



**SOUTHEAST AREA LAW ENFORCEMENT NETWORK
CUYAHOGA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007



Mary Taylor, CPA
Auditor of State

**SOUTHEAST AREA LAW ENFORCEMENT NETWORK
CUYAHOGA COUNTY**

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Mary Taylor, CPA
Auditor of State

Southeast Area Law Enforcement Network
Cuyahoga County
165 Center Road
Bedford, Ohio 44146

To the Board of Trustees:

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 an 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 adverse 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 5, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Southeast Area Law Enforcement Network
Cuyahoga County
165 Center Road
Bedford, Ohio 44146

To the Board of Trustees:

We have audited the accompanying financial statements of the Southeast Area Law Enforcement Network, Cuyahoga County, Ohio, (the Network) as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Network'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 Network 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.

While the Network does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Networks to reformat their statements. The Network has elected not to follow GAAP statement formatting requirements. 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 December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Network as of December 31, 2008 and 2007, 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 of the Southeast Area Law Enforcement Network, Cuyahoga County, Ohio, as of December 31, 2008 and 2007, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Network 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 August 5, 2009, on our consideration of the Network'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.

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Mary Taylor, CPA
Auditor of State

August 5, 2009

**SOUTHEAST AREA LAW ENFORCEMENT NETWORK
CUYAHOGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES - THE GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Cash Receipts:		
Membership Dues	\$35,000	\$35,000
Earnings on Investments	155	176
Charges for Services	<u>12,950</u>	<u>8,265</u>
Total Cash Receipts	<u>48,105</u>	<u>43,441</u>
Cash Disbursements:		
Salaries	13,030	11,480
Purchased Services	12,705	11,519
Supplies and Materials	3,665	4,422
Equipment	3,438	2,807
Training Conferences	2,292	3,602
Miscellaneous	<u>847</u>	<u>747</u>
Total Cash Disbursements	<u>35,977</u>	<u>34,577</u>
Total Receipts Over/(Under) Disbursements	<u>12,128</u>	<u>8,864</u>
Excess of Cash Receipts Over/(Under) Over/(Under) Cash Disbursements	12,128	8,864
Cash Balances, January 1	<u>47,035</u>	<u>38,171</u>
Cash Balances, December 31	<u><u>\$59,163</u></u>	<u><u>\$47,035</u></u>

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

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**SOUTHEAST AREA LAW ENFORCEMENT NETWORK
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Southeast Area Law Enforcement Network, Cuyahoga County, Ohio, (the Network) is a Regional Network of Governments established under the authority of Ohio Revised Code Chapters 1702 and 167. The Network is comprised of seven local municipalities. The Network is directed by a three-member Board of Trustees which is elected by the members. The Network was formed for the mutual interchange and sharing of police personnel and police equipment, as well as providing an effective means to disseminate information regarding the risk of terrorist attacks. Each member pays \$5,000 in annual membership dues.

The Network's management believes these financial statements present all activities for which the Network is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Network recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

The Network's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

D. Fund Accounting

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

General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

E. Property, Plant, and Equipment

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

**SOUTHEAST AREA LAW ENFORCEMENT NETWORK
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

2. EQUITY IN CASH AND INVESTMENTS

The carrying amount of cash and investments at December 31 follows:

	<u>2008</u>	<u>2007</u>
Demand Deposits	<u>\$59,163</u>	<u>\$47,035</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. RISK MANAGEMENT

The Network has obtained commercial insurance for its vehicles.



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*

Southeast Area Law Enforcement Network
Cuyahoga County
165 Center Road
Bedford, Ohio 44146

To the Board of Trustees:

We have audited the financial statements of the Southeast Area Law Enforcement Network, Cuyahoga County, Ohio, (the Network) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated August 5, 2009, wherein we noted the Network 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 Network's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Network's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Network'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 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 Network's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Network's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Network's internal control will not prevent or detect a material financial statement misstatement.

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 internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Network'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*.

We intend this report solely for the information and use of the management and the Board of Trustees. We intend it for no one other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

August 5, 2009

**SOUTHEAST AREA LAW ENFORCEMENT NETWORK
 CUYAHOGA COUNTY
 SCHEDULE OF PRIOR AUDIT FINDINGS
 DECEMBER 31, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	The Council's governing did not hold public meetings in 2005 and 2006.	Yes	



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Auditor of State

SOUTHEAST AREA LAW ENFORCEMENT NETWORK

CUYAHOGA 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 15, 2009**