



**MILAN-BERLIN TOWNSHIP PUBLIC LIBRARY
ERIE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2005 & 2006



Mary Taylor, CPA
Auditor of State

MILAN-BERLIN TOWNSHIP PUBLIC LIBRARY
ERIE COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2006.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2005.....	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	13
Schedule of Findings	15

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Mary Taylor, CPA
Auditor of State

Milan-Berlin Township Public Library
Erie County
19 E. Church Street
P.O. Box 1550
Milan, Ohio 44846-1550

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.

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

Mary Taylor, CPA
Auditor of State

July 25, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Milan-Berlin Township Public Library
Erie County
19 E. Church Street
P.O. Box 1550
Milan, Ohio 44846-1550

To the Board of Trustees:

We have audited the accompanying financial statements of Milan-Berlin Township Public Library, Erie County, (the Library) as of and for the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits 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. The Library processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Library because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audits provide a reasonable basis for our opinion.

As described more fully in Note 1, the Library 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.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Library's larger (i.e. major) funds separately. While the Library 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 libraries to reformat their statements. The Library 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, 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 Library as of December 31, 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 combined fund cash balances and reserves for encumbrances of Milan-Berlin Township Public Library, Erie County, as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 2, the Library changed the classification of funds previously classified as expendable and nonexpendable trust funds.

The Library 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 July 25, 2007, on our consideration of the Library'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 audits.



Mary Taylor, CPA
Auditor of State

July 25, 2007

**MILAN-BERLIN TOWNSHIP PUBLIC LIBRARY
ERIE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:					
Property and Other Local Taxes	\$348,675				\$348,675
Other Government Grants-In-Aid	462,933				462,933
Patron Fines and Fees	18,787				18,787
Earnings on Investments	24,810	\$115,798		\$1,234	141,842
Services Provided to Other Entities	1,212				1,212
Contributions, Gifts and Donations	1,251	1,766			3,017
Miscellaneous Receipts	347				347
	<u>858,015</u>	<u>117,564</u>	<u> </u>	<u>1,234</u>	<u>976,813</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	387,894				387,894
Purchased and Contracted Services	74,012	4,307			78,319
Library Materials and Information	114,567	1,847			116,414
Supplies	10,771				10,771
Other Objects	5,405	1,801			7,206
Capital Outlay			\$35,311		35,311
	<u>592,649</u>	<u>7,955</u>	<u>35,311</u>	<u> </u>	<u>635,915</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>265,366</u>	<u>109,609</u>	<u>(35,311)</u>	<u>1,234</u>	<u>340,898</u>
Fund Cash Balances, January 1	<u>212,901</u>	<u>2,220,287</u>	<u>280,204</u>	<u>22,956</u>	<u>2,736,348</u>
Fund Cash Balances, December 31	<u>\$478,267</u>	<u>\$2,329,896</u>	<u>\$244,893</u>	<u>\$24,190</u>	<u>\$3,077,246</u>
Reserves for Encumbrances, December 31	<u>\$14,847</u>		<u>\$792</u>		<u>\$15,639</u>

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

**MILAN-BERLIN TOWNSHIP PUBLIC LIBRARY
ERIE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:					
Property and Other Local Taxes	\$146,632				\$146,632
Other Government Grants-In-Aid	447,409				447,409
Patron Fines and Fees	18,197				18,197
Earnings on Investments	12,713	\$166,121		\$351	179,185
Services Provided to Other Entities	1,090				1,090
Contributions, Gifts and Donations	5,004	3,406			8,410
Miscellaneous Receipts	1,985				1,985
	<u>633,030</u>	<u>169,527</u>	<u> </u>	<u>351</u>	<u>802,908</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	356,940				356,940
Purchased and Contracted Services	70,725	6,496			77,221
Library Materials and Information	121,806	3,793		300	125,899
Supplies	11,609				11,609
Other Objects	6,309				6,309
Capital Outlay		649	\$7,502		8,151
	<u>567,389</u>	<u>10,938</u>	<u>7,502</u>	<u>300</u>	<u>586,129</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>65,641</u>	<u>158,589</u>	<u>(7,502)</u>	<u>51</u>	<u>216,779</u>
Fund Cash Balances, January 1 (Restated)	<u>147,260</u>	<u>2,061,698</u>	<u>287,706</u>	<u>22,905</u>	<u>2,519,569</u>
Fund Cash Balances, December 31	<u>\$212,901</u>	<u>\$2,220,287</u>	<u>\$280,204</u>	<u>\$22,956</u>	<u>\$2,736,348</u>
Reserves for Encumbrances, December 31	<u>\$12,815</u>		<u>\$200</u>		<u>\$13,015</u>

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

**MILAN-BERLIN TOWNSHIP PUBLIC LIBRARY
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Milan-Berlin Township Public Library, Erie County, (the Library) as a body corporate and politic. The Berlin-Milan Board of Education appoints a seven-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources.

