

South Central Ohio Computer Association

Regular Audit

July 1, 2005 through June 30, 2007

Fiscal Years Audited Under GAGAS: 2007 & 2006

BALESTRA, HARR & SCHERER, CPAs, INC.

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Mary Taylor, CPA

Auditor of State

Members of the Board
South Central Ohio Computer Association
175 Beaver Creek Rd.
Piketon, Ohio 45661

We have reviewed the *Independent Auditors' Report* of the South Central Ohio Computer Association, Pike County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2005 through June 30, 2007. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 South Central Ohio Computer Association is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 4, 2008

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SOUTH CENTRAL OHIO COMPUTER ASSOCIATION
Pike County, Ohio
July 1, 2005 through June 30, 2007

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INDEPENDENT AUDITOR'S REPORT

Members of the Board
South Central Ohio Computer Association
P.O. Box 577
Piketon, Ohio 45661

We have audited the accompanying financial statements of the South Central Ohio Computer Association (the Association), as of and for the years ended June 30, 2007 and 2006, as listed in the table of contents. These financial statements are the responsibility of the South Central Ohio Computer Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 2, the Association has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP require the Association to reformat its financial statement presentation and make other changes effective for the fiscal years ended June 30, 2007 and 2006. Instead of the combined funds the accompanying financial statements present for fiscal year ended June 30, 2007 and June 30, 2006, the revisions require presenting entity wide statements and also to present its larger (i.e., major) funds separately for each fiscal year. While the Association does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require, governments to reformat their statements. The Association has elected not to reformat its statements. Since the Association does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts are materially misstated under accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Association as of June 30, 2007 and June 30, 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of South Central Ohio Computer Association, as of June 30, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 2.

The aforementioned revision to generally accepted accounting principles also requires the Association to include Management's Discussion & Analysis. The Association has not presented Management's Discussion & Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2007, on our consideration of the Association'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 testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.

December 14, 2007

South Central Ohio Computer Association
Statement of Receipts, Disbursements and Changes in Fund Cash Balances
All Funds
For the Fiscal Year Ended June 30, 2007

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Receipts:			
Charges for Services	\$ 4,897,231	\$ -	\$ 4,897,231
Intergovernmental	1,600,558	3,000	1,603,558
Interest Earnings	20,689	-	20,689
	<u>6,518,478</u>	<u>3,000</u>	<u>6,521,478</u>
Total Receipts	6,518,478	3,000	6,521,478
Disbursements:			
Support Services	3,215,690	-	3,215,690
Employee Fringe Benefits	812,877	-	812,877
Purchased Services	2,178,871	-	2,178,871
Supplies and Materials	202,366	-	202,366
Capital Outlay	535,410	-	535,410
Debt Service:			
Principal Retirement	112,533	-	112,533
Interest & Fiscal Charges	5,903	-	5,903
Other	27,281	-	27,281
	<u>7,090,931</u>	<u>-</u>	<u>7,090,931</u>
Total Disbursements	7,090,931	-	7,090,931
Excess of Receipts Over (Under) Disbursements	(572,453)	3,000	(569,453)
Other Financing Sources (Uses)			
Proceeds from Sale of Bond	62,015	-	62,015
Proceeds from Inception of Capital Lease	300,907	-	300,907
	<u>362,922</u>	<u>-</u>	<u>362,922</u>
Total Other Financing Sources (Uses)	362,922	-	362,922
Total Receipts and Other Sources Over (Under) Disbursements & Other Uses	(209,531)	3,000	(206,531)
Fund Cash Balance, July 1, 2006	416,661	-	416,661
	<u>207,130</u>	<u>3,000</u>	<u>210,130</u>
Fund Cash Balance, June 30, 2007	207,130	3,000	210,130
Reserved for Encumbrances	<u>\$ 206,005</u>	<u>\$ 3,000</u>	<u>\$ 209,005</u>

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

South Central Ohio Computer Association
Statement of Receipts, Disbursements and Changes in Fund Cash Balances
All Funds
For the Fiscal Year Ended June 30, 2006

