



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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FAIRFIELD COUNTY PUBLIC LIBRARY
FAIRFIELD COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2014 and 2013
Fiscal Years Audited Under GAGAS: 2014 and 2013



Dave Yost • Auditor of State

Board of Trustees
Fairfield County Public Library
219 North Broad Street
Lancaster, Ohio 43130

We have reviewed the *Independent Auditor's Report* of the Fairfield County Public Library, Fairfield County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2013 through December 31, 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 Fairfield County Public Library is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

July 21, 2015

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Fairfield County Public Library
Fairfield County, Ohio
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Independent Auditor's Report

Fairfield County Public Library
Fairfield County
219 North Broad Street
Lancaster, Ohio 43130

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Fairfield County Public Library, Fairfield County, (the Library) as of and for the years ended December 31, 2014 and 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 Library'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 Library'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 Library 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 (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Library does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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 Library as of December 31, 2014 and 2013, or changes in financial position thereof for the 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 Fairfield County Public Library, Fairfield County as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2015, 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. 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 Library's internal control over financial reporting and compliance.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Worthington, Ohio
June 12, 2015

**FAIRFIELD COUNTY PUBLIC LIBRARY
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property and Other Local Taxes	\$ 838,585	\$ -	\$ -	\$ 838,585
Public Library	2,213,781	-	-	2,213,781
Intergovernmental	128,688	-	-	128,688
Patron Fines and Fees	99,970	-	-	99,970
Contributions, Gifts and Donations	-	15,944	-	15,944
Earnings on Investments	807	-	-	807
Miscellaneous	8,244	-	-	8,244
	<u>3,290,075</u>	<u>15,944</u>	<u>-</u>	<u>3,306,019</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Library Services	3,080,964	8,982	-	3,089,946
Capital Outlay	522,256	13,249	-	535,505
	<u>3,603,220</u>	<u>22,231</u>	<u>-</u>	<u>3,625,451</u>
Total Cash Disbursements				
Excess of Receipts Over/ (Under) Disbursements	(313,145)	(6,287)	-	(319,432)
Fund Cash Balances, January 1	<u>2,035,964</u>	<u>30,797</u>	<u>60,883</u>	<u>2,127,644</u>
Fund Cash Balances, December 31				
Restricted	-	24,510	60,883	85,393
Assigned	190,999	-	-	190,999
Unassigned	1,531,820	-	-	1,531,820
	<u>1,722,819</u>	<u>24,510</u>	<u>60,883</u>	<u>1,808,212</u>
Fund Cash Balances, December 31				

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

**FAIRFIELD COUNTY PUBLIC LIBRARY
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property and Other Local Taxes	\$ 827,352	\$ -	\$ -	\$ 827,352
Public Library	2,256,794	-	-	2,256,794
Intergovernmental	116,382	-	-	116,382
Patron Fines and Fees	105,260	-	-	105,260
Contributions, Gifts and Donations	-	4,255	-	4,255
Earnings on Investments	1,076	-	-	1,076
Miscellaneous	13,700	-	-	13,700
	<u>3,320,564</u>	<u>4,255</u>	<u>-</u>	<u>3,324,819</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Library Services	2,898,810	-	-	2,898,810
Capital Outlay	270,220	6,302	78,450	354,972
	<u>3,169,030</u>	<u>6,302</u>	<u>78,450</u>	<u>3,253,782</u>
Total Cash Disbursements				
Excess of Receipts Over/ (Under) Disbursements	151,534	(2,047)	(78,450)	71,037
Fund Cash Balances, January 1	1,884,430	32,844	139,333	2,056,607
	<u>1,884,430</u>	<u>32,844</u>	<u>139,333</u>	<u>2,056,607</u>
Fund Cash Balances, December 31				
Restricted	-	30,797	60,883	91,680
Assigned	426,578	-	-	426,578
Unassigned	1,609,386	-	-	1,609,386
	<u>1,609,386</u>	<u>-</u>	<u>-</u>	<u>1,609,386</u>
Fund Cash Balances, December 31	<u>\$ 2,035,964</u>	<u>\$ 30,797</u>	<u>\$ 60,883</u>	<u>\$ 2,127,644</u>

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

**FAIRFIELD COUNTY PUBLIC LIBRARY
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

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 Fairfield County District Library, Fairfield County, (the "Library") as a body corporate and politic. The Library is directed by a seven-member Board of Trustees. Three Trustees are appointed by the judges of the Fairfield County Common Pleas Court and four are appointed by the Fairfield County Commissioners for seven year terms. The Library provides the community with various educational and literary resources.

