

**SOUTHEASTERN OHIO VOLUNTARY EDUCATION COOPERATIVE
ATHENS COUNTY**

***FINANCIAL STATEMENT
(AUDITED)***

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

MATT BUNTING, TREASURER



Dave Yost • Auditor of State

Governing Board
Southeastern Ohio Voluntary Education Cooperative
221 Columbus Road
Athens, Ohio 45701

We have reviewed the *Independent Auditors' Report* of the Southeastern Ohio Voluntary Education Cooperative, Athens County, prepared by Julian & Grube, Inc., for the audit period July 1, 2014 through June 30, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Southeastern Ohio Voluntary Education Cooperative is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

December 13, 2016

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**SOUTHEASTERN OHIO VOLUNTARY EDUCATION COOPERATIVE
ATHENS COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Southeastern Ohio Voluntary Education Cooperative
Athens County
221 Columbus Road
Athens, Ohio 45701

To the Governing Board:

Report on the Financial Statement

We have audited the accompanying financial statement and related notes of Southeastern Ohio Voluntary Education Cooperative (SEOVEC), Athens County, Ohio, as of and for the fiscal year ended June 30, 2015.

Management's Responsibility for the Financial Statement

Management is responsible for preparing and fairly presenting the financial statement in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting the financial statement free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on the financial statement based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statement is free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to SEOVEC's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of SEOVEC's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, SEOVEC prepared the financial statement using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statement of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though SEOVEC does not intend the statement to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of SEOVEC as of June 30, 2015, or changes in financial position or cash flows thereof for the fiscal year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined cash balance of SEOVEC, Athens County, Ohio, as of June 30, 2015, and its cash receipts and disbursements for the fiscal year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Emphasis of Matter

As discussed in Note 10 to the financial statements, subsequent to the fiscal year ended June 30, 2015, SEOVEC merged operations with Meta Solutions. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2016, on our consideration of SEOVEC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SEOVEC's internal control over financial reporting and compliance.



Julian & Grube, Inc.
September 8, 2016

**SOUTHEASTERN OHIO VOLUNTARY EDUCATION COOPERATIVE
ATHENS COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
PROPRIETARY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Member District Fees	\$ 1,543,033
Member Premiums	1,035,179
Total Operating Cash Receipts	2,578,212
Operating Cash Disbursements:	
Salaries	690,997
Employee Fringe Benefits	271,967
Purchased and Contracted Services	1,348,355
Claims	859,545
Supplies and Materials	204,845
Capital Outlay	252,069
Other	32,881
Total Operating Cash Disbursements	3,660,659
Operating Loss	(1,082,447)
Non-Operating Cash Receipts (Disbursements):	
Intergovernmental Receipts	1,238,661
Sale of Assets	8,351
Interest Earnings	2,474
Lease Principal	(113,202)
Lease Interest	(6,787)
Total Non-Operating Cash Receipts (Disbursements)	1,129,497
Net Change in Cash Balance	47,050
Fund Cash Balances, July 1	2,086,927
Fund Cash Balances, June 30	\$ 2,133,977

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

**SOUTHEASTERN OHIO VOLUNTARY EDUCATION COOPERATIVE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Southeastern Ohio Voluntary Education Cooperative, Athens County (SEOVEC), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. SEOVEC is a regional council of governments as defined by the Ohio Revised Code Chapter 167, established by and for the boards of education of local, city, exempted village, county, joint vocational school districts and other related educational institutions located within the eight counties of Athens, Gallia, Hocking, Jackson, Meigs, Morgan, Perry and Washington. SEOVEC operates under a Governing Board of eight members and is an agency voluntarily created by the school districts. SEOVEC provides fiscal services including fund accounting, inventory control and payroll services. SEOVEC also provides non-fiscal services including attendance reporting, educational management information systems, standardized testing, special education reports, and vehicle information systems. Additionally, SEOVEC operates a dental insurance consortium for those members who wish to participate.

Management believes the financial statement presents all activities for which SEOVEC is financially accountable.

B. Basis of Accounting

The financial statement follows the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. The statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash

SEOVEC deposits consist of an interest bearing checking account.

