

**FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
FINANCIAL STATEMENTS
For the Years Ended December 31, 2010 and 2009**



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Fairfield County District Library, Fairfield County, prepared by Jones, Cochenour & Co., for the audit period January 1, 2009 through December 31, 2010. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 District 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

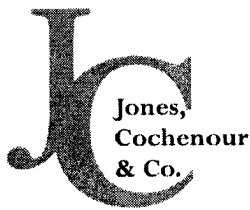
August 23, 2011

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**FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY**

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INDEPENDENT AUDITORS' REPORT

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

To the Library Board of Trustees:

We have audited the accompanying financial statements of the governmental activities of Fairfield County District Library, Fairfield County, Ohio (the "Library") as of and for the years ended December 31, 2010 and 2009. 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 audit.

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. We believe that 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.

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Fairfield County District Library
Fairfield County
Independent Auditors' Report
Page 2

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, 2010 and 2009, 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, 2010 and 2009, or its changes in the 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 Fairfield County District Library, Fairfield County, Ohio, as of December 31, 2010 and 2009, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 June 21, 2011 on our consideration of 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 Standard*. You should read it in conjunction with this report in assessing the results of our audits.



Jones, Cochenour & Co.
June 21, 2011

**FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2010**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
CASH RECEIPTS					
Property and other local taxes	\$ 932,336	\$ -	\$ -	\$ -	\$ 932,336
Library and local government support	2,169,425	-	-	-	2,169,425
Intergovernmental	11,269	-	-	-	11,269
Patron fines and fees	124,838	-	-	-	124,838
Contributions, gifts, and donations	-	4,029	-	-	4,029
Earnings on investments	1,669	-	-	-	1,669
Miscellaneous receipts	29,860	-	-	-	29,860
TOTAL CASH RECEIPTS	3,269,397	4,029	-	-	3,273,426
CASH DISBURSEMENTS					
Current:					
Salaries	1,312,551	-	-	-	1,312,551
Employee fringe benefits	418,361	-	-	-	418,361
Purchased and contracted services	509,097	-	-	-	509,097
Library materials and information	325,667	5,492	-	-	331,159
Supplies	70,722	100	-	-	70,822
Other	8,771	-	-	-	8,771
Capital outlay	44,478	-	-	46,211	90,689
Debt service:					
Redemption of principal	-	-	50,367	-	50,367
Interest and other fiscal charges	-	-	22,164	-	22,164
TOTAL CASH DISBURSEMENTS	2,689,647	5,592	72,531	46,211	2,813,981
TOTAL RECEIPTS OVER/(UNDER) DISBURSEMENTS	579,750	(1,563)	(72,531)	(46,211)	459,445
OTHER FINANCING RECEIPTS/(DISBURSEMENTS)					
Transfers-in	-	-	72,331	-	72,331
Transfers-out	(72,331)	-	-	-	(72,331)
TOTAL OTHER FINANCING RECEIPTS/(DISBURSEMENTS)	(72,331)	-	72,331	-	-
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	507,419	(1,563)	(200)	(46,211)	459,445
FUND CASH BALANCES, JANUARY 1	658,195	14,511	669	321,243	994,618
FUND CASH BALANCES, DECEMBER 31	\$ 1,165,614	\$ 12,948	\$ 469	\$ 275,032	\$ 1,454,063
Reserves for Encumbrances	\$ 92,404	\$ 24	\$ 311	\$ 1,433	\$ 94,172

