

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
July 1, 2008 to June 30, 2010



FILED
04/27/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Bookkeeper	Teresa Amick	07-01-08 to 06-30-11
Executive Director	Walter J. Harrison	07-01-08 to 06-30-12
President of the Executive Board of Directors	Larry John Dr. David E. Edds	07-01-08 to 06-30-10 07-01-10 to 06-30-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial statements presented herein of East Central Indiana Educational Service Center (Service Center), for the period of July 1, 2008 to June 30, 2010. The Service Center's management is responsible for the financial statements 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 statements 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 statements referred to above present fairly, in all material respects, the financial statements of the Service Center for the years ended June 30, 2009 and 2010, 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 statements. The Combining Schedules have been subjected to the examination procedures applied in the examination of the basic financial statements and, in our opinion, are fairly states in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets has not been subjected to the examination procedures applied to the basic financial statements and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

February 15, 2011

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

<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>Totals</u>
Governmental activities:			
Instruction	\$ 43,477	\$ -	\$ (43,477)
Support services	1,199,353	237,691	(961,662)
Facilities acquisition and construction	124,525	-	(124,525)
Total governmental activities	\$ 1,367,355	\$ 237,691	(1,129,664)
General receipts:			
Other local sources			660,341
Grants and contributions not restricted to specific programs			1,331
Investment earnings			3,491
Other			336,339
Total general receipts			1,001,502
Change in net assets			(128,162)
Net assets - beginning			798,049
Net assets - ending			\$ 669,887
 <u>Assets</u>			
Cash and investments			\$ 669,887
 <u>Net Assets</u>			
Unrestricted			\$ 669,887

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

EAST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts Charges for Services</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets Totals</u>
Governmental activities:			
Instruction	\$ 165,015	\$ -	\$ (165,015)
Support services	1,044,053	221,667	(822,386)
Facilities acquisition and construction	<u>122,966</u>	<u>-</u>	<u>(122,966)</u>
Total governmental activities	<u>\$ 1,332,034</u>	<u>\$ 221,667</u>	<u>(1,110,367)</u>
General receipts:			
Other local sources			678,702
Grants and contributions not restricted to specific programs			70,940
Other			<u>256,634</u>
Total general receipts			<u>1,006,276</u>
Change in net assets			(104,091)
Net assets - beginning			<u>669,887</u>
Net assets - ending			<u>\$ 565,796</u>
<u>Assets</u>			
Cash and investments			<u>\$ 565,796</u>
<u>Net Assets</u>			
Unrestricted			<u>\$ 565,796</u>

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

EAST CENTRAL INDIANA EDUCATIONAL 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, 2009

	General	Joint Services and Supply	Natural Gas Cooperative	Other	Totals
Receipts:					
Local sources	\$ 424,995	\$ -	\$ 124,242	\$ 114,595	\$ 663,832
State sources	237,691	-	-	1,331	239,022
Other	124,863	176,410	-	35,066	336,339
Total receipts	<u>787,549</u>	<u>176,410</u>	<u>124,242</u>	<u>150,992</u>	<u>1,239,193</u>
Disbursements:					
Current:					
Instruction	-	-	-	43,477	43,477
Support services	721,242	230,461	-	247,650	1,199,353
Facilities acquisition and construction	-	-	124,525	-	124,525
Total disbursements	<u>721,242</u>	<u>230,461</u>	<u>124,525</u>	<u>291,127</u>	<u>1,367,355</u>
Excess (deficiency) of receipts over disbursements	<u>66,307</u>	<u>(54,051)</u>	<u>(283)</u>	<u>(140,135)</u>	<u>(128,162)</u>
Cash and investments - beginning	<u>427,032</u>	<u>117,962</u>	<u>7,269</u>	<u>245,786</u>	<u>798,049</u>
Cash and investments - ending	<u>\$ 493,339</u>	<u>\$ 63,911</u>	<u>\$ 6,986</u>	<u>\$ 105,651</u>	<u>\$ 669,887</u>
Cash and Investment Assets - Ending					
Cash and investments	<u>\$ 493,339</u>	<u>\$ 63,911</u>	<u>\$ 6,986</u>	<u>\$ 105,651</u>	<u>\$ 669,887</u>
Cash and Investment Fund Balance - Ending					
Unrestricted	<u>\$ 493,339</u>	<u>\$ 63,911</u>	<u>\$ 6,986</u>	<u>\$ 105,651</u>	<u>\$ 669,887</u>

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

EAST CENTRAL INDIANA EDUCATIONAL 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, 2010