D. Fund Accounting

SEOVEC uses fund accounting to segregate amounts that are restricted as to use. SEOVEC classifies its funds into the following significant fund type:

Enterprise Funds

Enterprise Funds are used to account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. SEOVEC had the following significant Enterprise Funds:

Computer Network Fund - This fund is used to account for user fees and state support received for computer network operations including maintenance, repair and replacement of computer systems. This fund also accounts for activity of the Education Management Information System.

Dental Insurance Consortium Fund - This fund is used to account for premiums received from members and payment of claims related to SEOVEC's Dental Insurance Consortium.

**SOUTHEASTERN OHIO VOLUNTARY EDUCATION COOPERATIVE
ATHENS COUNTY**

NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statement.

F. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Agency's basis of accounting.

NOTE 2 - EQUITY IN POOLED DEPOSITS AND INVESTMENTS

SEOVEC maintains a cash pool of all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at June 30 was as follows:

	2015
Demand Deposits	\$ 2,133,977
Total Deposits	\$ 2,133,977

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

NOTE 3 - BUDGETARY PROCESS

SEOVEC is not required to follow the budgetary process by law, but incorporated in the bylaws that on or before June 30, a written estimate shall be submitted to the Governing Board of the program costs for the ensuing fiscal year and members' shares of those program costs.

NOTE 4 - LEASE PURCHASE AGREEMENTS

SEOVEC has entered into lease-purchase agreements in connection with obtaining computer equipment. The following represents amounts outstanding at June 30, 2015:

	Principal	Interest Rate
Kansas State Bank of Manhattan	\$ 113,405	3.487%

The lease purchase agreement with Kansas State Bank of Manhattan with an interest rate of 3.709% was completely paid during the fiscal year ending June 30, 2015.

The lease purchase agreement is collateralized by the equipment. Revenues of SEOVEC are pledged to repay this agreement.

**SOUTHEASTERN OHIO VOLUNTARY EDUCATION COOPERATIVE
ATHENS COUNTY**

NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 4 - LEASE PURCHASE AGREEMENTS - (Continued)

Amortization of the above lease-purchase agreement, including interest, is scheduled as follows:

Year Ending June 30,	Kansas State Bank of Manhattan
2016	\$ 59,465
2017	59,465
Total	<u>\$ 118,930</u>

NOTE 5 - DEFINED BENEFIT PENSION PLANS

Plan Description - School Employees Retirement System (SERS)

Plan Description - SEOVEC non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

**SOUTHEASTERN OHIO VOLUNTARY EDUCATION COOPERATIVE
ATHENS COUNTY**

NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 5 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and SEOVEC is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

SEOVEC's contractually required pension contributions to SERS were \$92,317 for fiscal year 2015.

NOTE 6 - POSTEMPLOYMENT BENEFITS

Plan Description - School Employees Retirement System (SERS)

Plan Description - The Consortium participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2014 (the latest information available) was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income and the SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Employers/Audit Resources".

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2015, 0.82 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2015, the actuarially determined amount was \$20,450.

**SOUTHEASTERN OHIO VOLUNTARY EDUCATION COOPERATIVE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 6 - POSTEMPLOYMENT BENEFITS - (Continued)

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

SEOVEC's contributions for health care for the fiscal years ended June 30, 2015, was \$560, respectively; 100 percent has been contributed for fiscal year 2015.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2015, this actuarially required allocation was 0.74 percent of covered payroll. The Consortium's contributions for Medicare Part B for the fiscal year ended June 30, 2015 was \$5,184; 100 percent has been contributed for fiscal year 2015.

NOTE 7 - RISK MANAGEMENT

A. Commercial Insurance

SEOVEC has obtained commercial insurance for the following risks:

- i. Comprehensive property and general liability
- ii. Vehicles
- iii. Errors and omissions

Settled claims have not exceeded coverage in either of the past three years. Also, SEOVEC has not reduced coverages from the past year.

