



**CISCO ACADEMY OF NORTHWEST OHIO
HENRY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED JUNE 30, 2005 AND 2006



Mary Taylor, CPA
Auditor of State

**CISCO ACADEMY OF NORTHWEST OHIO
HENRY COUNTY**

TABLE OF CONTENTS

| TITLE | PAGE |
|---|-------------|
| Cover Letter | 1 |
| Independent Accountants' Report..... | 3 |
| Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances - For the Years Ended June 30, 2006 and 2005 | 5 |
| Notes to the Financial Statements | 6 |
| Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 9 |

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Mary Taylor, CPA

Auditor of State

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

To the Management Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005, interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS 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. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

January 26, 2007

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Mary Taylor, CPA

Auditor of State

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, Henry County, (the Regional Academy) as of and for the years ended June 30, 2006 and 2005. 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 the Comptroller General of the United States' *Government Auditing Standards*. 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Regional Academy 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 GAAP, we presume they are material.

Revisions to GAAP would require the Regional Academy to reformat its financial statement presentation and make other changes effective for the years ended June 30, 2006 and 2005. Instead of the funds the accompanying financial statements present for 2006 and 2005, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2006 and 2005. While the Regional Academy does not follow GAAP, generally accepted auditing standards requires 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 Regional Academy has elected not to reformat its statements. Since this Regional

Academy does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the 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 for the years ended June 30, 2006 and 2005, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Regional Academy as of June 30, 2006 and 2005, 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 fund cash balances and reserves for encumbrances of the Cisco Academy of Northwest Ohio, Henry County, as of June 30, 2006 and 2005, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Regional Academy to include Management's Discussion and Analysis for the year ended June 30, 2006 and 2005. The Regional Academy has not presented Management's Discussion and 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 January 26, 2007, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. 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.



Mary Taylor, CPA
Auditor of State

January 26, 2007

**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, 2006 AND 2005**

| | 2006 | 2005 |
|---|-----------------|-----------------|
| Cash Receipts: | | |
| Membership fees | \$28,000 | \$40,000 |
| Interest Income | 2,161 | 1,229 |
| | 30,161 | 41,229 |
| Cash Disbursements: | | |
| Current: | | |
| Purchased Services | 14,592 | 14,823 |
| Other Disbursements | | 1,566 |
| | 14,592 | 16,389 |
| Total Cash Receipts Over Cash Disbursements | 15,569 | 24,840 |
| Fund Cash Balances, January 1 | 61,016 | 36,176 |
| Fund Cash Balances, December 31 | \$76,585 | \$61,016 |
| Reserve for Encumbrances, December 31 | | \$2,400 |

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

**CISCO ACADEMY OF NORTHWEST OHIO
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005**

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 14 in 2006, and 18 in 2005; 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 (2005 only) | Bellevue City School District |
| Bowling Green State University - Firelands | EHOVE Joint Vocational School District |
| Four County Career Center | Northeastern Local School District |
| Northwest State Community College | Oregon City School District (2005 only) |
| Owens Community College – Toledo | Owens Community College – Findlay |
| Polaris Career Center | Sentinel Career Center |
| Stautzenberger Community College (2005 only) | Sylvania City School District (2005 only) |
| 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.

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 is fiscal agent for the Regional Academy's monies. The Regional Academy's assets are held in NBEC's cash and investment pool, and are valued at the NBEC reported carrying amount.

**CISCO ACADEMY OF NORTHWEST OHIO
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

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 fund into the following type:

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 2006 and 2005 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

The Regional Academy records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**CISCO ACADEMY OF NORTHWEST OHIO
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending June 30, 2006 and 2005, follows:

| 2006 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$28,500 | \$30,161 | \$1,661 |

| 2006 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$54,600 | \$14,592 | \$40,008 |

| 2005 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$35,000 | \$41,229 | \$6,229 |

| 2005 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$50,900 | \$18,789 | \$32,111 |

3. RISK MANAGEMENT

The Regional Academy has obtained commercial insurance for the following risks through NBEC:

- Comprehensive property and general liability;
- Errors and omissions.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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, Henry County (the Regional Academy) as of and for the years ended June 30, 2006 and 2005, and have issued our report thereon dated January 26, 2007, wherein we noted the Regional Academy followed 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 the Comptroller General of the United States' *Government Auditing Standards*.

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 to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Regional Academy's management dated January 26, 2007, we reported another matter involving internal control over financial reporting we did not deem a reportable condition.

Compliance and Other Matters

As part of reasonably assuring whether the Regional Academy'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, providing an opinion 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*. In a separate letter to the Regional Academy's management dated January 26, 2007, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the management council and the membership. It is not intended for anyone other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

January 26, 2007



Mary Taylor, CPA
Auditor of State

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
FEBRUARY 15, 2007**