	<u>General Fund</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Receipts			
Charges for Services	\$ 4,240,627	\$ -	\$ 4,240,627
Intergovernmental	976,673	3,000	979,673
Interest Earnings	21,419	-	21,419
	<hr/>	<hr/>	<hr/>
Total Receipts	5,238,719	3,000	5,241,719
Disbursements			
Instruction	-	3,000	3,000
Support Services	2,029,590	-	2,029,590
Employee Fringe Benefits	717,368	-	717,368
Purchased Services	2,534,776	-	2,534,776
Supplies and Materials	79,133	-	79,133
Capital Outlay	277,105	-	277,105
Debt Service:			
Principal Retirement	82,656	-	82,656
Interest & Fiscal Charges	6,454	-	6,454
Other	28,200	-	28,200
	<hr/>	<hr/>	<hr/>
Total Disbursements	5,755,282	3,000	5,758,282
Excess of Receipts Over (Under) Disbursements	(516,563)	-	(516,563)
Other Financing Sources (Uses)			
Proceeds from Sale of Bond	83,458	-	83,458
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	83,458	-	83,458
Total Receipts and Other Sources Over (Under) Disbursements & Other Uses	(433,105)	-	(433,105)
Fund Cash Balance, July 1, 2005	849,767	-	849,767
	<hr/>	<hr/>	<hr/>
Fund Cash Balance, June 30, 2006	416,662	-	416,662
	<hr/>	<hr/>	<hr/>
Reserved for Encumbrances	\$ 155,589	\$ 3,120	\$ 158,709
	<hr/>	<hr/>	<hr/>

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

SOUTH CENTRAL OHIO COMPUTER ASSOCIATION
Pike County, Ohio
July 1, 2005 through June 30, 2007
Notes to the Financial Statements

NOTE 1 - DESCRIPTION OF THE ENTITY

The South Central Ohio Computer Association (the Association) is a consortium that has been formed for the purpose of applying modern technology through the use of computers and other electronic equipment to administrative and instrumental functions for member school districts. The Association is organized under section 3313.92 of the Revised Code and is thus required to have a board of education serve as its fiscal agent. The Pike County Joint Vocational School District acts as the fiscal agent for the South Central Ohio Computer Association. Membership in the consortium is limited to the public school districts in Pike, Ross, Scioto, Lawrence, Jackson, Gallia, Brown, Highland, Pickaway, Vinton and Adams Counties. The Association operates under an elected 15 member governing board composed of the Superintendent of the Pike County Joint Vocational School District and two representatives from each of the seven counties in the member region. The Association currently has 45 employees.

Management believes the financial statements included in this report represent all of the funds of the Association over which the Board has the ability to exercise direct operating control.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

These financial statements follow 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 a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

B. Cash and Investments

To improve cash management, all cash received by the Association is pooled in a central bank account. Monies for all funds are maintained in this account. Individual fund integrity is maintained through Association records.

The Association invested funds in the State Treasury Asset Reserve ("STAR Ohio") during fiscal year 2007. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does not operate in a manner consistent with Rule 2a7 of the investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2007.

Investments are included in fund cash balances.

SOUTH CENTRAL OHIO COMPUTER ASSOCIATION
Pike County, Ohio
July 1, 2005 through June 30, 2007
Notes to the Financial Statements

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting

The Association maintains its accounting records in accordance with the principles of “fund” accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. A description of the Association’s funds follows:

Governmental Fund

General Fund

The General Fund is the general operating fund of the Association. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditure for specified purposes. The Association had the following significant special revenue fund: OneNet Ohio

D. 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 statements.

E. Accumulated Unpaid Vacation, Personal and Sick Leave

Accumulated unpaid vacation, personal leave, and sick leave are not accrued under the cash basis of accounting described in Note 2. At June 30, 2007, management estimates that \$576,479 in sick leave, \$171,002 in vacation leave, and \$13,294 in personal leave has been accumulated by the employees of the Association. At June 30, 2006, management estimates that \$504,060 in sick leave, \$151,274 in vacation leave, and \$12,953 in personal leave has been accumulated by the employees of the Association. All leave will either be absorbed by time off from work, or within certain limitations, be paid to the employees. It is not practical to determine the actuarial value of these benefits as of June 30, 2007 and 2006.