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

B. Basis of Accounting

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

C. Cash and Investments

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

The Library values certificates of deposit, corporate equity securities, and repurchase agreements at cost or fair value when donated. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual fund reports.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than for capital projects) that are restricted to expenditure for specific purposes. The Library had the following significant Special Revenue Funds:

**MILAN-BERLIN TOWNSHIP PUBLIC LIBRARY
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Williams Fund - This fund was set up as a bequest given to the Library to be used for Library purposes.

Harley Brownell Gibbs Trust - This fund was set up as a bequest given to the Library to be used for Library purposes.

Berlin Library Grant-Wightman – This fund was set up to account for a grant from the Wightman-Wieber Foundation. Funds are used for the purchase of learning and teaching materials to be used by teachers at the Berlin Township Library.

3. Capital Project Fund

This fund accounts for receipts restricted to acquiring or constructing major capital projects. The Library had the following significant capital project fund:

Building and Repair Fund - This fund receives excess tax revenues from the General Fund to be used for construction and repair of the Library's two branch buildings.

4. Permanent Funds

These funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Library. The Library had the following significant permanent funds:

Galpin Trust Fund - This fund was set up as a bequest given to the Library for the interest to be used for Library purposes.

J Cook Trust Fund – This fund received a bequest to be used for Library purposes at the Milan Public Library.

E. Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control.

A summary of 2006 and 2005 budgetary activity appears in Note 4.

F. Property, Plant, and Equipment

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

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**MILAN-BERLIN TOWNSHIP PUBLIC LIBRARY
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

2. FUND RECLASSIFICATION AND RESTATEMENT OF FUND BALANCES

Changes to fund classifications introduced as part of the changes to the financial reporting model established by GASB Statement No. 34 eliminated expendable trust and nonexpendable trust fund classifications. Beginning in fiscal year 2005, the Library funds previously classified as expendable and nonexpendable trust funds were reclassified to special revenue and permanent funds. This change in classification had the following effect on fund balances previously reported for the year ended December 31, 2004:

	General Fund	Special Revenue	Capital Projects	Permanent Fund	Expendable Trust	Nonexpendable Trust	Total
Fund balance at December 31, 2004	\$147,260		\$287,706		\$2,061,698	\$22,905	\$2,519,569
Fund reclassification		2,061,698		22,905	(2,061,698)	(22,905)	
Restated fund balance at December 31, 2004	<u>\$147,260</u>	<u>\$2,061,698</u>	<u>\$287,706</u>	<u>\$22,905</u>			<u>\$2,519,569</u>

3. EQUITY IN POOLED CASH AND INVESTMENTS

The Library maintains a cash and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	2006	2005
Demand deposits	\$138,202	\$156,325
Certificates of deposit	938,965	894,750
Total deposits	<u>1,077,167</u>	<u>1,051,075</u>
STAR Ohio	1,022,564	719,332
U.S. Treasury Bond Mutual Fund	194,196	157,374
Money Market Mutual Fund	143,928	263,960
Equity Securities	639,391	544,607
Total investments	<u>2,000,079</u>	<u>1,685,273</u>
Total deposits and investments	<u>\$3,077,246</u>	<u>\$2,736,348</u>

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

Investments: Investments in STAR Ohio and mutual funds are not evidenced by securities existing in physical or book-entry form.

A financial institution's trust department holds the Library's equity securities in book entry form in the Library's name.

