchange revenues.

Fund Financial Schedules

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, 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. However, at this time, the Service Center has not established any enterprise funds.

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 gifted and talented fund accounts for state resources received for gifted and talented programs.

The workshop fund accounts for financial resources from fees collected for workshops provided.

NORTHWEST INDIANA EDUCATIONAL SERVICE CENTER
NOTES TO FINANCIAL INFORMATION
(Continued)

B. Measurement Focus and Basis of Accounting

The government-wide and governmental 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 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 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial schedules.

When both restricted and unrestricted resources are available for use, the 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.

In June, the Service Center Board approves an operating budget for the year commencing the following July 1. Copies of the budget are sent to the Indiana Department of Education.

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 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.

NORTHWEST INDIANA EDUCATIONAL SERVICE CENTER
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 5. Interfund Transfers

Interfund transfers for the years ended June 30, 2008 and 2009, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2008</u>	<u>2009</u>
Workshop Fund	General	\$ 1,600	\$ 44,866
Gifted and Talented	General		73
Workshop Fund	Other governmental funds	24,304	7,000
Other governmental funds	General	-	7,000
	Workshop Fund	<u>14,513</u>	<u>719</u>
Totals		<u>\$ 40,417</u>	<u>\$ 59,658</u>

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

Note 6. Pension Plans

A. 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 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 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.

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. 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.

NORTHWEST INDIANA EDUCATIONAL SERVICE CENTER
NOTES TO FINANCIAL INFORMATION
(Continued)

B. 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 members' 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.

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 Cost

The School Corporation 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.

NORTHWEST 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, 2008

	BP A "Plus" For Energy	School Technology Grant	E Z Website	ESCRFT	Natural Gas Consortium	Gifted and Talented Speaker Bureau
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 22,000	\$ 110,284	\$ -
State sources	-	-	6,700	-	-	10,911
Federal sources	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>6,700</u>	<u>22,000</u>	<u>110,284</u>	<u>10,911</u>
Disbursements:						
Current:						
Instruction	-	-	3,321	-	101,447	-
Support services	10,427	-	-	22,000	-	26,210
Total disbursements	<u>10,427</u>	<u>-</u>	<u>3,321</u>	<u>22,000</u>	<u>101,447</u>	<u>26,210</u>
Excess (deficiency) of receipts over disbursements	<u>(10,427)</u>	<u>-</u>	<u>3,379</u>	<u>-</u>	<u>8,837</u>	<u>(15,299)</u>
Other financing sources (uses):						
Transfers in	476	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(9,951)</u>	<u>-</u>	<u>3,379</u>	<u>-</u>	<u>8,837</u>	<u>(15,299)</u>
Cash and investments - beginning	<u>10,000</u>	<u>1,836</u>	<u>-</u>	<u>-</u>	<u>11,966</u>	<u>16,018</u>
Cash and investments - ending	<u>\$ 49</u>	<u>\$ 1,836</u>	<u>\$ 3,379</u>	<u>\$ -</u>	<u>\$ 20,803</u>	<u>\$ 719</u>
<u>Assets</u>						
Cash and investments	<u>\$ 49</u>	<u>\$ 1,836</u>	<u>\$ 3,379</u>	<u>\$ -</u>	<u>\$ 20,803</u>	<u>\$ 719</u>
<u>Net Assets</u>						
Unrestricted net assets	<u>\$ 49</u>	<u>\$ 1,836</u>	<u>\$ 3,379</u>	<u>\$ -</u>	<u>\$ 20,803</u>	<u>\$ 719</u>

NORTHWEST 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, 2008
 (Continued)