	General	Joint Services and Supply	Natural Gas Cooperative	Supplemental Educational Services	Other	Totals
Receipts:						
Local sources	\$ 245,271	\$ -	\$ 123,072	\$ 222,361	\$ 87,998	\$ 678,702
State sources	221,667	-	-	-	2,300	223,967
Federal sources	-	-	-	-	68,640	68,640
Other	60,716	132,918	-	-	63,000	256,634
Total receipts	<u>527,654</u>	<u>132,918</u>	<u>123,072</u>	<u>222,361</u>	<u>221,938</u>	<u>1,227,943</u>
Disbursements:						
Current:						
Instruction	-	-	-	146,049	18,966	165,015
Support services	649,287	143,757	-	-	251,009	1,044,053
Facilities acquisition and construction	-	-	122,966	-	-	122,966
Total disbursements	<u>649,287</u>	<u>143,757</u>	<u>122,966</u>	<u>146,049</u>	<u>269,975</u>	<u>1,332,034</u>
Excess (deficiency) of receipts over disbursements	<u>(121,633)</u>	<u>(10,839)</u>	<u>106</u>	<u>76,312</u>	<u>(48,037)</u>	<u>(104,091)</u>
Cash and investments - beginning	<u>493,338</u>	<u>63,911</u>	<u>6,986</u>	<u>-</u>	<u>105,652</u>	<u>669,887</u>
Cash and investments - ending	<u>\$ 371,705</u>	<u>\$ 53,072</u>	<u>\$ 7,092</u>	<u>\$ 76,312</u>	<u>\$ 57,615</u>	<u>\$ 565,796</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ 371,705</u>	<u>\$ 53,072</u>	<u>\$ 7,092</u>	<u>\$ 76,312</u>	<u>\$ 57,615</u>	<u>\$ 565,796</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ 371,705</u>	<u>\$ 53,072</u>	<u>\$ 7,092</u>	<u>\$ 76,312</u>	<u>\$ 57,615</u>	<u>\$ 565,796</u>

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

EAST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

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

The School Corporation's financial reporting entity is composed of the following:

Primary Government: East Central Indiana Educational Service Center

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

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. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation 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 natural gas cooperative fund accounts for the receipts and disbursements related to providing natural gas to member school corporations.

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

The supplemental educational services fund accounts for receipts and disbursements related to providing tutors to students of member school corporations

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary 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 School Corporation 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.

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

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 School Corporation does not have any enterprise funds.

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

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. 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.

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. Taxable property is assessed at 100% of the true tax value (determined in

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

accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

4. Capital Assets

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

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as a liability in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

6. Equity Classification

Government-Wide Statements

Equity is 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."

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts

Program Receipts

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

F. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the statements were compiled. These differences are considered trivial and do not affect the overall presentation of the financial statements.

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

G. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the statements were compiled. These differences are considered trivial and do not affect the overall presentation of the financial statements.

II. Stewardship, Compliance and Accountability

Budgetary Information

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

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing 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 governing board to obtain taxpayer comments. Prior to November 1, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General 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.

III. Detailed Notes on All Funds

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. IC 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 School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2010, the School Corporation had deposit balances in the amount of \$565,796.

The 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, 2010, the School Corporation had no investments.

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

Statutory Authorization for Investments

IC 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

IV. Other Information

A. Risk Management

The School Corporation 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; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Risk financing is not utilized for the other risks of loss.

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

B. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

Public Employees' Retirement Fund

Plan Description

The School Corporation 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 School Corporation 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

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

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

Teachers' Retirement Fund

Plan Description

The School Corporation 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 School Corporation 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.

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

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 School Corporation 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

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 School Corporation 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.

EAST 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, 2009

	Repair	Indiana Association of Educational Service Centers Directors	Insurance Trust	High Ability 2007/2008	High Ability 2008/2009	Gifted and Talented 07/08	National Board
Receipts:							
Local sources	\$ 28,998	\$ -	\$ 85,597	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Other	-	35,066	-	-	-	-	-
Total receipts	28,998	35,066	85,597	-	-	-	-
Disbursements:							
Current:							
Instruction	-	-	-	-	33,028	8,228	-
Support services	19,990	60,196	68,823	2,433	-	-	-
Total disbursements	19,990	60,196	68,823	2,433	33,028	8,228	-
Excess (deficiency) of receipts over disbursements	9,008	(25,130)	16,774	(2,433)	(33,028)	(8,228)	-
Cash and investments - beginning	934	29,426	1,341	2,433	49,668	8,228	2,004
Cash and investments - ending	\$ 9,942	\$ 4,296	\$ 18,115	\$ -	\$ 16,640	\$ -	\$ 2,004
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 9,942	\$ 4,296	\$ 18,115	\$ -	\$ 16,640	\$ -	\$ 2,004
<u>Cash and Investment Fund Balance - Ending</u>							
Unrestricted	\$ 9,942	\$ 4,296	\$ 18,115	\$ -	\$ 16,640	\$ -	\$ 2,004

