



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2024 - 2023**



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

We have reviewed the *Independent Auditor's Report* of the Fairfield County District Library, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2023 through December 31, 2024. 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 District Library is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

August 22, 2025

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**FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY**

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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Fairfield County District Library, Fairfield County, Ohio (the Library), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements 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, 2024 and 2023, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Library, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Library on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2025, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's 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.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C.".

Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 4, 2025

**FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2024**

| | General | Special Revenue | Capital Projects | Permanent | Combined Total |
|---|----------------------------|--------------------------|----------------------------|-------------------------|----------------------------|
| Cash Receipts | | | | | |
| Property and Other Local Taxes | \$ 1,377,726 | \$ - | \$ - | \$ - | \$ 1,377,726 |
| Public Library | 2,871,038 | - | - | - | 2,871,038 |
| Intergovernmental | 59,524 | 14,723 | - | - | 74,247 |
| Patron Fines and Fees | 19,322 | - | - | - | 19,322 |
| Contributions, Grants and Donations | 7,805 | 234,717 | - | - | 242,522 |
| Earnings on Investments | 219,900 | - | - | 2,439 | 222,339 |
| Miscellaneous | 4,135 | - | - | - | 4,135 |
| <i>Total Cash Receipts</i> | <u>4,559,450</u> | <u>249,440</u> | <u>-</u> | <u>2,439</u> | <u>4,811,329</u> |
| Cash Disbursements | | | | | |
| Current: | | | | | |
| Library Services: | | | | | |
| Public Services and Programs | 1,953,935 | 2,241 | - | - | 1,956,176 |
| Collection Development and Processing | 956,329 | 15,186 | - | - | 971,515 |
| Support Services: | | | | | |
| Facilities Operation and Maintenance | 467,579 | - | - | - | 467,579 |
| Information Services | 339,457 | - | - | - | 339,457 |
| Business Administration | 707,011 | - | - | - | 707,011 |
| Capital Outlay | 102,501 | 18,475 | 173,099 | - | 294,075 |
| <i>Total Cash Disbursements</i> | <u>4,526,812</u> | <u>35,902</u> | <u>173,099</u> | <u>-</u> | <u>4,735,813</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>32,638</u> | <u>213,538</u> | <u>(173,099)</u> | <u>2,439</u> | <u>75,516</u> |
| Other Financing Receipts (Disbursements) | | | | | |
| Transfers In | - | - | 500,000 | - | 500,000 |
| Transfers Out | (500,000) | - | - | - | (500,000) |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(500,000)</u> | <u>-</u> | <u>500,000</u> | <u>-</u> | <u>-</u> |
| <i>Net Change in Fund Cash Balances</i> | <u>(467,362)</u> | <u>213,538</u> | <u>326,901</u> | <u>2,439</u> | <u>75,516</u> |
| <i>Fund Cash Balances, January 1</i> | <u>2,997,809</u> | <u>20,163</u> | <u>1,089,263</u> | <u>54,134</u> | <u>4,161,369</u> |
| <i>Fund Cash Balances, December 31</i> | <u><u>\$ 2,530,447</u></u> | <u><u>\$ 233,701</u></u> | <u><u>\$ 1,416,164</u></u> | <u><u>\$ 56,573</u></u> | <u><u>\$ 4,236,885</u></u> |

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

FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 1 – Reporting Entity

The Fairfield County District Library, Fairfield County (the Library), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Library has its own seven-member Board of Trustees, four of which are appointed by the Board of County Commissioners and three by the Judges of the Court of Common Pleas. Appointments are for seven-year terms and members serve without compensation. The Library provides the community with various educational and literary resources.

Joint Venture

The Library is a member of the Central Library Consortium (the CLC), a joint venture. Note 10 to the financial statements provides additional information for this entity.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Library's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, which is organized on a fund type basis.

Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Library are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the 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 The gifts, donations & contributions fund accounts for and reports contributions, gifts, and donations restricted by donors for specific purposes.

Capital Project Funds These funds account for and report 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. The Library had the following significant Capital Project Fund:

Improvement to Buildings Fund The improvement to buildings fund accounts for and reports transfers restricted for improvements to the Library building.

FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Library had the following significant Permanent Funds:

Janet & Hugh Gilmore Memorial Fund This fund's interest earned is restricted for the purchase of materials for the Fairfield County District Library.

Charmaine Fritz Memorial Fund This fund's interest earned is restricted to support the Baltimore Branch Library

Gladys Beougher Memorial Fund This fund's interest earned is restricted for the purchase of children's books.