	Service and Repair	Reading Recovery Consortium	Mentor Academy	Global Compliance	Group Purchase	Vision Athena Content Provider
Receipts:						
Local sources	\$ -	\$ 43,670	\$ -	\$ 14,300	\$ 8,826	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Total receipts	-	43,670	-	14,300	8,826	-
Disbursements:						
Current:						
Instruction	-	45,842	-	-	-	-
Support services	-	-	2,716	13,000	7,913	-
Total disbursements	-	45,842	2,716	13,000	7,913	-
Excess (deficiency) of receipts over disbursements	-	(2,172)	(2,716)	1,300	913	-
Other financing sources (uses):						
Transfers in	-	-	23,828	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	23,828	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,172)	21,112	1,300	913	-
Cash and investments - beginning	3,414	3,742	-	-	7,466	1,225
Cash and investments - ending	<u>\$ 3,414</u>	<u>\$ 1,570</u>	<u>\$ 21,112</u>	<u>\$ 1,300</u>	<u>\$ 8,379</u>	<u>\$ 1,225</u>
Assets						
Cash and investments	<u>\$ 3,414</u>	<u>\$ 1,570</u>	<u>\$ 21,112</u>	<u>\$ 1,300</u>	<u>\$ 8,379</u>	<u>\$ 1,225</u>
Net Assets						
Unrestricted net assets	<u>\$ 3,414</u>	<u>\$ 1,570</u>	<u>\$ 21,112</u>	<u>\$ 1,300</u>	<u>\$ 8,379</u>	<u>\$ 1,225</u>

NORTHWEST 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, 2008
 (Continued)

	Title III Grant	Indiana Reading First	Discovery Alliance	Discovery Education Health	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ 13,533	\$ -	\$ 212,613
State sources	-	-	-	-	17,611
Federal sources	28,724	980	-	-	29,704
Total receipts	28,724	980	13,533	-	259,928
Disbursements:					
Current:					
Instruction	28,850	-	-	-	179,460
Support services	-	-	-	-	82,266
Total disbursements	28,850	-	-	-	261,726
Excess (deficiency) of receipts over disbursements	(126)	980	13,533	-	(1,798)
Other financing sources (uses):					
Transfers in	-	-	-	-	24,304
Transfers out	-	(980)	(13,533)	-	(14,513)
Total other financing sources (uses)	-	(980)	(13,533)	-	9,791
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(126)	-	-	-	7,993
Cash and investments - beginning	126	-	-	848	56,641
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 848	\$ 64,634
Assets					
Cash and investments	\$ -	\$ -	\$ -	\$ 848	\$ 64,634
Net Assets					
Unrestricted net assets	\$ -	\$ -	\$ -	\$ 848	\$ 64,634

NORTHWEST 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, 2009

	BP A "Plus" For Energy	School Technology Grant	E Z Website	Natural Gas Consortium	Gifted and Talented Speaker Bureau	Service and Repair	Reading Recovery Consortium
Receipts:							
Local sources	\$ 10,000	\$ 5,255	\$ -	\$ 107,213	\$ -	\$ -	\$ 44,671
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>10,000</u>	<u>5,255</u>	<u>-</u>	<u>107,213</u>	<u>-</u>	<u>-</u>	<u>44,671</u>
Disbursements:							
Current:							
Instruction	-	-	600	98,089	-	-	44,408
Support services	9,593	-	-	-	-	-	-
Total disbursements	<u>9,593</u>	<u>-</u>	<u>600</u>	<u>98,089</u>	<u>-</u>	<u>-</u>	<u>44,408</u>
Excess (deficiency) of receipts over disbursements	<u>407</u>	<u>5,255</u>	<u>(600)</u>	<u>9,124</u>	<u>-</u>	<u>-</u>	<u>263</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(719)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(719)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>407</u>	<u>5,255</u>	<u>(600)</u>	<u>9,124</u>	<u>(719)</u>	<u>-</u>	<u>263</u>
Cash and investments - beginning	<u>49</u>	<u>1,836</u>	<u>3,379</u>	<u>20,803</u>	<u>719</u>	<u>3,414</u>	<u>1,570</u>
Cash and investments - ending	<u>\$ 456</u>	<u>\$ 7,091</u>	<u>\$ 2,779</u>	<u>\$ 29,927</u>	<u>\$ -</u>	<u>\$ 3,414</u>	<u>\$ 1,833</u>
Assets							
Cash and investments	<u>\$ 456</u>	<u>\$ 7,091</u>	<u>\$ 2,779</u>	<u>\$ 29,927</u>	<u>\$ -</u>	<u>\$ 3,414</u>	<u>\$ 1,833</u>
Net Assets							
Unrestricted net assets	<u>\$ 456</u>	<u>\$ 7,091</u>	<u>\$ 2,779</u>	<u>\$ 29,927</u>	<u>\$ -</u>	<u>\$ 3,414</u>	<u>\$ 1,833</u>