SOUTH CENTRAL OHIO COMPUTER ASSOCIATION
Pike County, Ohio
July 1, 2005 through June 30, 2007
Notes to the Financial Statements

NOTE 3-CASH AND INVESTMENTS

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments are as follows:

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Demand Deposits	\$ 141,366	\$ 371,091
Total Deposits	<u>141,366</u>	<u>371,091</u>
STAR Ohio	68,764	45,571
Total Investments	<u>68,764</u>	<u>45,571</u>
 Total Deposits and Investments	 <u>\$ 210,130</u>	 <u>\$ 416,662</u>

Deposits:

Deposits are insured by FDIC and pledged collateral held by the bank on behalf of the district.

Investments:

Investments in STAR Ohio are not evidenced by securities that exist in physical or book entry form.

NOTE 4 - RISK MANAGEMENT

The Association maintains commercial insurance for the following risks:

- General Liability & Casualty
- Public Officials Liability
- Vehicle
- Property

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past four fiscal years.

The Association also provides health insurance to full time employees through private carriers.

Workers' compensation benefits are provided through the State Bureau of Workers' Compensation.

SOUTH CENTRAL OHIO COMPUTER ASSOCIATION
Pike County, Ohio
July 1, 2005 through June 30, 2007
Notes to the Financial Statements

NOTE 5 - PENSION PLAN

The Association contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. The School Employees Retirement System issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 10% of their annual covered salary and the Association is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The Association's contributions for pension obligations to SERS for the fiscal years ending June 30, 2007, 2006, and 2005 were \$327,266, \$292,870, and \$265,566 respectively, equal to the required contributions for each year.

NOTE 6 - POSTEMPLOYMENT BENEFITS

The Association provides comprehensive health care benefits to retired employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physician's fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligation to contribute are established by the System based on authority by State statute.

Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium.

After allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 2006, the minimum pay has been established as \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2006 were \$158,751,207. At June 30, 2006, SERS had net assets available for payment of health care benefits was \$295.6 million. SERS has approximately 59,492 participants currently receiving health care benefits.

SOUTH CENTRAL OHIO COMPUTER ASSOCIATION
Pike County, Ohio
July 1, 2005 through June 30, 2007
Notes to the Financial Statements

NOTE 7 – DEBT

Debt outstanding at June 30, 2007 and 2006 was as follows:

<u>Governmental Activities:</u>	Principal Outstanding 6/30/2005	Additions	Deductions	Principal Outstanding 6/30/2006	Due within One Year
General Obligation Bond (Van) 4.00%	\$8,458	-	\$4,180	\$4,278	\$4,278
General Obligation Bond (Vehicle) 5.19%	4,383	-	4,383	-	0
General Obligation Bond (Network Equipment) 4.01%	67,365	-	41,583	25,782	25,782
General Obligation Bond (SIRSI) 2.60%	95,584	-	0	95,584	31,009
Capital Lease- LeaseNet 0%	-	83,458	32,510	50,948	31,500
<i>Total Governmental Activities</i>	<u>\$175,790</u>	<u>83,458</u>	<u>\$82,656</u>	<u>\$176,592</u>	<u>\$92,569</u>

<u>Governmental Activities:</u>	Principal Outstanding 6/30/2006	Additions	Deductions	Principal Outstanding 6/30/2007	Due within One Year
General Obligation Bond (Van) 4.00%	\$4,278	-	\$4,278	\$0	\$0
General Obligation Bond (Network Equipment) 4.01%	25,782	-	25,782	-	-
General Obligation Bond (SIRSI) 2.60%	95,584	-	31,008	64,576	64,575
General Obligation Bond (UCC) 3.50%	-	62,015	19,965	42,050	42,050
Capital Lease- LeaseNet 0%	50,948	-	31,500	19,448	19,488
Capital Lease-Varilease 0%	-	300,907	-	300,907	103,168
<i>Total Governmental Activities</i>	<u>\$176,592</u>	<u>362,922</u>	<u>\$112,533</u>	<u>\$426,981</u>	<u>\$229,281</u>