George Martin Memorial Fund This fund's interest earned is restricted for the purchase of books for the Library.

Basis of Accounting

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 (C). This basis is similar to the cash receipts and disbursements accounting 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 disbursements 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 (C) permit.

Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary disbursements may not exceed appropriations at the object level of control.

A summary of 2024 budgetary activity appears in Note 3.

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 are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value. Nonnegotiable certificates of deposit are valued at cost.

FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 2 - Summary of Significant Accounting Policies (continued)

Capital Assets

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

Library employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balances are 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:

Nonspendable The Library classifies assets as nonspendable when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Library and the nonspendable portion of the corpus in permanent funds.

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.

Committed The Trustees can commit amounts via formal action (resolution). The Library must adhere to these commitments unless the Board amends 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.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 3 - Budgetary Activity

Budgetary activity for the year ended December 31, 2024 follows:

| 2024 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|---------------------|---------------------|------------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$ 4,582,000 | \$ 4,599,450 | \$ 17,450 |
| Special Revenue | 250,347 | 249,440 | (907) |
| Capital Projects | 500,000 | 500,000 | - |
| Permanent | - | 2,439 | 2,439 |
| Total | <u>\$ 5,332,347</u> | <u>\$ 5,351,329</u> | <u>\$ 18,982</u> |

| 2024 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|-------------------------|------------------------|-------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$ 5,765,567 | \$ 5,244,738 | \$ 520,829 |
| Special Revenue | 36,887 | 35,902 | 985 |
| Capital Projects | 311,317 | 242,292 | 69,025 |
| Total | <u>\$ 6,113,771</u> | <u>\$ 5,522,932</u> | <u>\$ 590,839</u> |

Note 4 – Deposits and Investments

To improve cash management, cash received by the Library is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Library's deposit and investment accounts are as follows:

| | 2024 |
|---|---------------------|
| Cash Management Pool: | |
| Demand deposits | \$ 33,444 |
| Certificates of deposit | 44,061 |
| Cash on Hand | 550 |
| Total deposits | <u>78,055</u> |
| STAR Ohio | 4,088,800 |
| Mutual Funds | 70,030 |
| Total investments | <u>4,158,830</u> |
| Total carrying amount of deposits and investments held in the Pool (ties to FS) | <u>\$ 4,236,885</u> |

The Library does not use a separate payroll clearing account or unremitted payroll withholdings. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the Library did not have any unremitted employee withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation, collateralized by securities specifically pledged by the financial institution to the Library, or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

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

FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 5 – Grants in Aid

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 using the statutory allocation method. Estimated entitlement figures were issued to County Auditors. The actual current year entitlements were computed in December of the current year. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June of the subsequent year.

Note 6 - Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Library pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

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

There were no claims that exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

Note 7 - Defined Benefit Pension Plan

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

The Ohio Revised Code also prescribes contribution rates. 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, 2024.

Note 8 - Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0% for members in the traditional pension plan and 2% for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4%; however, a portion of the health care rate was funded with reserves.

FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 9 – Contingent Liabilities

The Library may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Library's financial condition.

Amounts grantor agencies pay to the Library are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 10 – 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 eighteen total members. Prior to March 2018, the members consisted of Alexandria Public Library, Bexley Public Library, Columbus Metropolitan Library, Fairfield County District Library, Grandview Heights Public Library, London Public Library, Marysville Public Library, Pickaway County District Public Library, Pickerington Public Library, Plain City Public Library, Southwest Public Libraries, Upper Arlington Public Library, Wagnalls Memorial Library, and Worthington Libraries. The original agreement has been modified to extend membership to additional libraries and since March 2018, the CLC added Delaware County District Library, Granville Public Library Association an Pataskala Public Library, and Westerville Public Library, to its members. 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 Custodial Fund of the Grandview Heights Public Library. Financial information and statements can be obtained from Grandview Heights Public Library, Franklin County, 1685 West 1st Avenue, Columbus, Ohio 43212.

Members make payments to the CLC in amounts established in the agreements for individual projects undertaken by the CLC. 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.