**MILAN-BERLIN TOWNSHIP PUBLIC LIBRARY
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2006 and 2005 follows:

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$631,443	\$858,015	\$226,572
Special Revenue	65,561	117,564	52,003
Permanent	450	1,234	784
Total	<u>\$697,454</u>	<u>\$976,813</u>	<u>\$279,359</u>

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$728,315	\$607,496	\$120,819
Special Revenue	591,850	7,955	583,895
Capital Projects	80,200	36,103	44,097
Permanent	700	700	700
Total	<u>\$1,401,065</u>	<u>\$651,554</u>	<u>\$749,511</u>

2005 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$648,628	\$633,030	(\$15,598)
Special Revenue	73,828	169,527	95,699
Permanent	521	351	(170)
Total	<u>\$722,977</u>	<u>\$802,908</u>	<u>\$79,931</u>

2005 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$698,351	\$580,204	\$118,147
Special Revenue	593,850	10,938	582,912
Capital Projects	117,130	7,702	109,428
Permanent	700	300	400
Total	<u>\$1,410,031</u>	<u>\$599,144</u>	<u>\$810,887</u>

**MILAN-BERLIN TOWNSHIP PUBLIC LIBRARY
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

5. GRANTS-IN-AID AND TAX RECEIPTS

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The State allocates LLGSF to each county based on the county's prior intangibles tax of LLGSF revenues, and its population. The County Budget Commission allocates these funds to the Library based on its needs such as for the construction of new library buildings, improvements, operation, maintenance, or other expenses. The Budget Commission cannot reduce its allocation of these funds to the Library based on of any additional revenues the Library receives.

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Library is subject adopts rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Other Governments' Grants In Aid. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing district.

Property owners assess tangible personal property tax. These owners must file a list of tangible property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Library.

6. RETIREMENT SYSTEM

The Library's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2005, OPERS members contributed 9 and 8.5%, respectively, of their gross salaries and the Library contributed an amount equaling 13.7 and 13.55%, respectively, of participants' gross salaries. The Library has paid all contributions required through December 31, 2006.

7. RISK MANAGEMENT

Commercial Insurance

The Milan-Berlin Township Public Library has obtained commercial insurance for the following risks:

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

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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*

Milan-Berlin Township Public Library
Erie County
19 E Church Street
P.O. Box 1550
Milan, Ohio 44846-1550

To the Board of Trustees:

We have audited the financial statements of the Milan-Berlin Township Public Library, Erie County, (the Library) as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated July 25, 2007, wherein we noted the Library prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America, and the Library reclassified funds previously reported as expendable and nonexpendable trust funds. We also noted the Library uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Library. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audits 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 audits, we considered the Library'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 Library's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Library's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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 Library'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 Library's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2006-001.

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

Our consideration of the 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 the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, we believe finding number 2006-001 is also a material weakness.

We also noted certain internal control matters that we reported to the Library's management in a separate letter dated July 25, 2007.

Compliance and Other Matters

As part of reasonably assuring whether the Library'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 did note certain noncompliance that we reported to the Library's management in a separate letter dated July 25, 2007.

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

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



Mary Taylor, CPA
Auditor of State

July 25, 2007

**MILAN-BERLIN TOWNSHIP PUBLIC LIBRARY
ERIE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006 AND 2005**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2006-001

Material Weakness

Financial Reporting

As a result of the audit procedures performed, errors were noted in the financial statements that required audit adjustments. The following audit adjustments were required to the fiscal year 2006 financial statements: \$24,342 of intergovernmental revenues were incorrectly classified as tax revenues in the General Fund; interest revenue for the Special Revenue funds was adjusted by \$1,898 to correct an error in the carrying amount of investments. The fiscal year 2005 financial statements were adjusted to reclassify \$18,142 of intergovernmental revenues incorrectly classified as tax revenues in the General Fund.

To ensure the Library's financial statements are complete and accurate the Clerk-Treasurer should review the coding of accounts included in the Accounting Manual prepared by the Uniform Accounting Network at http://uanlink.auditor.state.oh.us/pdf/uan_win_software/AccountingManual.pdf.

Official's Response:

Official's acknowledged public utility taxes were incorrectly posted. Remittances from Berlin-Milan Schools were received without settlement sheets and their priority is to get the monies deposited rather than worrying about the exact breakdown of the warrant. Huron County Auditor routinely supplies the settlement sheets along with the warrants, but Erie County Auditor does not usually include the settlement sheet with the warrant. Erie County Auditor is inconsistent in their distribution of tax monies to the Library as some settlements are sent to Berlin-Milan Schools and others may be sent directly to the Library. When the monies are sent to the school, the settlement sheet is not always included with the warrant when the warrant is forwarded to the Library. When the warrant is sent directly to the Library, the settlement sheet, if remitted to the Library, may be received once the warrant has been received and deposited. For 2005, no property tax settlement sheets were received, only public utility tax settlement sheet was received.



Mary Taylor, CPA
Auditor of State

MILAN-BERLIN TOWNSHIP PUBLIC LIBRARY

ERIE 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
AUGUST 21, 2007**