EAST 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, 2009
 (Continued)

	Gifted and Talented 06/07	Literacy Initiatives	Gifted and Talented	Technology Fund	Drug Free Schools	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,595
State sources	-	-	-	1,331	-	1,331
Other	-	-	-	-	-	35,066
Total receipts	-	-	-	1,331	-	150,992
Disbursements:						
Current:						
Instruction	2,221	-	-	-	-	43,477
Support services	-	79,900	-	-	16,308	247,650
Total disbursements	2,221	79,900	-	-	16,308	291,127
Excess (deficiency) of receipts over disbursements	(2,221)	(79,900)	-	1,331	(16,308)	(140,135)
Cash and investments - beginning	5,070	101,921	25,000	3,453	16,308	245,786
Cash and investments - ending	\$ 2,849	\$ 22,021	\$ 25,000	\$ 4,784	\$ -	\$ 105,651
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 2,849	\$ 22,021	\$ 25,000	\$ 4,784	\$ -	\$ 105,651
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	\$ 2,849	\$ 22,021	\$ 25,000	\$ 4,784	\$ -	\$ 105,651

EAST 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, 2010

	Repair	Indiana Association of Educational Service Centers Directors	Insurance Trust	High Ability 2008/2009	National Board	Gifted and Talented 06/07
Receipts:						
Local sources	\$ 16,207	\$ -	\$ 71,791	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	63,000	-	-	-	-
	<u>16,207</u>	<u>63,000</u>	<u>71,791</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total receipts						
Disbursements:						
Current:						
Instruction	-	-	-	16,268	-	2,698
Support services	19,049	53,529	71,218	-	-	-
	<u>19,049</u>	<u>53,529</u>	<u>71,218</u>	<u>16,268</u>	<u>-</u>	<u>2,698</u>
Total disbursements						
Excess (deficiency) of receipts over disbursements	<u>(2,842)</u>	<u>9,471</u>	<u>573</u>	<u>(16,268)</u>	<u>-</u>	<u>(2,698)</u>
Cash and investments - beginning	<u>9,943</u>	<u>4,295</u>	<u>18,115</u>	<u>16,640</u>	<u>2,004</u>	<u>2,849</u>
Cash and investments - ending	<u>\$ 7,101</u>	<u>\$ 13,766</u>	<u>\$ 18,688</u>	<u>\$ 372</u>	<u>\$ 2,004</u>	<u>\$ 151</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 7,101</u>	<u>\$ 13,766</u>	<u>\$ 18,688</u>	<u>\$ 372</u>	<u>\$ 2,004</u>	<u>\$ 151</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 7,101</u>	<u>\$ 13,766</u>	<u>\$ 18,688</u>	<u>\$ 372</u>	<u>\$ 2,004</u>	<u>\$ 151</u>

EAST 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, 2010
 (Continued)

	Literacy Initiatives	Gifted and Talented	Technology Fund	English Language Acquisition and LEP	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 87,998
State sources	-	-	2,300	-	2,300
Federal sources	-	-	-	68,640	68,640
Other	-	-	-	-	63,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total receipts	-	-	2,300	68,640	221,938
Disbursements:					
Current:					
Instruction	-	-	-	-	18,966
Support services	22,021	25,000	448	59,744	251,009
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total disbursements	22,021	25,000	448	59,744	269,975
Excess (deficiency) of receipts over disbursements	(22,021)	(25,000)	1,852	8,896	(48,037)
Cash and investments - beginning	22,021	25,000	4,785	-	105,652
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,637</u>	<u>\$ 8,896</u>	<u>\$ 57,615</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,637</u>	<u>\$ 8,896</u>	<u>\$ 57,615</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,637</u>	<u>\$ 8,896</u>	<u>\$ 57,615</u>

EAST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2010

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Machinery and equipment	<u>\$ 426,770</u>

EAST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER
FAYETTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 15, 2011, with Teresa Amick, Bookkeeper; Walter J. Harrison, Executive Director; and Dr. David E. Edds, President of the Executive Board of Directors. Our examination disclosed no material items that warrant comment at this time.