



**Auditor of State  
Betty Montgomery**



**CISCO ACADEMY OF NORTHWEST OHIO  
HENRY COUNTY**

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**Auditor of State  
Betty Montgomery**

## **INDEPENDENT ACCOUNTANTS' REPORT**

Cisco Academy of Northwest Ohio  
Henry County  
22-900 State Route 34  
Archbold, Ohio 43502-9541

To the Management Council:

We have audited the accompanying financial statements of the Cisco Academy of Northwest Ohio (the Regional Academy) as of and for the years ended June 30, 2004 and 2003. These financial statements are the responsibility of the Regional Academy'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 obtain reasonable assurance about 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 discussed in Note 1, the Regional Academy prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances and reserves for encumbrances of the Regional Academy as of June 30, 2004 and 2003, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2004 on our consideration of the Regional Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the management, council, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

December 9, 2004

**CISCO ACADEMY OF NORTHWEST OHIO  
HENRY COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES - GENERAL FUND  
FOR THE YEARS ENDED JUNE 30, 2004 AND 2003

	<b>2004</b>	<b>2003</b>
<b>Cash Receipts:</b>		
Membership Fees	\$ 36,000	\$ 34,000
Interest Income	471	775
	36,471	34,775
<b>Total Cash Receipts</b>	<b>36,471</b>	<b>34,775</b>
<b>Cash Disbursements:</b>		
Current:		
Purchased Services	24,035	36,777
Capital Outlay	-	4,870
Other Disbursements	-	1,512
	24,035	43,159
<b>Total Cash Disbursements</b>	<b>24,035</b>	<b>43,159</b>
Total Cash Receipts Over/(Under) Cash Disbursements	12,436	(8,384)
Fund Cash Balances, July 1	23,740	32,124
<b>Fund Cash Balances, June 30</b>	<b>\$ 36,176</b>	<b>\$ 23,740</b>
Reserve for Encumbrances, June 30	\$ 600	\$ 730

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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**CISCO ACADEMY OF NORTHWEST OHIO  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2004 AND 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Cisco Academy of Northwest Ohio, Henry County, (the Regional Academy) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Regional Academy is directed by a membership of 19 organized under Chapter 167 of the Ohio Revised Code as a not-for-profit Council of Governments. The Membership consists of representatives from participating school districts and community colleges. The Regional Academy is to function as a regional training and support center for local Cisco Academies in Northwest Ohio. The participating subdivisions are:

Bryan City School District	Bellevue City School District
Bowling Green State University - Firelands	EHOVE Joint Vocational School District
Four County Career Center	Napoleon Area School District
Northeastern Local School District	Northwest State Community College
Oregon City School District	Owens Community College – Toledo
Owens Community College – Findlay	Polaris Career Center
Sentinel Career Center	Stautzenberger Community College
Sylvania City School District	Terra Community College
Vanguard Joint Vocational School District	Vermillion City School District
Whitmer Career and Tech Center	

The Regional Academy's management believes these financial statements present all activities for which the Regional Academy 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. 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.

**CISCO ACADEMY OF NORTHWEST OHIO  
HENRY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2004 AND 2003  
(Continued)

**C. Cash and Investments**

The Regional Academy's cash is held and invested by the Treasurer/Business Manager of the Northern Buckeye Education Council (NBEC), who became fiscal agent for the Regional Academy's monies on February 4, 2003. Four County Career Center provided fiscal agent services to the Regional Academy prior to that date. The Regional Academy's assets are held in NBEC's cash and investment pool, and are valued at the NBEC reported carrying amount.

**D. Fund Accounting**

The Regional Academy uses fund accounting to segregate cash and investments that are restricted as to use. The Regional Academy classifies its funds into the following types:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources.

**E. Budgetary Process**

The Regional Academy budgets its general fund annually.

**1. Appropriations**

The Regional Academy annually approves appropriations and subsequent amendments. The membership approves a budget at the spring meeting for the ensuing year. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

**3. Encumbrances**

The Regional Academy reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2004 and 2003 budgetary activity appears in Note 2.

**CISCO ACADEMY OF NORTHWEST OHIO  
HENRY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2004 AND 2003  
(Continued)

**F. Property, Plant, and Equipment**

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

**2. BUDGETARY ACTIVITY**

Budgetary activity for the years ending June 30 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 37,000	\$ 36,471	\$ (529)

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 49,430	\$ 24,635	\$ 24,795

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 26,400	\$ 34,775	\$ 8,375

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 58,487	\$ 43,889	\$ 14,598

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Cisco Academy of Northwest Ohio  
Henry County  
22-900 State Route 34  
Archbold, Ohio 43502-9541

To the Management Council:

We have audited the financial statements of the Cisco Academy of Northwest Ohio (the Regional Academy) as of and for the years ended June 30, 2004 and 2003, and have issued our report thereon dated December 9, 2004. 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.

**Compliance**

As part of obtaining reasonable assurance about whether the Regional Academy's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could directly and materially affect 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 we must report under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to the Regional Academy's management in a separate letter dated December 9, 2004.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Regional Academy's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be

material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to the Regional Academy's management in a separate letter dated December 9, 2004.

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



**Betty Montgomery**  
Auditor of State

December 9, 2004



**Auditor of State  
Betty Montgomery**

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**CISCO ACADEMY OF NORTHWEST OHIO  
HENRY 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 28, 2004**