NORTHWEST 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, 2009
 (Continued)

	Mentor Academy	Global Compliance	Group Purchase	Vision Athena Content Provider	Title III Grant	Discovery Education Health	Totals
Receipts:							
Local sources	\$ -	\$ 1,120	\$ 62,873	\$ -	\$ -	\$ -	\$ 231,132
Federal sources	-	-	-	-	36,700	-	36,700
Other	-	-	2,200	-	-	-	2,200
Total receipts	-	1,120	65,073	-	36,700	-	270,032
Disbursements:							
Current:							
Instruction	-	-	-	-	36,700	-	179,797
Support services	-	-	66,744	-	-	-	76,337
Total disbursements	-	-	66,744	-	36,700	-	256,134
Excess (deficiency) of receipts over disbursements	-	1,120	(1,671)	-	-	-	13,898
Other financing sources (uses):							
Transfers in	-	-	7,000	-	-	-	7,000
Transfers out	-	-	(7,000)	-	-	-	(7,719)
Total other financing sources (uses)	-	-	-	-	-	-	(719)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,120	(1,671)	-	-	-	13,179
Cash and investments - beginning	21,112	1,300	8,379	1,225	-	848	64,634
Cash and investments - ending	<u>\$ 21,112</u>	<u>\$ 2,420</u>	<u>\$ 6,708</u>	<u>\$ 1,225</u>	<u>\$ -</u>	<u>\$ 848</u>	<u>\$ 77,813</u>
Assets							
Cash and investments	<u>\$ 21,112</u>	<u>\$ 2,420</u>	<u>\$ 6,708</u>	<u>\$ 1,225</u>	<u>\$ -</u>	<u>\$ 848</u>	<u>\$ 77,813</u>
Net Assets							
Unrestricted net assets	<u>\$ 21,112</u>	<u>\$ 2,420</u>	<u>\$ 6,708</u>	<u>\$ 1,225</u>	<u>\$ -</u>	<u>\$ 848</u>	<u>\$ 77,813</u>

NORTHWEST INDIANA EDUCATIONAL SERVICE CENTER
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended June 30, 2009

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	\$ 344,048
Vehicles	<u>32,412</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 376,460</u></u>

NORTHWEST INDIANA EDUCATIONAL SERVICE CENTER
EXAMINATION RESULT AND COMMENT

INTERNAL CONTROLS

1. Collections are remitted to the Bookkeeper for deposit. She prepares the deposit ticket and takes the deposit to the bank weekly. However, the receipt is not issued until after the collections have been deposited at the bank. We noted receipts dated up to 20 days after the deposit was made.
2. The Service Center often presents workshops in which a fee is charged to participants. A manual receipt is issued if a participant pays on the day of the event. We noted these receipts were not prescribed or approved receipt forms. Instead, the Service Center used receipt books purchased from an office supply company.
3. The Service Center occasionally rents out the facility to independent organizations for workshops. The facilitator of the workshop is allowed to retain any fees charged. The Center of Workforce Innovations hosted a workshop on October 10, 2008, that cost the participants \$8.00 to attend. The Service Center gave them the unofficial receipt book to write receipts for any attendee paying the day of the workshop. Since the Service Center allowed outside organizations to use the Service Center's receipt books, we were unable to account for all receipts issued by the Service Center.
4. Participants of the Service Centers workshops often prepay for the workshops by sending a check in the mail. The bookkeeper stated they do not deposit these checks until after the date of the workshop. An inventory of any checks on hand at the Service Center was taken on December 8, 2009. Checks dated April 27, 2009 and May 20, 2009, totaling \$2,065 were on hand for the January 25, 2010, Accelerate Learning workshop.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

IC 5-13-6-1(c) states in part: ". . . all local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . ."

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

NORTHWEST INDIANA EDUCATIONAL SERVICE CENTER
EXIT CONFERENCE

The contents of this report were discussed on December 21, 2009, with Michael Boskovich, Treasurer; Charles Costa, Ph.D., Executive Director; John Lewis, Special Projects Coordinator; and Hilda Damianick, Chairman of the Board of Directors. The officials concurred with our finding.