Amortization of the above debt is scheduled as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$229,281	\$3,154	\$232,435
2009	\$103,168	\$ 0	\$103,168
2010	<u>\$ 94,532</u>	<u>\$ 0</u>	<u>\$ 94,571</u>
Total	<u>\$426,981</u>	<u>\$3,154</u>	<u>\$430,174</u>

The first G.O. Note was issued for the purchase of a van. The original note was for \$20,400, with an annual principal payment of \$4,080 plus interest. The G.O. Note is a direct obligation of the Association for its full faith, credit and resources are pledged and are payable from the Association's general fund

The second G.O. Note was issued for the purchase of a vehicle. The original note was for \$19,954, with an annual principal payment of \$4,634. The G.O. Note is a direct obligation of the Association for its full faith, credit and resources are pledged and are payable from the Association's general fund.

The third G.O. Note was issued for the purchase of a network equipment. The original note was for \$67,380, with one payment of \$67,380 plus interest. The G.O. Note is a direct obligation of the Association for its full faith, credit and resources are pledged and are payable from the Association's general fund.

The fourth G.O. Note was issued for the purchase of SIRSI equipment. The original note was for \$95,584, with an one payment of \$95,584 plus interest. The G.O. Note is a direct obligation of the Association for its full faith, credit and resources are pledged and are payable from the Association's general fund.

The fifth G.O. Note was issued for the purchase of a UCC on computer equipment. The original note was for \$62,015, with an annual principal payment of \$19,955. The G.O. Note is a direct obligation of the Association for its full faith, credit and resources are pledged and are payable from the Association's general fund.

NOTE 8- CAPITAL LEASES

The first capital lease was issued for leasing SAN equipment. The original lease was for \$83,458, with four quarterly payments of \$7,875 for three years. The capital lease is a direct obligation of the Association for its full faith, credit and resources are pledged and are payable from the Association's general fund.

The second capital lease was issued for leasing computer storage and networking equipment. The original lease was for \$300,907, with monthly payments of \$8,597.35 for thirty five months beginning July 1, 2007. The capital lease is a direct obligation of the Association for its full faith, credit and resources are pledged and are payable from the Association's general fund.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2007:

Fiscal Year Ending June 30	Total Payments
2008	\$122,656
2009	103,168
2010	<u>94,531</u>
Total Minimum Lease Payments	<u>320,355</u>
Less Amount Representing Interest	<u>-</u>
Present Value of Minimum Lease Payments	<u><u>\$320,355</u></u>

NOTE 9 – CONTINGENCIES

Grants

The Association received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Association. Management is unable to estimate possible claims from such audits until the audits have been completed. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Association at June 30, 2007.

Litigation

The Association is not party to any legal proceedings.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Members of the Board
South Central Ohio Computer Association
P.O. Box 577
Piketon, Ohio 45661

We have audited the financial statements of the South Central Ohio Computer Association (the Association), as of and for the years ended June 30, 2007 and 2006, and have issued our report thereon dated December 14, 2007, wherein we noted the Association follows the accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Association's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Association's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the accounting basis utilized by the Association such that there is more than a remote likelihood that a misstatement of the Association's financial statements that is more than inconsequential will not be prevented or detected by the Association's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Association's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We noted no matters involving internal control over financial reporting that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

We noted a certain matter that we reported to management of the District in a separate letter dated December 14, 2007.

This report is intended for the information and use of management and members of the Board and is not intended to be and should not be used by anyone other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.

December 14, 2007



Mary Taylor, CPA
Auditor of State

SOUTH CENTRAL OHIO COMPUTER ASSOCIATION

PIKE 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
FEBRUARY 15, 2008**