The Fairfield County Library Foundation is also associated with the Library. The Foundation is a not-for-profit corporation, created on April 13, 1983, to support, promote, and encourage the library services, activities, and encourage the library services, activities, and facilities of the Library pursuant to Ohio Rev. Code Section 1702.01. The Foundation is directed by a seven voting, member Board of Trustees. The Foundation possesses its own contracting and budgeting authority and solicits donations for projects of the Foundation. The Foundation does not depend on the Library for funding. The Foundation is not a component unit of the Library. The Foundation issues separate financial statements and financial information is not included on the Library's financial statements. To obtain information about the Foundation, contact Wayne Fritz at 219 North Broad Street, Lancaster, Ohio 43130.

The Library is a member of the Central Library Consortium (the CLC), a joint venture to provide reduced costs to the individual member libraries through collective efforts and resources sharing. The CLC is further discussed in Note 7.

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

B. Accounting Basis

These financial statements follow 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). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

C. Deposits and Investments

The Library'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.

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

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:

**FAIRFIELD COUNTY PUBLIC LIBRARY
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

These funds account for proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Library had the following significant Special Revenue Fund:

Gifts, Donations & Contributions Fund – This fund accounts for receipts restricted by donors for specific purposes.

3. Capital Project Fund

This fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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 2014 and 2013 budgetary activity appears in Note 3.

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Library must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Library classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Trustees can *commit* amounts via formal action (resolution). The Library must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**FAIRFIELD COUNTY PUBLIC LIBRARY
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Library Trustees or a Library official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Library applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. 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.

H. 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.

2. EQUITY IN POOLED CASH

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

	2014	2013
Demand deposits	\$ 3,836	\$ 2,335
Total deposits	3,836	2,335
STAR Ohio	1,744,017	2,068,402
Money market savings	60,359	56,907
Total investments	1,804,376	2,125,309
Total deposits and investments	\$ 1,808,212	\$ 2,127,644

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

At December 31, 2014 and 2013, all deposits were insured or collateralized.

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**FAIRFIELD COUNTY PUBLIC LIBRARY
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2014 and 2013 follows:

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,284,619	\$ 3,290,075	\$ 5,456
Special Revenue	17,500	15,944	(1,556)
Total	\$ 3,302,119	\$ 3,306,019	\$ 3,900

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,989,820	\$ 3,794,219	\$ 195,601
Special Revenue	30,593	22,231	8,362
Capital Project	25,000	-	25,000
Total	\$ 4,045,413	\$ 3,816,450	\$ 228,963

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,320,360	\$ 3,320,564	\$ 204
Special Revenue	4,000	4,255	255
Capital Project	6,628	-	(6,628)
Total	\$ 3,330,988	\$ 3,324,819	\$ (6,169)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,861,760	\$ 3,595,608	\$ 266,152
Special Revenue	19,700	6,302	13,398
Capital Project	145,961	78,450	67,511
Total	\$ 4,027,421	\$ 3,680,360	\$ 347,061

**FAIRFIELD COUNTY PUBLIC LIBRARY
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

4. GRANTS-IN-AID AND TAX RECEIPTS

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The State allocates PLF to each county based on the total tax revenue credited to the State's general revenue fund during the preceding month. This method of distribution is called the "percentage of revenue" method. This method was not used for August 2011 through June 2013. During that 23 month period PLF received a designated percentage of the dollar amounts received by the fund during the corresponding month of the fiscal year 2011 "base-year" period. Effective July 2013 the statutory allocation method reverted to the "percentage of revenue" method for PLF distribution. The fund received an amount equal to a specified percentage of the amount of GRF tax revenue received during the previous month. Beginning with the July 2013 distribution the "statutory allocation method" was implemented. The calendar year 2013 entitlements were used in the computation as the basis of each county's allocation percentage. Those percentages were used through December 2013. In December 2013 the actual calendar year entitlement was computed. Any difference was adjusted evenly to the PLF distributions from January-June 2014. In calendar year 2014 the statutory entitlement computation method continued. Estimated entitlement figures were issued to County Auditors in July 2013, December 2013 and June 2014. The actual 2014 entitlements will be computed in December 2014. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June 2015.

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 Department of Taxation, Division 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 in February and July of each year and submitted to the Library in March and September.

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

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

5. RETIREMENT SYSTEM

Retirement Rates	Years	Member Rate	Employer Rate
PERS – Local	2013 - 2014	10%	14%

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 plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2014 and 2013, OPERS members contributed 10% of their gross salaries and the Library contributed an amount equaling 14% of participants' gross salaries. The Library has paid all contributions required through December 31, 2014.

6. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

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

**FAIRFIELD COUNTY PUBLIC LIBRARY
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

7. JOINT VENTURE

The Library is a member of the Central Library Consortium (the “CLC”). The CLC is a separate entity established as a joint venture to provide reduced costs to the individual member libraries through collective efforts and resource sharing. The CLC undertakes projects that strive to complement the existing resources available through the State Library regional system. The CLC, which commenced on June 13, 1988, has fourteen members consisting of the Fairfield County District Library, Grandview Heights Public Library, Pickerington Public Library, Wagnalls Memorial Library, Pickaway County District Library, Marysville Public Library, Alexandria Public Library, Plain City Public Library, Bexley Public Library, Columbus Public Library, London Public Library, Southwest Public Libraries, Upper Arlington Public Library and Worthington Libraries. The original agreement has been modified to extend membership to additional libraries. The CLC is governed by a Council consisting of one appointed representative by each member library. The Council elects a president, a vice president, and a secretary. The CLC’s financial operations are accounted for in the Agency Fund of the Grandview Heights Public Library. Members make payments to the CLC in amounts established in the agreements for individual projects undertaken by the CLC. The Library contributed \$93,093 and \$84,630 to the CLC in 2014 and 2013, respectively. The Library has no explicit and measurable equity interest in the venture. The Library’s only ongoing financial responsibility to the CLC is for participating projects that have been entered into by the Library. Financial information and statements can be obtained from Grandview Heights Public Library, Franklin County, 1685 W. 1st Ave. Columbus, Ohio 43212.

8. RELATED ORGANIZATION

Fairfield County – The Library is statutorily created as a separate and distinct political subdivision of the State. Four Trustees of the Library are appointed by the Board of County Commissioners and three Trustees are appointed by the judges of the Common Pleas Court. The Library possesses its own contracting and budgeting authority, handles its own personnel actions, and does not depend on the County for operational subsidies.

9. RELATED PARTY TRANSACTIONS

The Fairfield County Library Foundation, a 501(c) (3) tax-exempt organization, provides additional buildings, money, and service to Fairfield County, Ohio libraries. The Library leases three buildings from the Foundation under operating lease agreements, which expire December 31, 2015. The Foundation renewed two of the leases on December 31, 2012 for an annual lease amount of \$1 each. During August 2014, the Library purchased one of these buildings from the Foundation, ending the lease. The third lease was renewed on December 31, 2012 for \$75,000 payable quarterly. The total rent expense for these leases was \$75,002 for the years ended December 31, 2014 and 2013, respectively.

Future minimum lease payments will be \$75,001 for 2015.



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Fairfield County Public Library
Fairfield County
219 North Broad Street
Lancaster, Ohio 43130

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Fairfield County Public Library, Fairfield County, (the Library) as of and for the years ended December 31, 2014 and 2013 and the related notes to the financial statements, and have issued our report thereon dated June 12, 2015, wherein we noted the Library followed financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), described in Note 1.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Library'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 Library'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 Library'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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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, 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*.

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

Balestra, Harr & Scherer, CPAs
Balestra, Harr & Scherer, CPAs, Inc.
Worthington, Ohio
June 12, 2015

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Dave Yost • Auditor of State

FAIRFIELD COUNTY DISTRICT LIBRARY

FAIRFIELD 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 4, 2015**