

**SOUTHEASTERN OHIO VOLUNTARY EDUCATION COOPERATIVE  
ATHENS COUNTY**

***FINANCIAL STATEMENTS  
(AUDITED)***

**FOR THE FISCAL YEARS ENDED  
JUNE 30, 2014 AND JUNE 30, 2013**

**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 Auditor's Report* of the Southeastern Ohio Voluntary Education Cooperative, Athens County, prepared by Julian & Grube, Inc., for the audit period July 1, 2012 through June 30, 2014. 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 31, 2014

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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 Statements***

We have audited the accompanying financial statements and related notes of the Southeastern Ohio Voluntary Education Cooperative, Athens County, Ohio, as of and for the fiscal years ended June 30, 2014 and June 30, 2013.

***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements 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 financial statements free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements 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 statements are 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 the Southeastern Ohio Voluntary Education Cooperative's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Southeastern Ohio Voluntary Education Cooperative'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 statements, the Southeastern Ohio Voluntary Education Cooperative prepared these financial statements 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, to satisfy these requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***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 statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Southeastern Ohio Voluntary Education Cooperative as of June 30, 2014 and June 30, 2013, or changes in financial position or cash flows thereof for the fiscal years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Southeastern Ohio Voluntary Education Cooperative, Athens County, Ohio, as of June 30, 2014 and June 30, 2013, and its combined cash receipts and disbursements for the fiscal years 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 9 to the financial statements, the Southeastern Ohio Voluntary Education Cooperative had prior period adjustments to its beginning July 1, 2012 fund balances. 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 November 14, 2014, on our consideration of the Southeastern Ohio Voluntary Education Cooperative'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 the Southeastern Ohio Voluntary Education Cooperative's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
November 14, 2014

**SOUTHEASTERN OHIO VOLUNTARY EDUCATION COOPERATIVE  
ATHENS COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
PROPRIETARY FUND TYPE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts</b>	
Member District Fees	\$ 1,611,492
Member Premiums	973,911
Total Operating Cash Receipts	2,585,403
<b>Operating Cash Disbursements:</b>	
Salaries	606,741
Employee Fringe Benefits	257,121
Purchased and Contracted Services	1,396,934
Claims	718,209
Supplies and Materials	85,992
Other	15,509
Total Operating Cash Disbursements	3,080,506
Operating Income (Loss)	(495,103)
<b>Non-Operating Cash Receipts (Disbursements):</b>	
Intergovernmental Receipts	1,226,544
Sale of Assets	11,555
Interest Earnings	1,767
Lease Principal	(112,742)
Lease Interest	(7,247)
Total Non-Operating Cash Receipts (Disbursements)	1,119,877
Excess of Cash Receipts Over/(Under) Disbursements	624,774
Fund Cash Balance, July 1	1,462,153
Fund Cash Balance, June 30	\$ 2,086,927

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



**SOUTHEASTERN OHIO VOLUNTARY EDUCATION COOPERATIVE  
ATHENS COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
PROPRIETARY FUND TYPE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts</b>	
Member District Fees	\$ 1,541,162
Member Premiums	852,489
Total Operating Cash Receipts	2,393,651
<b>Operating Cash Disbursements:</b>	
Salaries	587,819
Employee Fringe Benefits	228,756
Purchased and Contracted Services	1,179,650
Claims	890,573
Supplies and Materials	49,492
Other	22,245
Total Operating Cash Disbursements	2,958,535
Operating Income (Loss)	(564,884)
<b>Non-Operating Cash Receipts (Disbursements):</b>	
Intergovernmental Receipts	1,104,789
Sale of Assets	10,575
Interest Earnings	1,853
Lease Principal	(101,427)
Lease Interest	(9,369)
Total Non-Operating Cash Receipts (Disbursements)	1,006,421
Excess of Cash Receipts Over/(Under) Disbursements	441,537
Fund Cash Balance, July 1, restated	1,020,616
Fund Cash Balance, June 30	\$ 1,462,153

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

**SOUTHEASTERN OHIO VOLUNTARY EDUCATION COOPERATIVE  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND JUNE 30, 2013**

**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 these financial statements present all activities for which SEOVEC is financially accountable.

**B. 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 paid rather than when a liability is incurred. These statements include 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 and a government money market.

**D. Fund Accounting**

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

Basic Services Fund - This fund is used to account for user fees received to support general operating services, such as fiscal and administrative services.

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 STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND JUNE 30, 2013

**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 statements.

**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:

	2014	2013
Demand Deposits	\$2,086,927	\$1,088,579
Government Money Market	-	373,574
Total Deposits and Investments	<u>\$2,086,927</u>	<u>\$1,462,153</u>

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

**Investments:** At June 30, 2013, the balance of SEOVEC's Dental Consortium Fund was invested in a government money market. The financial institution's trust department holds this security in book-entry form in SEOVEC's name.

**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, 2014:

	Principal	Interest Rate
Kansas State Bank of Manhattan	\$ 59,147	3.709%
Kansas State Bank of Manhattan	167,460	3.487%
Total	<u>\$ 226,607</u>	

**SOUTHEASTERN OHIO VOLUNTARY EDUCATION COOPERATIVE  
ATHENS COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND JUNE 30, 2013

**NOTE 4 - LEASE PURCHASE AGREEMENTS - (Continued)**

The lease purchase agreements are collateralized by the equipment. Revenues of SEOVEC are pledged to repay these agreements.