B. Dental Insurance Consortium

SEOVEC contracted with a third party administrator to process and pay dental benefit claims incurred by its members. SEOVEC's third party administrator for the year ended June 30, 2015 was Delta Dental. Payments are made by members to SEOVEC for monthly dental insurance premiums and administrative charges. The Treasurer approves monthly payments to the third party administrator for actual insurance claims processed and administrative charges incurred on behalf of the members. If the members aggregate contributions less expenses cause it to have a negative cash balance, the Treasurer shall promptly notify in writing each member of any additional funds necessary to correct the deficiency. Whereupon each Member shall appropriate (pursuant to Chapter 5705 of the Revised Code) the amount stated in that notice and remit the same to the Treasurer within the time periods determined by SEOVEC.

An actuarial valuation of the dental insurance consortium is prepared annually under guidelines set forth in Actuarial Standard of Practice No. 5 Incurred Health Claims Liabilities (ASB 5) of the Actuarial Standards Board of the American Academy of Actuaries. The purpose of the valuation is to compare this liability to funds reserved. The method and assumptions utilized for measuring an actuarial liability are critical to the determination as to whether funds are adequate.

**SOUTHEASTERN OHIO VOLUNTARY EDUCATION COOPERATIVE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 7 - RISK MANAGEMENT - (Continued)

A comparison of the Dental Insurance Consortium Fund's cash to the actuarially-measured liability as of June 30, 2015 is as follows.

	<u>June 30, 2015</u>
Cash	\$615,497
Actuarial Liabilities	\$67,312

NOTE 8 - EMPLOYEE BENEFITS

A. Other Employee Benefits

SEOVEC provides health and major insurance for all eligible employees through United Health Care Insurance Company (beginning April, 2006). Premiums are dependent on each employee's age, the age of their spouse and number of dependent children covered. Premiums ranged from \$145 to \$2,200 from July 1, 2014 through June 30, 2015.

SEOVEC provides life insurance and accidental death and dismemberment insurance to employees through Metropolitan Education Cooperative (MEC) in the amount equal to the employee's salary, \$94,581 for the Director of Computer Services and \$69,000 for the Assistant Director of Computer Services, and \$61,869 for the System Administrator. The monthly premium was \$.08 per \$1,000 of coverage.

Dental Coverage is provided through the SEOVEC Dental Consortium, administered by Delta Dental (beginning July 1, 2013). Premiums for this coverage were \$60.92 per month during 2015 and \$63.67 per month during 2015 for family and individual coverage. SEOVEC also provides vision insurance to its employees through the Vision Service Plan. The monthly premium for this coverage was \$23.78 during 2015 for family and individual coverage.

B. Deferred Compensation

SEOVEC employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with the Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

NOTE 9 - CONTINGENCIES

SEOVEC received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of SEOVEC. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of SEOVEC at June 30, 2015.

**SOUTHEASTERN OHIO VOLUNTARY EDUCATION COOPERATIVE
ATHENS COUNTY**

NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 10 - SUBSEQUENT EVENT - GOVERNMENT MERGER

On January 1, 2016, SEOVEC and Metropolitan Dayton Educational Cooperative Association (MDECA) merged operations with Meta Solutions under an agreement to better control costs and strengthen Ohio's largest and most comprehensive educational solutions provider. The result will maximize savings for member districts by providing continuous service, broadening portfolio offerings and leveraging increased buying power. SEOVEC and Meta Solutions were not previously included within the same financial reporting entity.



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Required by *Government Auditing Standards***

Southeastern Ohio Voluntary Education Cooperative
Athens County
221 Columbus Road
Athens, Ohio 45701

To the Governing Board:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statement of Southeastern Ohio Voluntary Education Cooperative (SEOVEC), Athens County, Ohio, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated September 8, 2016, wherein we noted the Southeastern Ohio Education Cooperative followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, wherein we noted as discussed in Note 10, SEOVEC merged operations with Meta Solutions.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered SEOVEC's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statement, but not to the extent necessary to opine on the effectiveness of SEOVEC's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of SEOVEC's financial statement. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Governing Board
Southeastern Ohio Voluntary Education Cooperative

Compliance and Other Matters

As part of reasonably assuring whether SEOVEC's financial statement is free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of SEOVEC's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering SEOVEC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
September 8, 2016

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Dave Yost • Auditor of State

SOUTHEASTERN OHIO VOLUNTARY EDUCATION COOPERATIVE

ATHENS COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 27, 2016**