Note 11 – Fund Balances

Fund balances may include money that the Library cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the balances of these amounts were as follows:

| <u>Fund Balances</u> | <u>General</u> | <u>Capital Projects</u> | <u>Permanent</u> | <u>Total</u> |
|--------------------------|-------------------|-----------------------------|------------------|-------------------|
| Nonspendable Corpus | \$ - | \$ - | \$ 52,024 | \$ 52,024 |
| Outstanding Encumbrances | 217,926 | 69,193 | - | 287,119 |
| Total | <u>\$ 217,926</u> | <u>\$ 69,193</u> | <u>\$ 52,024</u> | <u>\$ 339,143</u> |

FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 11 – Fund Balances (Continued)

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds is restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, capital projects and permanent funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | General | Special Revenue | Capital Projects | Permanent | Combined Total |
|---|---------------------|--------------------|---------------------|------------------|---------------------|
| Cash Receipts | | | | | |
| Property and Other Local Taxes | \$ 1,322,196 | \$ - | \$ - | \$ - | \$ 1,322,196 |
| Public Library | 3,206,320 | - | - | - | 3,206,320 |
| Intergovernmental | 36,543 | 9,138 | - | - | 45,681 |
| Patron Fines and Fees | 20,361 | - | - | - | 20,361 |
| Contributions, Grants and Donations | 6,490 | 19,830 | - | - | 26,320 |
| Earnings on Investments | 206,812 | - | - | 1,151 | 207,963 |
| Miscellaneous | 1,766 | - | - | - | 1,766 |
| Total Cash Receipts | 4,800,488 | 28,968 | - | 1,151 | 4,830,607 |
| Cash Disbursements | | | | | |
| Current: | | | | | |
| Library Services: | | | | | |
| Public Services and Programs | 1,629,119 | - | - | - | 1,629,119 |
| Collection Development and Processing | 557,819 | 10,832 | - | - | 568,651 |
| Support Services: | | | | | |
| Facilities Operation and Maintenance | 471,180 | - | - | - | 471,180 |
| Information Services | 335,249 | - | - | - | 335,249 |
| Business Administration | 1,186,251 | - | - | - | 1,186,251 |
| Capital Outlay | 70,121 | - | 223,747 | - | 293,868 |
| Total Cash Disbursements | 4,249,739 | 10,832 | 223,747 | - | 4,484,318 |
| Excess of Receipts Over (Under) Disbursements | 550,749 | 18,136 | (223,747) | 1,151 | 346,289 |
| Other Financing Receipts (Disbursements) | | | | | |
| Transfers In | - | - | 800,000 | - | 800,000 |
| Transfers Out | (800,000) | - | - | - | (800,000) |
| Total Other Financing Receipts (Disbursements) | (800,000) | - | 800,000 | - | - |
| Net Change in Fund Cash Balances | (249,251) | 18,136 | 576,253 | 1,151 | 346,289 |
| Fund Cash Balances, January 1 | 3,247,060 | 2,027 | 513,010 | 52,983 | 3,815,080 |
| Fund Cash Balances, December 31 | \$ 2,997,809 | \$ 20,163 | \$ 1,089,263 | \$ 54,134 | \$ 4,161,369 |

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

FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 1 – Reporting Entity

The Fairfield County District Library, Fairfield County (the Library), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Library has its own seven-member Board of Trustees, four of which are appointed by the Board of County Commissioners and three by the Judges of the Court of Common Pleas. Appointments are for seven-year terms and members serve without compensation. The Library provides the community with various educational and literary resources.

Joint Venture

The Library is a member of the Central Library Consortium (the CLC), a joint venture. Note 10 to the financial statements provides additional information for this entity.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Library's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, which is organized on a fund type basis.

Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Library are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the 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 The gifts, donations & contributions fund accounts for and reports receipts restricted by donors for specific purposes.

Capital Project Funds These funds account for and report 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. The Library had the following significant Capital Project Fund:

Improvement to Buildings Fund The improvement to buildings fund accounts for and reports resources restricted for improvements to the Library building.

FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Library had the following significant Permanent Funds:

Janet & Hugh Gilmore Memorial Fund This fund's interest earned is restricted for the purchase of materials for the Fairfield County District Library.

Charmaine Fritz Memorial Fund This fund's interest earned is restricted to support the Baltimore Branch Library

Gladys Beougher Memorial Fund This fund's interest earned is restricted for the purchase of children's books.

George Martin Memorial Fund This fund's interest earned is restricted for the purchase of books for the Library.

Basis of Accounting

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 (C). This basis is similar to the cash receipts and disbursements accounting 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 disbursements 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 (C) permit.

Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary disbursements may not exceed appropriations at the object level of control.

A summary of 2023 budgetary activity appears in Note 3.

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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value. Nonnegotiable certificates of deposit are valued at cost.

FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

Capital Assets

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 retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Library's cash basis of accounting.

Fund Balance

Fund balances are 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:

Nonspendable The Library classifies assets as nonspendable when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Library and the nonspendable portion of the corpus in permanent funds.

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.