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

Year Ending June 30,	Kansas State Bank of Manhattan 3.709%	Kansas State Bank of Manhattan 3.487%
2015	\$ 60,524	59,465
2016	-	59,465
2017	-	59,465
Total	<u>\$ 60,524</u>	<u>\$ 178,395</u>

**NOTE 5 - RETIREMENT SYSTEM**

SEOVEC's employees belong to Ohio School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For fiscal years 2014 and 2013, SERS members contributed 10% of their gross salaries, and SEOVEC contributed an amount equaling 14% of participants' gross salaries. SEOVEC has paid all contributions required through June 30, 2014.

**NOTE 6 - 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 two 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, 2014 was Delta Dental. SEOVEC's third party administrator for the year ended June 30, 2013 was CoreSource. 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.

**SOUTHEASTERN OHIO VOLUNTARY EDUCATION COOPERATIVE  
ATHENS COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND JUNE 30, 2013

**NOTE 6 - RISK MANAGEMENT - (Continued)**

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.

A comparison of the Dental Insurance Consortium Fund's cash to the actuarially-measured liability as of June 30, 2014 and June 30, 2013 is as follows.

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Cash	\$536,877	\$307,243
Actuarial Liabilities	\$54,303	\$71,644

**NOTE 7 - 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 \$138 to \$2,000 from July 1, 2012 through June 30, 2013 and \$145 to \$2,200 from July 1, 2013 through June 30, 2014.

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, \$95,000 for the Director of Computer Services and \$69,000 for the Assistant Director of Computer Services. The monthly premium was \$.08 per \$1,000 of coverage.

Dental Coverage is provided through the SEOVEC Dental Consortium, administered by CoreSource prior to July 1, 2013, and Delta Dental since July 1, 2013. Premiums for this coverage were \$63.67 per month during 2014 and \$58.95 per month during 2013 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 2014 and \$21.78 during 2013 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.

**SOUTHEASTERN OHIO VOLUNTARY EDUCATION COOPERATIVE  
ATHENS COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND JUNE 30, 2013

**NOTE 8 - 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, 2014 and 2013.

**NOTE 9 - PRIOR PERIOD FUND BALANCE ADJUSTMENTS**

Prior period adjustments to SEOVEC’s financial statements were made to reflect the correct fund balance as of June 30, 2012.

SEOVEC operates a Dental Insurance Consortium (the “Consortium”) for their members. Prior to July 1, 2013, the Consortium’s assets were held in trust in an outside account managed by CoreSource. On July 1, 2013, the Consortium began using Delta Dental as an administrator and began holding the assets directly. A prior period restatement is necessary to include these funds in SEOVEC’s financial statements.

In addition, the agency fund reported at June 30, 2012 is part of the Dental Consortium and therefore is being reclassified into the enterprise fund.

	Proprietary Fund Type	Fiduciary Fund Type
	<u>Enterprise</u>	<u>Agency</u>
Fund Balances at June 30, 2012, as previously reported	\$ 520,313	\$ 71,120
Adjustments:		
June 30, 2012 Addition of Dental Consortium funds, as described above	429,183	
June 30, 2012 reclassification of fund balances, as described above	71,120	(71,120)
	\$ 1,020,616	\$ -



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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**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 statements of the Southeastern Ohio Voluntary Education Cooperative, Athens County, Ohio, as of and for the fiscal years ended June 30, 2014 and June 30, 2013, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2014, wherein we noted the Southeastern Ohio Voluntary Education Cooperative followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. In addition, as discussed in Note 9 to the financial statements, the Southeastern Ohio Voluntary Education Cooperative had prior period adjustments to its beginning July 1, 2012 fund balances.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Southeastern Ohio Voluntary Education Cooperative'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 statements, but not to the extent necessary to opine on the effectiveness of the Southeastern Ohio Voluntary Education Cooperative'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 the Southeastern Ohio Voluntary Education Cooperative's financial statements. 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider a significant deficiency in internal control. We consider finding 2014-001 to be a significant deficiency.

Governing Board  
Southeastern Ohio Voluntary Education Cooperative

***Compliance and Other Matters***

As part of reasonably assuring whether the Southeastern Ohio Voluntary Education Cooperative's financial statements are 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*.

***Southeastern Ohio Voluntary Education Cooperative's Response to Findings***

The Southeastern Ohio Voluntary Education Cooperative's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Southeastern Ohio Voluntary Education Cooperative's response and, accordingly, we express no opinion on it.

***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 the Southeastern Ohio Voluntary Education Cooperative's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Southeastern Ohio Voluntary Education Cooperative's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.  
November 14, 2014



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

**SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2014 AND 2013**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2014-001

Significant Deficiency - Financial Statement Presentation

Management should maintain an accounting system and accounting records sufficient to enable the Southeastern Ohio Voluntary Education Cooperative to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements, and prepare financial statements.

The Southeastern Ohio Voluntary Education Cooperative had receipts and disbursements related to their Dental Insurance Consortium that were not included or posted to their accounting system for the fiscal year ended June 30, 2013. In addition, the beginning fund balances were restated to include Dental Insurance Consortium funds that were held in outside accounts at June 30, 2012.

The audited financial statements and accounting records have been adjusted for the misstatements identified during the audit.

We recommend the Southeastern Ohio Voluntary Education Cooperative consult with their auditors, an accounting/consulting firm, and consider obtaining an overall review of the financial statements and notes prior to submitting to the auditor as an additional internal control to help ensure accurate financial reporting.

*Client Response:* The addition of the Dental Trust Fund was caught by the SEOVEC Fiscal Staff and corrected for FY2014. It had not been reported nor identified as an issue in prior audits. Since SEOVEC is audited on a two-year cycle it was not possible to re-generate FY2013 financial reports to include the Dental Trust Fund for FY2013.

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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  
JANUARY 8, 2015**