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

**FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2009**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
CASH RECEIPTS					
Property and other local taxes	\$ 923,506	\$ -	\$ -	\$ -	\$ 923,506
Library and local government support	2,309,181	-	-	-	2,309,181
Intergovernmental	15,290	-	-	-	15,290
Patron fines and fees	140,720	-	-	-	140,720
Contributions, gifts, and donations	953	5,079	-	-	6,032
Earnings on investments	2,582	-	-	-	2,582
Miscellaneous receipts	21,992	-	-	-	21,992
TOTAL CASH RECEIPTS	3,414,224	5,079	-	-	3,419,303
CASH DISBURSEMENTS					
Current:					
Salaries	1,656,782	-	-	-	1,656,782
Employee fringe benefits	490,650	-	-	-	490,650
Purchased and contracted services	630,370	-	-	-	630,370
Library materials and information	267,987	2,751	-	-	270,738
Supplies	70,418	100	-	-	70,518
Other	12,373	-	-	-	12,373
Capital outlay:	20,979	342	-	256,718	278,039
Debt service:					
Redemption of principal	-	-	46,889	-	46,889
Interest and other fiscal charges	-	-	23,572	-	23,572
TOTAL CASH DISBURSEMENTS	3,149,559	3,193	70,461	256,718	3,479,931
TOTAL RECEIPTS OVER/(UNDER) DISBURSEMENTS	264,665	1,886	(70,461)	(256,718)	(60,628)
OTHER FINANCING RECEIPTS/(DISBURSEMENTS)					
Sale of notes	-	-	-	200,000	200,000
Transfers-in	-	-	71,000	-	71,000
Transfers-out	(71,000)	-	-	-	(71,000)
TOTAL OTHER FINANCING RECEIPTS/(DISBURSEMENTS)	(71,000)	-	71,000	200,000	200,000
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	193,665	1,886	539	(56,718)	139,372
FUND CASH BALANCES, JANUARY 1	464,530	12,625	130	377,961	855,246
FUND CASH BALANCES, DECEMBER 31	\$ 658,195	\$ 14,511	\$ 669	\$ 321,243	\$ 994,618
Reserves for Encumbrances	\$ 53,321	\$ 1,680	\$ -	\$ -	\$ 55,001

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

**FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 8.

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

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 accounting basis. The Library recognizes receipts 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).

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

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.

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

Fund Accounting

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

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

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

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

**FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Accounting- Continued

Debt Service Fund – This fund accounts for resources the Library accumulates to pay note indebtedness.

Capital Project Fund – This fund accounts for receipts restricted to acquiring or constructing major capital projects.

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 2010 and 2009 budgetary activity appears in Note 3.

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.

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 AND INVESTMENTS

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

	2010	2009
Demand deposits	\$ 18,777	\$ 75,670
Total deposits	18,777	75,670
STAR Ohio	1,435,286	918,948
Total investments	1,435,286	918,948
Total deposits and investments	\$ 1,454,063	\$ 994,618

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

Investments – Investments in STAR Ohio are not evidenced by securities existing in physical or book-entry form.

**FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 3,200,414	\$ 3,269,397	\$ 68,983
Special Revenue	3,000	4,029	1,029
Debt Service	72,331	72,331	-
Capital Projects	-	-	-
Total	\$ 3,275,745	\$ 3,345,757	\$ 70,012

2010 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Budget Exp.</u>	<u>General</u>	<u>Spec Rev.</u>	<u>Debt Service</u>	<u>Cap Proj</u>	<u>Total</u>
Cash Disbursement	2,689,648	5,592	72,531	46,210	2,813,981
Encumbrances	92,404	24	311	1,433	94,172
Transfer Out	72,331	-	-	-	72,331
Total Actual Exp.	2,854,383	5,616	72,842	47,643	2,980,484

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 3,574,743	\$ 2,854,383	\$ 720,360
Special Revenue	17,512	5,616	11,896
Debt Service	73,000	72,842	158
Capital Projects	321,243	47,643	273,600
Total	\$ 3,986,498	\$ 2,980,484	\$ 1,006,014

2009 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 3,283,008	\$ 3,414,223	\$ 131,215
Special Revenue	3,000	5,079	2,079
Debt Service	71,000	71,000	-
Capital Projects	200,000	200,000	-
Total	\$ 3,557,008	\$ 3,690,302	\$ 133,294

**FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

3. BUDGETARY ACTIVITY - CONTINUED

<u>Budget Exp.</u>	2009 Budgeted vs. Actual Budgetary Basis Expenditures				<u>Total</u>
	<u>General</u>	<u>Spec Rev.</u>	<u>Debt Service</u>	<u>Cap Proj</u>	
Cash Disbursement	3,149,560	3,193	70,461	256,718	3,479,932
Encumbrances	53,321	1,680	-	-	55,001
Transfer Out	71,000	-	-	-	71,000
Total Actual Exp.	3,273,881	4,873	70,461	256,718	3,605,933

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 3,747,539	\$ 3,273,881	\$ 473,658
Special Revenue	15,626	4,873	10,753
Debt Service	71,129	70,461	668
Capital Projects	577,961	256,718	321,243
Total	\$ 4,412,255	\$ 3,605,933	\$ 806,322

4. GRANTS-IN-AID

Historically, the primary source of revenue for Ohio public libraries was the State Library and Local Government Support Fund (LLGSF). The State would allocate LLGSF to each county based on the county's prior intangibles tax of LLGSF revenues, and its population.

Beginning July 1, 2008, state funding comes from the Public Library Fund (PLF). The funds continue to flow from the state to the Fairfield County Auditor and then are distributed to the county libraries in accordance with the Fairfield County Budget Commission's allocation formula. The Fairfield 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 any additional revenues the Library receives.

5. DEBT

Debt outstanding at December 31, 2010 was as follows:

<u>General Obligation Notes</u>	<u>Principal</u>	<u>Interest Rate</u>
2008 Series	\$ 306,879	4.41%
2009 Series	168,026	4.41%
Total Notes	\$ 474,905	

The general obligation notes are supported by the full faith and credit of the Library and are payable from unvoted library and local government support revenues to the extent that other resources are not available to meet annual principal and interest payments.

**FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

5. DEBT - CONTINUED

Amortization of the above debt is scheduled as follows:

Year ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	52,537	19,994	\$ 72,531
2012	54,862	17,669	72,531
2013	57,393	15,138	72,531
2014	59,989	12,542	72,531
2015	62,700	9,831	72,531
Thereafter	187,424	12,367	199,791
Total	<u>\$ 474,905</u>	<u>\$ 87,541</u>	<u>\$ 562,446</u>

6. RETIREMENT SYSTEM

The Ohio Public Employees Retirement System (OPERS) is a state operated, cost-sharing, multiple employer public employee retirement system. The Ohio Revised Code prescribes retirement benefits for vested employees who are eligible to retire based upon years of service. OPERS also provides survivor and disability benefits to vested employees as the Ohio Revised Code prescribes.

The Ohio Revised Code also prescribes contribution rates. The Library's OPERS members contributed 10.0 percent of their gross salaries for 2010 and 2009. The Library contributed an amount equal to 14.00 percent of participants' gross salaries for 2010 and 2009. The Library has paid all required contributions through December 31, 2010.

7. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

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

8. 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 seven members consisting of the Fairfield County District Library, Grandview Heights Public Library, Pickerington Public Library, The Wagnall's Memorial Library, Pickaway County District Library, Marysville Public Library, Alexandria Public Library and Plain City Public Library. 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 \$175,776 and \$152,457 to the CLC in 2010 and 2009 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.

**FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

9. 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.

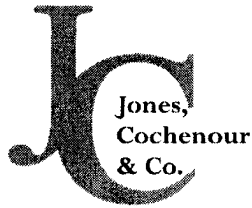
10. RELATED PARTY TRANSACTIONS

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, 2012. The Foundation renewed two of the leases on December 31, 2010 for an annual lease amount \$1 each. The third lease was renewed on December 31, 2010 for \$57,600, payable quarterly. A combined decrease of \$84,358 compared to the prior lease terms. The total rent expense for these leases totaled \$141,960 for the years ended December 31, 2010 and 2009.

Future minimum lease payments will be \$57,602 for 2011 and 2012.

11. SUBSEQUENT EVENTS

There were no subsequent events noted through June 21, 2011, the date the financial statements were available to be issued. Any subsequent events after that date have not been evaluated.



Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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

To the Library Board of Trustees:

We have audited the financial statements of Fairfield County District Library, Fairfield County, Ohio (the "Library") as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 21, 2011, wherein we noted the Library 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 *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.


Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

much more than an accounting firm

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on 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 that are required to be reported under *Government Auditing Standards*.

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

A handwritten signature in cursive script that reads "Jones, Cochenour & Co.".

Jones, Cochenour & Co.

June 21, 2011

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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
SEPTEMBER 6, 2011