Committed The Trustees can commit amounts via formal action (resolution). The Library must adhere to these commitments unless the Board amends 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.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 3 - Budgetary Activity

Budgetary activity for the year ended December 31, 2023 follows:

| 2023 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|---------------------|---------------------|-------------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$ 4,649,050 | \$ 4,800,488 | \$ 151,438 |
| Special Revenue | 28,838 | 28,968 | 130 |
| Capital Projects | 800,000 | 800,000 | - |
| Permanent | - | 1,151 | 1,151 |
| Total | <u>\$ 5,477,888</u> | <u>\$ 5,630,607</u> | <u>\$ 152,719</u> |

| 2023 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|-------------------------|------------------------|-------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$ 5,958,960 | \$ 5,267,665 | \$ 691,295 |
| Special Revenue | 31,866 | 28,832 | 3,034 |
| Capital Projects | 472,512 | 284,885 | 187,627 |
| Total | <u>\$ 6,463,338</u> | <u>\$ 5,581,382</u> | <u>\$ 881,956</u> |

Note 4 – Deposits and Investments

To improve cash management, cash received by the Library is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Library's deposit and investment accounts are as follows:

| | 2023 |
|---|---------------------|
| Cash Management Pool: | |
| Demand deposits | \$ 37,534 |
| Certificates of deposit | 91,890 |
| Cash on Hand | 550 |
| Total deposits | <u>129,974</u> |
| STAR Ohio | 3,964,453 |
| Mutual funds | 66,942 |
| Total investments | <u>4,031,395</u> |
| Total carrying amount of deposits and investments held in the Pool (ties to FS) | <u>\$ 4,161,369</u> |

The Library does not use a separate payroll clearing account or unremitted payroll withholdings. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Library did not have any unremitted employee withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation, collateralized by securities specifically pledged by the financial institution to the Library, or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

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

FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 5 – Grants in Aid

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 using the statutory allocation method. Estimated entitlement figures were issued to County Auditors. The actual current year entitlements were computed in December of the current year. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June of the subsequent year.

Note 6 - Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Library pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

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

There were no claims that exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

Note 7 - Defined Benefit Pension Plan

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

The Ohio Revised Code also prescribes contribution rates. 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, 2023.

Note 8 - Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0% for members in the traditional pension plan and 2% for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4%; however, a portion of the health care rate was funded with reserves.

FAIRFIELD COUNTY DISTRICT LIBRARY
FAIRFIELD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 9 – Contingent Liabilities

The Library may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Library's financial condition.

Amounts grantor agencies pay to the Library are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 10 – 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 seventeen total members. Prior to March 2018, the members consisted of Alexandria Public Library, Bexley Public Library, Columbus Metropolitan Library, Fairfield County District Library, Grandview Heights Public Library, London Public Library, Marysville Public Library, Pickaway County District Public Library, Pickerington Public Library, Plain City Public Library, Southwest Public Libraries, Upper Arlington Public Library, Wagnalls Memorial Library, and Worthington Libraries. The original agreement has been modified to extend membership to additional libraries and in March 2018, the CLC added Delaware County District Library, Granville Public Library Association and Pataskala Public Library to its members. 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 Custodial Fund of the Grandview Heights Public Library. Financial information and statements can be obtained from Grandview Heights Public Library, Franklin County, 1685 West 1st Avenue, Columbus, Ohio 43212.

Members make payments to the CLC in amounts established in the agreements for individual projects undertaken by the CLC. 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.

Note 11 – Fund Balances

Fund balances may include money that the Library cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the balances of these amounts were as follows:

| <u>Fund Balances</u> | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Permanent</u> | <u>Total</u> |
|--------------------------|-------------------|----------------------------|-----------------------------|------------------|-------------------|
| Nonspendable Corpus | \$ - | \$ - | \$ - | \$ 54,134 | \$ 54,134 |
| Outstanding Encumbrances | 217,926 | 18,000 | 61,138 | - | 297,064 |
| Total | <u>\$ 217,926</u> | <u>\$ 18,000</u> | <u>\$ 61,138</u> | <u>\$ 54,134</u> | <u>\$ 351,198</u> |

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds is restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, capital projects and permanent funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**INDEPENDENT AUDITOR'S 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 Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of Fairfield County District Library, Fairfield County, Ohio (the Library) and have issued our report thereon dated June 4, 2025, wherein we noted the Library followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Library's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free from 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 financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 4, 2025

OHIO AUDITOR OF STATE KEITH FABER



FAIRFIELD COUNTY DISTRICT LIBRARY

FAIRFIELD COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 9/4/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov