



2019

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2019
ORANGE COUNTY LIBRARY DISTRICT
(A Component Unit of Orange County, Florida)



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COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2019
Prepared by: FINANCE DEPARTMENT

**ORANGE COUNTY LIBRARY DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED SEPTEMBER 30, 2019**

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INTRODUCTORY SECTION



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Orlando, Florida 32801-2471
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fax: 407.835.7649
website: www.ocls.info

*Mary Anne Hodel,
Library Director, Chief Executive Officer*

January 27, 2020

To the Library Board of Trustees and Residents of the Orange County Library District:

The Comprehensive Annual Financial Report (CAFR) of the Orange County Library District (District) for the fiscal year ended September 30, 2019 is hereby submitted.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management of the District. To the best of our knowledge and belief, the information presented herein is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The CAFR is presented in four sections:

- **Introductory** – Includes this transmittal letter, the District's organizational chart, a list of principal officials, and the prior year's Certificate of Achievement for Excellence in Financial Reporting.
- **Financial** – Includes the report of independent auditor, management's discussion and analysis, the basic financial statements, required supplementary information, and other supplementary information.
- **Statistical** – Contains selected financial and demographic information, generally presented on a multi-year basis.
- **Compliance** – Contains schedules and reports required by state and federal regulations.

State statute, augmented by the Rules of the Florida Auditor General, requires that the District's financial statements be published within one year of fiscal year end, presented in conformance with generally accepted accounting principles (GAAP) as applicable to governmental entities, and audited in accordance with generally accepted auditing standards by licensed independent certified public accountants. This report serves to fulfill these requirements.

Management of the District is responsible for establishing and maintaining an internal control framework that is designed to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. As a recipient of federal and state financial assistance, the District is also responsible for establishing adequate internal controls to ensure compliance with applicable laws

and regulations related to those programs. The District's internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management. We believe the District's internal controls adequately safeguard assets, provide reasonable assurance of properly recorded financial transactions, and provide reasonable assurance that applicable laws and regulations relating to federal and state financial assistance are being followed.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of independent auditor.

District Profile

The District was established by a special state legislative act, Chapter 80-555, Laws of Florida, approved by referendum on September 9, 1980 as an independent special taxing district, to provide library services for Orange County, Florida (exclusive of the Cities of Winter Park and Maitland). The original act, as amended, was recodified into Chapter 99-486, Laws of Florida.

The District's Governing Board is comprised of the Board of County Commissioners of Orange County, Florida and one member appointed by the City Council of the City of Orlando, Florida. The powers of the Governing Board are primarily limited to levying taxes, issuing long-term debt, appointing members of the Board of Trustees, and exercising powers of eminent domain. The five-member Library Board of Trustees is responsible for managing, administering, and operating all library facilities and services of the District. Library services are provided to approximately 1,331,000 residents through a 290,000 square foot Main Library building and 15 branch facilities, which range in size from 5,600 to 15,700 square feet.

The District adopts annual budgets for all governmental funds on a modified accrual basis. Budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. Budget-to-actual comparisons are provided in this report for each governmental fund.

Economic Condition

Information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local economy. The local economy is primarily driven by the tourism and travel industry. Major employers include Walt Disney World Resort, AdventHealth, Universal Orlando Resort, Orange County Public Schools, University of Central Florida, Lockheed Martin, Resource Employment Solution, Orange County Government, Darden Restaurants, Inc., and City of Orlando. The two largest property tax payers of the District are the Walt Disney World Resort and Universal Studios.

Long-term financial planning. Orange County is a high growth area and as more residents move into the boundaries of the Library's District, there are increasing needs for additional branch libraries. Management of the District is accumulating financial resources to acquire appropriate sites and construct new branch facilities. Each year, funds are transferred from the District's General Fund to the Capital Projects Fund specifically for future branch development. During the

fiscal year ended September 30, 2019, \$4,300,000 was transferred for this purpose and the subsequent year's budget allocated \$4,000,000 for this purpose. As of September 30, 2019, the District had accumulated \$9,877,314 in the Capita! Projects Fund for future branch development.

Relevant financial policies. It is common to read news stories about State and local governments having underfunded defined benefit pension and other post employment benefit (OPEB) plans. Through conservative investment assumptions (6.75% for pension and 6.5% for OPEB) and annually contributing the contribution required by actuaries, the District has appropriately funded plans. Each of the two plans have funded ratios in excess of 100%. Funding these plans appropriately also saves the taxpayers money as the earnings on the investments reduces the contributions that the District must make.

Major initiatives. During the fiscal year ended September 30, 2019, the District moved its Edgewater Branch to the new Fairview Shores location, which is less than two (2) miles from the previous location. Going forward, the District is remodeling restroom facilities in three (3) of its leased branch facilities, refreshing (paint, carpet, furniture, etc.) to five (5) of its branches and replacing the emergency generator in the Main Library. These projects will be funded from the District's General Fund through property tax revenues. The District is investigating the possibility of adding a branch in the Horizons West and/or the Lake Nona areas, which would be funded through the District's Capita! Project Fund.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Orange County Library District for its comprehensive annual financial report for the fiscal year ended September 30, 2018. This was the sixteenth consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the District's Finance Department staff. We would also like to extend our appreciation to the Library Board of Trustees for their considerable contributions and support. Finally, we would like to thank the accounting firm of Cherry Bekaert LLP for helping to bring this report together.

Sincerely,



Kristopher S. Shoemaker, CMA, CGFO
Chief Financial Officer



Lovevia Williams, CPA
Finance Manager



Board of Trustees

Director / Chief Executive Officer

Administrative Assistant

Chief of Lifelong Learning

Events & Programs

Learning Central

Technology & Education

Youth Services

Chief Financial Officer

Facility Operations

Finance

Purchasing

Human Resources

Chief Operating Officer

Acquisitions

Circulation

Integrated Systems Management

Melrose Center

Special Services

Public Relations Administrator

Friends of Library

Graphics & Video

Promotions & Outreach

Social Media

Chief Branch Officer

Alafaya

Eatonville

Southeast

South Trail

Southwest

Washington Park

Windermere

Chief Branch Officer

Chickasaw

Fairview Shores

Herndon

Hiawassee

North Orange

South Creek

West Oaks

Winter Garden

Chief Information Officer

IT Support

IT Design & Development



Orange County Library District Organizational Chart

ORANGE COUNTY LIBRARY DISTRICT
List of Principal Officials
FY 2018-2019

Library Board of Trustees

Lisa Franchina	President
Marucci Guzmán	Vice President
Ted Maines	Trustee
Richard Maladecki	Trustee
Nicole Benjamin	Trustee

Director/Chief Executive Officer

Mary Anne Hodel

Chief Financial Officer

Kristopher Shoemaker, CMA, CGFO

Finance Manager

Lovevia Williams, CPA



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Orange County Library District
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

Report of Independent Auditor

To the Members of the Orange County Library Board of Trustees
Orange County Library District
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Orange County Library District (the "District"), a component unit of Orange County, Florida, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of the internal service fund, presented in the District's basic financial statements, and each of the fiduciary funds of the District, presented as other supplementary information in the accompanying combining financial statements, as of and for the year ended September 30, 2019.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the internal service fund and each fiduciary fund of the District as of September 30, 2019 and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements and on the fiduciary funds presented as other supplementary information. The introductory and statistical sections and capital projects fund, capital projects sinking fund and permanent fund budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.550, Rules of the Auditor General of the State of Florida, and is also not a required part of the basic financial statements.

The capital projects fund, capital projects sinking fund and permanent fund budgetary comparison information and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the capital projects fund, capital projects sinking fund and permanent fund budgetary comparison information and the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2020, on our consideration of the District's internal control over financial reporting and on 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 District'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 District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cheryl Behrman LLP". The signature is written in a cursive, flowing style.

Orlando, Florida
January 27, 2020

Management's Discussion and Analysis

The following discussion and analysis of the Orange County Library District's (the "District") financial statements provides an overview of the District's financial activities for the fiscal year ended September 30, 2019. This analysis is designed to assist the reader of the financial statements in focusing on the significant financial issues and activities and to identify any significant changes in financial position. The information presented here should be considered in conjunction with the financial statements taken as a whole.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements, which are comprised of the following three components.

- ❑ Government-wide financial statements
- ❑ Fund financial statements
- ❑ Notes to the financial statements

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances taken as a whole, in a manner similar to a business.

The *statement of governmental net position* presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Assets, deferred outflows of resources, liabilities, and deferred inflows of resources are reported in this statement based on the accrual method of accounting, which is used by most businesses.

The *statement of governmental activities* presents information showing how the District's net position changed during the year. This statement includes all of the District's revenues and expenses, regardless of when the cash is received or paid.

The government-wide financial statements are located on pages 14-15 of this report.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other local governments, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the District's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for the same library activities reported in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows in and out of the individual funds and the balances left at year-end that are available for spending. These funds are reported based on the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund statements provide a short-term view of the District's financial operations.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it may be useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. Both the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

The District's governmental funds consist of the General Fund, Capital Projects Fund, Capital Projects Sinking Fund, and Permanent Fund, all of which are reported as major funds. Information is presented separately in the governmental balance sheet and statement of revenues, expenditures, and changes in fund balances for each of these funds. The governmental fund financial statements can be found on pages 16 - 18 of this report.

The District adopted an annual budget for each of its governmental funds. Budgetary comparison schedules are located on page 49 for the General Fund and on pages 58 - 60 for the other funds.

Proprietary funds. The District maintains one type of proprietary fund. An *internal service fund* is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses its Internal Service Fund to account for its self-insured health coverage provided to employees and retirees. Because these services benefit governmental functions, they have been included within governmental activities in the government-wide financial statements. The basic Internal Service Fund financial statements can be found on pages 19 - 21.

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the District. The District is the fiduciary for the Defined Benefit, Defined Contribution, and Money Purchase Pension Plans as well as the Other Postemployment Benefit Plan. The combined activities for these plans are reported in the Statement of Fiduciary Net Position – Pension and Other Postemployment Benefit Trust Funds, and Statement of Changes in Fiduciary Net Position – Pension and Other Postemployment Benefit Trust Funds on pages 22 - 23 of this report. Combining financial statements for the plans can be found on pages 56 - 57. The financial activities for these plans are excluded from the District's government-wide financial statements because the District cannot use the assets to finance its operations.

Notes to the financial statements

The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24 - 48 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which can be found on pages 49 - 55 of this report.

Government-wide Financial Analysis

The following summarizes the District's net position at September 30, 2019 and 2018.

	2019	2018
Current and other assets	\$33,297,749	\$28,497,411
Capital assets	32,296,499	33,449,511
Total assets	65,594,248	61,946,952
Deferred outflows of resources	1,230,690	812,277
Total assets and deferred outflows of resources	66,824,938	62,759,229
Current liabilities	3,588,794	3,323,025
Long term liabilities	882,286	924,941
Total liabilities	4,471,080	4,247,966
Deferred inflows of resources	162,413	2,337,988
Total liabilities and deferred inflows of resources	4,633,493	6,585,954
Net position:		
Investment in capital assets	32,296,499	33,449,511
Restricted	1,527,343	3,788,614
Unrestricted	28,367,603	18,935,150
Total net position	\$62,191,445	\$56,173,275

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. During the year ended September 30, 2019, the District increased its net position through operating results by \$6,018,170 and assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$62,191,445 as of the end of the fiscal year.

By far the largest portion of the District's net position is its investment in capital assets (land, buildings, improvements, furniture and equipment, computer equipment, library books, and construction in progress). The District uses capital assets to provide library services. Consequently, these assets are not available for future spending. The District does not have any debt associated with its capital assets.

A second category of net position is referred to as restricted since the resources are related to net OPEB and/or net pension assets or are otherwise subject to external restrictions on how they can be used. This category consists of funds donated to the District, which can only be used for specified purposes.

The last category, unrestricted, may be used to meet the District's ongoing obligations to citizens and creditors.

The following summarizes the District's governmental activities for the years ended September 30, 2019 and 2018.

	2019	2018
Program Revenues		
Charges for services	\$1,163,129	\$1,279,929
Operating grants and contributions	1,518,081	1,268,671
General Revenues		
Property taxes	44,157,999	40,292,698
Investment income	896,826	449,103
Miscellaneous	154,984	272,751
Total revenues	47,891,019	43,563,152
Expenses		
Salaries and benefits	24,910,999	22,787,890
Operating	10,098,378	9,075,273
Depreciation	3,914,812	4,076,370
Materials	2,948,660	3,130,625
Total expenses	41,872,849	39,070,158
Changes in net position	6,018,170	4,492,994
Net position-beginning of year, as previously reported	56,173,275	51,437,116
Cumulative effect of change in accounting principle	—	243,165
Restated beginning net position	56,173,275	51,680,281
Net position - end of year	\$62,191,445	\$56,173,275

- Both charges for services and operating grants and contributions reflect only very nominal changes between the years ending September 30, 2018 and 2019.
- While the tax rate has not changed, property taxes increased \$3,865,301 due to higher property values and new construction.
- Due to larger reserves being invested and higher interest rates, investment income increased by \$447,723.
- Salaries and benefits increased by \$2,123,109 during the year ended September 30, 2019. This increase is due to the Defined Benefit Pension Plan experienced an unfavorable investment return in calendar year 2018. The increase in the Retiree Health Care (OPEB) expenditures is due to the addition of the retiree health care supplement. Also included are the annual merit and health insurance cost increases.
- Operating expenditures increased by \$1,023,105 due to replacing and repairing HVAC units throughout the library and extensive roof repairs. Supplies expenditures increased due to the furniture for the relocation of the Fairview Shores branch, cubicles and furniture for the 5th floor remodel and new staff chairs. Replacement computers were purchased at a lower cost where previously these models were capitalized.
- Based on current trends and being fiscally conservative the Library reduced spending on electronic resources, including ebooks by \$181,965 vs FY 2018, bringing the expenditures closer to the FY 2017 levels.

Fund Financial Analysis

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District's governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the District, which are not required to be accounted for in another fund. Unassigned fund balance increased from \$6,981,043 to \$9,305,827. Actual revenues, including property taxes, exceeded budgeted revenues by approximately \$727,575. Actual expenditures were approximately \$2,744,796 below the budget, primarily due to slightly lower salaries associated with some budgeted positions not being filled; benefit costs as a result of lower salaries; several capital maintenance projects being postponed to FY 2020; and favorable investment returns. Additionally, the District's transfers from the General Fund to the Capital Projects and Sinking Funds to provide for future branch development and capital maintenance items exceeded budget by \$1,275,000. These three (3) factors contributed to the approximately \$2,325,000 increase in the General Fund unassigned fund balance.

The \$4,469,340 increase in the Capital Projects Fund was due to a \$4,300,000 transfer from the General Fund for future branch development, and \$169,340 in investment income. The entire fund balance of \$9,877,314 is assigned for capital projects focused on future branch development.

The Capital Projects Sinking Fund was established to accumulate resources for future building improvements such as capital maintenance and major technology purchases. Fund balance increased by \$286,756 during the year due to a \$275,000 transfer from the General Fund and \$11,756 in investment income. The entire fund balance of \$796,402 is assigned for future building improvement projects.

Fund balance in the Permanent Fund increased by \$530,150 during the year due to an additional \$500,000 grant from Mr. Melrose; \$80,150 in investment income and \$50,000 in capital expenditures. \$1,000,000 of the ending fund balance is nonspendable and the remaining, \$213,782, is restricted for upgrades to the Melrose Center.

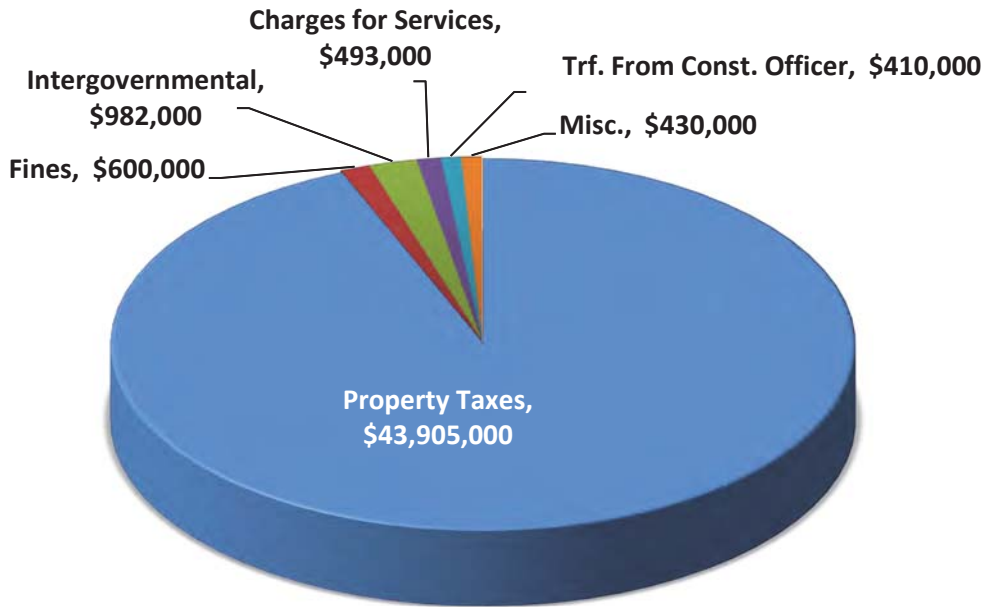
General Fund Budgetary Highlights

The District adopted a budget for its General Fund (see page 49) prior to the start of its fiscal year and did not amend it. Accordingly, the original and final budgets are the same.

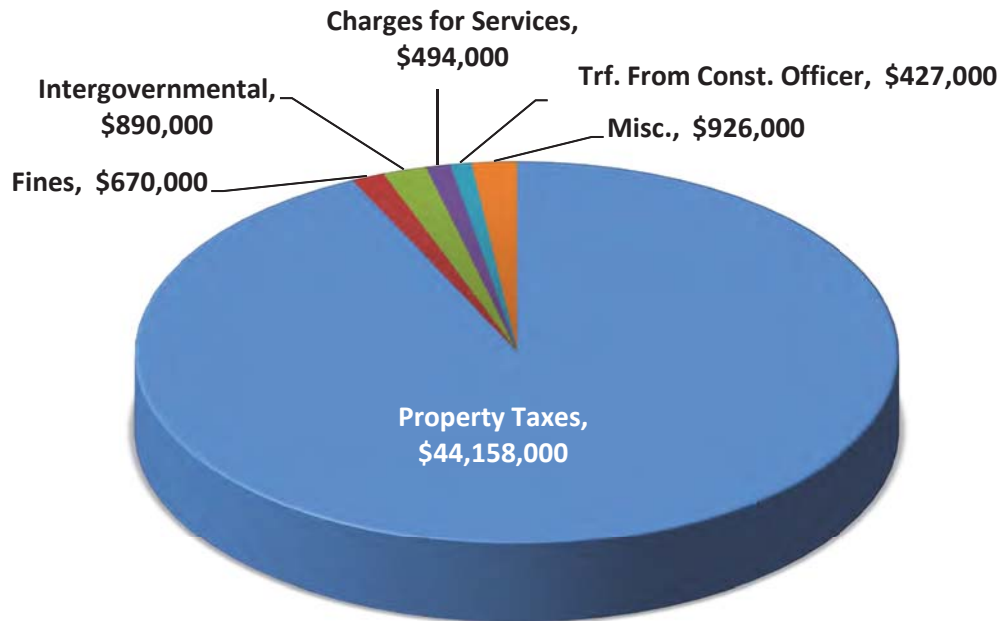
The following charts show the budget versus actual for revenues and expenditures.

GENERAL FUND

Budgeted Revenues and Transfers - \$46,820,000

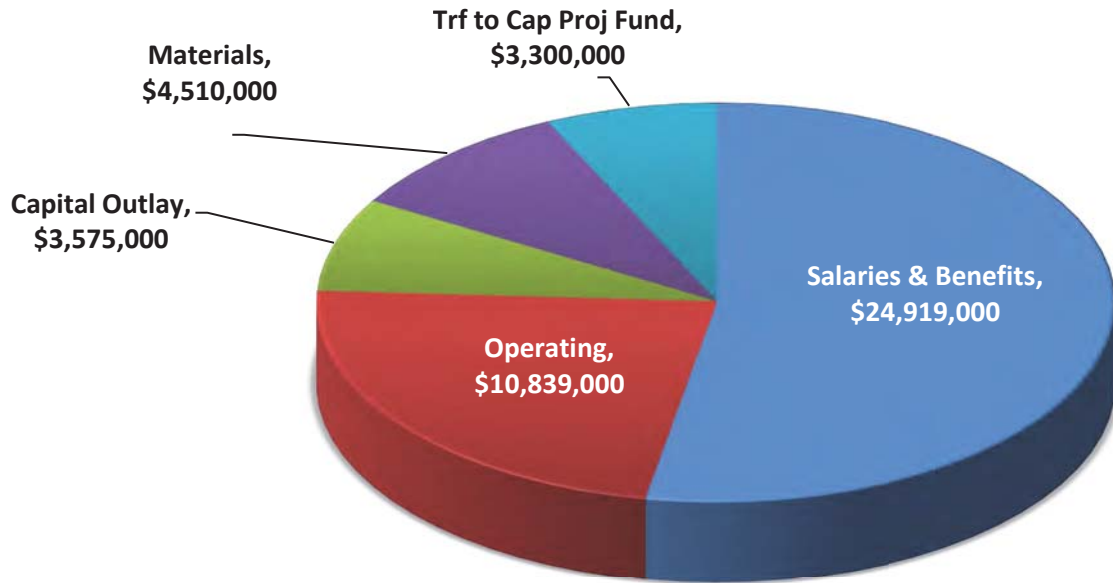


Actual Revenues and Transfers - \$47,565,000

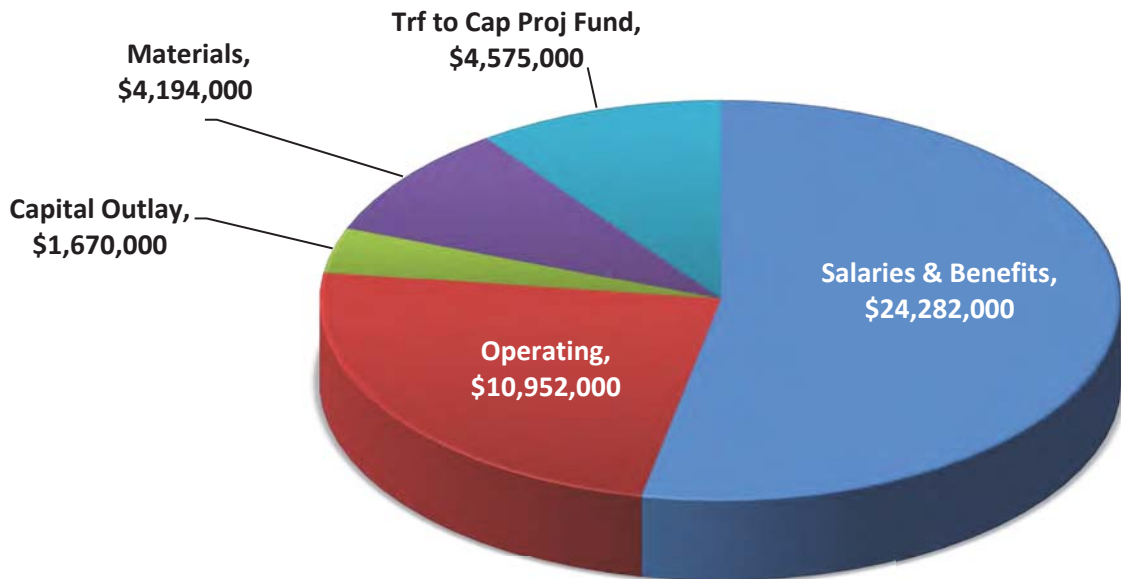


GENERAL FUND

Budgeted Expenditures and Transfers - \$47,143,000



Actual Expenditures and Transfers - \$45,673,000



The following summarizes significant variations between the amounts budgeted and the actual amounts for the General Fund.

Property Taxes – The District budgets 95% of the taxes levied but, due to discounts offered for early payment, receives a slightly higher percentage.

Intergovernmental Revenues – Actual state and federal grant revenues received during the year were \$91,875 less than budget primarily due to the Legislature FY 2019 funding. The District budgets this revenue based on the previous year's actual receipt, thus it varies year by year.

Fines – The District's budget estimate was too low, thus the reason for \$69,617 in higher revenues.

Investment Income – The Library takes a conservative approach when budgeting for investment income as the investment markets can be, and have been quite volatile. Due to strong investment markets and higher reserves, investment income came in \$435,580 higher than budgeted.

Miscellaneous - Included in miscellaneous revenue, the District recognized \$26,777 higher than budgeted from various small rebates and reimbursements and \$25,632 in miscellaneous grants and awards that were not budgeted.

Salaries and Benefits – Due to the budgeted positions for Horizons West not being filled and associated benefits such as insurance premiums, etc., salaries and benefits were under budget by \$637,133.

Operating - The District expended 101.0%, or \$10,952,136, of the \$10,839,000 operating budget. The hardware and software supplies were overspent by \$84,334 due to the lower replacement cost of computers. This lower cost dropped the computers below the \$1,000 per unit capitalization threshold. The repairs and maintenance account was overspent by \$208,789 primarily due to unanticipated HVAC replacements totaling \$148,000 and roof repairs totaling \$60,000. The District underspent \$165,913 in rentals and leases due to not renting a facility in Horizons West. These three (3) major expenditure lines accounted for much of the \$113,136 over spending.

Capital Outlay - Of the total \$8,085,000 budget, this category was under spent by a \$2,220,799, primarily due to postponing several key capital projects such as the South Creek Expansion, Emergency Generator Replacement, and three (3) Branch Restroom Renovations.

Capital Assets

The District's capital assets, net of accumulated depreciation, consist of the following at September 30, 2019 and 2018.

	2019	2018
Land	\$ 3,349,802	\$ 3,349,802
Buildings	10,562,127	11,306,996
Improvements	12,513,213	10,956,220
Furniture and equipment	1,246,443	1,217,589
Library books and audiovisual materials	2,782,486	3,139,858
Computer equipment	970,008	1,190,251
Construction in Progress	872,420	2,228,795
Total Capital Assets	\$32,296,499	\$33,449,511

Significant capital asset purchases included the following:

- The project to remodel the fifth floor of the Library was completed for a total cost of \$1,548,944 during fiscal year 2019.
- The project to add gates and fencing around the Main Library totaled \$24,951 during fiscal year 2019.
- Costs incurred to upgrade the security cameras at the branches equaled \$50,252 during the fiscal year.
- Computer equipment and software purchases equaled \$382,901.

Additional information on the District's capital assets can be found on page 35 of this report.

Long Term Liabilities

The District's long-term liabilities consist of the following at September 30, 2019 and 2018

	2019	2018
Accrued compensated absences	\$2,217,120	\$2,147,501

Additional information on the District's long term debt can be found on page 36 of this report.

Requests for Financial Information

This report is designed to provide a general overview of the District's finances and to show accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be directed to:

Lovevia Williams, CPA, Finance Manager
Orange County Library District
101 East Central Blvd.
Orlando, Florida 32801

BASIC FINANCIAL STATEMENTS

ORANGE COUNTY LIBRARY DISTRICT

Statement of Governmental Net Position

September 30, 2019

Assets and Deferred Outflows of Resources

Cash and cash equivalents	\$ 6,472,469
Investments	25,684,473
Due from other governmental agencies	409,429
Due from OPEB Trust Fund	248,104
Other receivables	23,977
Inventory	123,866
Prepaid items	179,387
Net OPEB asset	156,044
Nondepreciable capital assets	4,222,222
Depreciable capital assets (net of accumulated depreciation)	<u>28,074,277</u>
Total assets	65,594,248
Deferred outflows of resources related to pensions and OPEB	<u>1,230,690</u>
Total assets and deferred outflows of resources	<u>66,824,938</u>

Liabilities and Deferred Inflows of Resources

Accrued salaries payable	770,803
Other accrued liabilities	8,619
Accounts payable	963,271
Claims payable	145,061
Unearned revenue	4,126
Net pension liability	362,080
Long term liabilities:	
Due within one year	1,334,834
Due beyond one year	<u>882,286</u>
Total liabilities	4,471,080
Deferred inflows of resources related to OPEB	<u>162,413</u>
Total liabilities and deferred inflows of resources	<u>4,633,493</u>

Net Position

Investment in capital assets	32,296,499
Restricted for:	
Net OPEB asset	156,044
Nonexpendable endowments and Melrose Center	1,371,299
Unrestricted	<u>28,367,603</u>
Total net position	<u>\$ 62,191,445</u>

ORANGE COUNTY LIBRARY DISTRICT

Statement of Governmental Activities

Year Ended September 30, 2019

Program expenses:

Salaries and benefits	\$ 24,910,999
Operating	10,098,378
Depreciation	3,914,812
Electronic materials	2,948,660

Total program expenses 41,872,849

Program revenues:

Charges for services	1,163,129
Operating grants and contributions	1,518,081

Total program revenues 2,681,210

Net program (expenses) (39,191,639)

General revenues:

Property taxes	44,157,999
Investment income	896,826
Miscellaneous	154,984

Total general revenues 45,209,809

Change in net position 6,018,170

Net position - beginning 56,173,275

Net position - ending \$ 62,191,445

ORANGE COUNTY LIBRARY DISTRICT

**Balance Sheet
Governmental Funds
September 30, 2019**

	<u>General</u>	<u>Capital Projects</u>	<u>Capital Projects Sinking</u>	<u>Permanent</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 4,980,360	\$ 730,750	\$ 58,568	\$ -	\$ 5,769,678
Investments	10,605,225	9,146,564	737,834	1,213,782	21,703,405
Due from other governmental agencies	409,429	-	-	-	409,429
Other receivables	23,977	-	-	-	23,977
Inventory	123,866	-	-	-	123,866
Prepaid items	179,387	-	-	-	179,387
Total assets	<u>\$ 16,322,244</u>	<u>\$ 9,877,314</u>	<u>\$ 796,402</u>	<u>\$ 1,213,782</u>	<u>\$ 28,209,742</u>
Liabilities and Fund Balances					
Liabilities:					
Accrued salaries payable	\$ 770,803	\$ -	\$ -	\$ -	\$ 770,803
Other accrued liabilities	8,619	-	-	-	8,619
Accounts payable	963,271	-	-	-	963,271
Unearned revenue	4,126	-	-	-	4,126
Total liabilities	<u>1,746,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,746,819</u>
Fund Balances:					
Nonspendable:					
Inventory	123,866	-	-	-	123,866
Prepaid items	179,387	-	-	-	179,387
Annetta O'B Walker Trust Fund	4,000	-	-	-	4,000
A.P. Phillips Jr. Memorial Fund	100,000	-	-	-	100,000
Perce C. and Mary M. Gullet Memorial Fund	19,805	-	-	-	19,805
Willis H. Warner Memorial Fund	33,712	-	-	-	33,712
Kendrick B. Melrose Donation	-	-	-	1,000,000	1,000,000
Restricted For:					
Melrose Center	-	-	-	213,782	213,782
Committed To:					
Strategic Plan	4,000,000	-	-	-	4,000,000
Edmund L. Murray Estate Fund	724,689	-	-	-	724,689
Arthur Sondheim Estate Fund	39,941	-	-	-	39,941
Vivian Esch Estate Fund	44,198	-	-	-	44,198
Assigned To:					
Capital Projects	-	9,877,314	796,402	-	10,673,716
Unassigned:	9,305,827	-	-	-	9,305,827
Total fund balances	<u>14,575,425</u>	<u>9,877,314</u>	<u>796,402</u>	<u>1,213,782</u>	<u>26,462,923</u>
Total liabilities and fund balances	<u>\$ 16,322,244</u>	<u>\$ 9,877,314</u>	<u>\$ 796,402</u>	<u>\$ 1,213,782</u>	<u>\$ 28,209,742</u>

Total fund balances	\$ 26,462,923
Capital assets reported in government-wide financial statements	32,296,499
Net OPEB asset reported in the government-wide financial statements	156,044
Net pension asset reported in the government-wide financial statements	(362,080)
Long-term liabilities reported in government-wide financial statements	(2,217,120)
Assets and liabilities of internal service fund included in government-wide financial statements	4,786,902
Deferred outflows of resources related to pensions and OPEB reported in government-wide financial statements	1,230,690
Deferred inflows of resources related to pensions and OPEB reported in government-wide financial statements	(162,413)
Net position of governmental activities	<u>\$ 62,191,445</u>

ORANGE COUNTY LIBRARY DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2019

	<u>General</u>	<u>Capital Projects</u>	<u>Capital Projects Sinking</u>	<u>Permanent</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes:					
Property	\$ 44,157,999	\$ -	\$ -	\$ -	\$ 44,157,999
Intergovernmental revenues:					
State aid to libraries	830,417	-	-	-	830,417
Federal grants	53,458	-	-	-	53,458
Other state grants	6,250	-	-	-	6,250
Charges for services:					
Fines	669,617	-	-	-	669,617
Copiers/vending machines	237,819	-	-	-	237,819
Other fees	255,693	-	-	-	255,693
Miscellaneous revenue:					
Investment income	635,580	169,340	11,756	80,150	896,826
Contributions	82,324	-	-	500,000	582,324
Other	208,418	-	-	-	208,418
Total revenues	<u>47,137,575</u>	<u>169,340</u>	<u>11,756</u>	<u>580,150</u>	<u>47,898,821</u>
Expenditures:					
Current:					
Salaries and benefits	24,281,867	-	-	-	24,281,867
Operating	10,525,238	-	-	800	10,526,038
Capital outlay	5,864,201	-	-	49,200	5,913,401
Total expenditures	<u>40,671,306</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>40,721,306</u>
Revenues over expenditures	6,466,269	169,340	11,756	530,150	7,177,515
Other financing sources (uses):					
Transfers in (out)	(4,575,000)	4,300,000	275,000	-	-
Net change in fund balances	1,891,269	4,469,340	286,756	530,150	7,177,515
Fund balances at beginning of year	12,684,156	5,407,974	509,646	683,632	19,285,408
Fund balances at end of year	<u>\$ 14,575,425</u>	<u>\$ 9,877,314</u>	<u>\$ 796,402</u>	<u>\$ 1,213,782</u>	<u>\$ 26,462,923</u>

ORANGE COUNTY LIBRARY DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Governmental Activities
Year Ended September 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	7,177,515
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Governmental funds report all capital outlays as expenditures. However, in the statement of governmental activities the cost of capital outlay, other than electronic library books and other materials, is allocated over estimated useful lives and reported as depreciation expense. This is the amount of capital outlay not reported as electronic materials expense on the statement of governmental activities.		2,964,741
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In the statement of activities, a gain or loss on the disposition of capital assets is reported, whereas in the governmental funds, the proceeds received from disposition of capital assets increases financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of capital assets disposed of.		(202,941)
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Depreciation of capital assets, not reported in governmental funds.		(3,914,812)
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Some items affecting expenses reported in the statement of governmental activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, as follows:		
Increase in net pension liability		(2,394,426)
Increase in accrued compensated absences		(69,619)
Decrease in net OPEB asset		(759,075)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Increase in deferred outflows of resources		418,413
Decrease in deferred inflows of resources		2,175,575

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The change in net position of internal service funds is reported with governmental activities.		622,799
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Change in net position of governmental activities	\$	6,018,170
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ORANGE COUNTY LIBRARY DISTRICT
Statement of Net Position-
Internal Service Fund
September 30, 2019

Assets

Current Assets:

Cash and cash equivalents	\$ 702,791
Investments	3,981,068
Due from OPEB Trust Fund	<u>248,104</u>

Total current assets 4,931,963

Liabilities

Current Liabilities:

Claims payable	<u>145,061</u>
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Total current liabilities 145,061

Unrestricted net position \$ 4,786,902

ORANGE COUNTY LIBRARY DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position-
Internal Service Fund
Year Ended September 30, 2019

Operating Revenues	
Charges for services	\$ 2,944,032
	<u>2,944,032</u>
Operating Expenses	
Claims expenses	2,141,318
Stop loss insurance	205,216
Contractual services	66,732
	<u>2,413,266</u>
Operating income	530,766
Nonoperating Revenues	
Investment earnings	92,033
	<u>92,033</u>
Total net operating revenues	
	<u>92,033</u>
Change in net position	622,799
Net position - beginning of year	<u>4,164,103</u>
Net position - end of year	<u><u>\$ 4,786,902</u></u>

ORANGE COUNTY LIBRARY DISTRICT
Statement of Cash Flows-
Internal Service Fund
Year Ended September 30, 2019

Cash flows from operating activities	
Receipts from charges for services	\$ 2,954,683
Cash payments for claims and expenses	<u>(2,032,004)</u>
Net cash provided by operating activities	<u>922,679</u>
 Cash flows from investing activities	
Purchase of investments	(928,592)
Income from investments	<u>31,566</u>
Net cash used by investing activities	<u>(897,026)</u>
Net increase in cash and cash equivalents	25,653
Cash and cash equivalents, October 1, 2018	<u>677,138</u>
Cash and cash equivalents, September 30, 2019	<u><u>\$ 702,791</u></u>
 Reconciliation of operating income to cash flows from operating activities	
Operating income	\$ 530,766
Adjustments to reconcile operating income to net cash used by operating activities:	
Decrease in accounts receivable	14,078
Decrease in due from OPEB Trust Fund	408,994
Decrease in claims payable	<u>(31,159)</u>
Net cash provided by operating activities	<u><u>\$ 922,679</u></u>

ORANGE COUNTY LIBRARY DISTRICT
Statement of Fiduciary Net Position-
Pension and Other Postemployment Benefit Trust Funds
September 30, 2019

Assets

Cash and cash equivalents	\$ 814,909
Investments:	
Commingled accounts:	
International equities	3,034,128
Fixed income	12,551,106
Mutual funds:	
Domestic equities	45,881,008
International equities	18,333,931
Stable value	1,342,263
Fixed income	11,529,690
Real estate	3,545,053
Money market accounts	<u>48,929</u>
Total investments	<u>96,266,108</u>
Total assets	<u>97,081,017</u>

Liabilities

Accounts payable	36,536
Due to Internal Service Fund	<u>248,104</u>
Total liabilities	<u>284,640</u>
Net position restricted for pension and other postemployment benefits	<u><u>\$ 96,796,377</u></u>

ORANGE COUNTY LIBRARY DISTRICT
Statement of Changes in Fiduciary Net Position-
Pension and Other Postemployment Benefit Trust Funds
Year Ended September 30, 2019

Additions:

Employer contributions:	
General Fund	\$ 3,764,340
Investment income	2,211,537
Investment expenses	<u>(71,146)</u>
Total additions	<u>5,904,731</u>

Deductions:

Benefits paid to participants	4,112,677
Administrative expenses	<u>28,712</u>
Total deductions	<u>4,141,389</u>

Increase in net position	1,763,342
Net position - beginning of year	<u>95,033,035</u>
Net position - end of year	<u><u>\$ 96,796,377</u></u>

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 1 - Summary of significant accounting policies

Reporting entity

The Orange County Library District (the "District") was established by a special state legislative act, Chapter 80-555, Laws of Florida, approved by referendum on September 9, 1980 as an independent special taxing district, to provide library services for Orange County, Florida (exclusive of the Cities of Winter Park and Maitland). The original act, as amended, was recodified into Chapter 99-486, Laws of Florida.

The District's Governing Board is comprised of the Board of County Commissioners of Orange County, Florida (the "County") and one member appointed by the City Council of the City of Orlando, Florida. A five member Board of Trustees (the "Board") is appointed by the Governing Board to manage, administer and operate all library facilities and services of the District. The District is a component unit of the County because the District's Governing Board is substantially the same as that of the County and the District is fiscally dependent on the County for issuance of bonded debt.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of governmental net position and the statement of governmental activities) report information on all of the nonfiduciary activities of the District. With the exception of interfund services provided and used, the effect of interfund activity has been removed from these statements.

The statement of governmental activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods or services provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and pension and other postemployment benefit trust funds, even though the trust funds are excluded from the government-wide financial statements. All of the District's individual governmental funds are reported as major and are presented as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting under governmental accounting standards, as are the internal service and pension and other postemployment benefit trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of

ORANGE COUNTY LIBRARY DISTRICT

**Notes to Financial Statements
Year Ended September 30, 2019**

Note 1 - Summary of significant accounting policies (continued)

the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The Internal Service Fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from claims activities, whereas non-operating items consist of investing activities.

Governmental Funds - The District reports the following governmental funds, all of which are major funds:

General Fund is used to account for all revenues and expenditures applicable to the general operations of the District, except those required to be accounted for in another fund.

Capital Projects Fund is used to account for resources designated to construct or acquire capital assets and major improvements.

Capital Projects Sinking Fund is used to accumulate resources for the future construction or acquisition of capital assets and major improvements.

Permanent Fund is used to account for resources that are legally restricted to the extent that only earnings, and not principal, are used for purposes that support the District's programs.

Proprietary Funds - The District reports the Internal Service Fund to account for health self insurance activities.

Fiduciary Funds - The District reports pension and other postemployment benefit trust funds to account for the activities of the Defined Benefit, Defined Contribution, and Money Purchase Pension Plans and the Other Postemployment Benefit Plan.

Budgetary requirements

Expenditures are controlled by appropriations in accordance with budgetary requirements set forth in the Florida Statutes. The budgeted revenues and expenditures in the accompanying financial statements reflect any amendments approved by the Board of Trustees.

Budgets for the governmental fund types were adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets are not adopted for the internal service, pension, and other postemployment benefit trust funds. Expenditures cannot exceed appropriations by fund level. Appropriations lapse at the close of the fiscal year to the extent that they have not been expended.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 1 - Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, certificates of deposit with an original maturity date of 90 days or less, and money market accounts. Investments in external pools, including Florida Prime and Florida Safe, are considered investments.

Investments

Investments are stated at fair value, at net asset value (NAV) or at amortized cost, which approximate fair value. Investment income includes all realized and unrealized gains and losses. Interest and dividend income is recognized on the accrual basis.

Inventory and prepaid items

Inventory is stated at cost on the basis of the "first-in", "first-out" method of accounting. The effect of this method is to flow costs through operations in the order in which the items were purchased. Inventory and prepaid costs are recorded as expenditure at the time individual items are consumed (consumption method).

Capital assets

Capital assets consist of facilities and equipment used in the District's operations and is recorded as expenditures in the General Fund, Capital Projects Fund, Capital Projects Sinking Fund, or Permanent Fund at the time goods are received and a liability is incurred. Capital assets are defined by the District as assets with an initial, individual cost of at least \$1,000 and an estimated useful life in excess of two years. Except library books, which are capitalized using a composite method, these assets are capitalized at historical cost in the government-wide financial statements and are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements	15
Furniture and equipment	10
Library books & audiovisual materials	4
Computer equipment	4

The District capitalizes library books and similar audiovisual materials. Annually, purchased additions are capitalized at cost. Fully depreciated materials are reported as deletions from capital assets in the year after they become fully depreciated.

Accumulated depreciation is recorded from the date each asset was placed in service. The District's sole function is to provide library service. As a result, depreciation expense on capital assets is deemed to be a direct expense and is not subject to allocation. Donated assets are recorded as capital assets at acquisition value upon the date of donation.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 1 - Summary of significant accounting policies (continued)

Compensated absences

It is the policy of the District to permit employees to accumulate earned but unused leave benefits, a limited amount of which will be paid to employees upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the government-wide financial statements. For governmental funds, there is no legal requirement to accumulate expendable available financial resources to liquidate the obligation; thus expenditures are recognized in the governmental funds when payments are made to employees.

Long-term liabilities

In accordance with accounting principles generally accepted in the United States of America, long-term liabilities are not recognized in the Governmental Fund financial statements. They are instead reported as liabilities in the government-wide financial statements.

Deferred outflows and inflows of resources

For purposes of measuring changes in the net pension and net OPEB liabilities (assets) for the District's Defined Benefit Pension Plan and Other Postemployment Benefit Plan, differences between expected and actual experience that are not charged to expense in the current period are recorded as deferred outflows and inflows of resources in the Statement of Governmental Net Position.

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when a net OPEB or net pension asset is reported or when there are otherwise limitations imposed on their use either through external restrictions imposed by creditors or grantors. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance Reporting

Fund balance for the District is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts of the fund can be spent.

There are two major types of fund balances, which are spendable and nonspendable. Nonspendable fund balances cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal of an endowment or trust funds.

Spendable fund balances are expended based on a hierarchy of spending constraints, as follows:

- **Restricted** – Fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- **Committed** – Fund balances that contain self-imposed constraints of the government from its highest level of decision making authority. Committed fund balances are reported pursuant to resolutions approved by the District's Board of Trustees and can only be modified or rescinded through resolutions approved by the District's Board of Trustees.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 1 - Summary of significant accounting policies (continued)

- **Assigned** – Fund balances that contain self-imposed constraints of the government to be used for a particular purpose. Assignments may be made by the District's Board of Trustees, the Director, or the Comptroller. No formal policy exists for assigning fund balances.
- **Unassigned** – Fund balance of the general fund that is not constrained for any particular purpose.

For purposes of the Statement of Governmental Net Position, nonspendable endowments are presented as restricted. In addition, the general fund is the only fund that reports a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, for governmental funds other than the general fund, if the expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The District does not have a formal policy related to the order of spending, but when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District's Board of Trustees has provided otherwise in its commitment or assigned actions.

Tax status

The District was granted 501(c) (3) status by the Internal Revenue Service and is not subject to Federal Income Taxes.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the financial statement date and the reported amounts of revenues and expenses or expenditures during the reporting period. Actual results could differ from those estimates.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 2 - Deposits and investments

At September 30, 2019, the District had the following deposits and investments:

	Fair Value
General Governmental Deposits and Cash Equivalents:	
Deposits (demand accounts)	\$ 4,296,531
Internal Pooled Cash Equivalents (money market accounts)	1,473,147
	5,769,678
Internal Pooled Investments (US Treasuries, FL Prime and FL Safe)	20,489,623
	26,259,301
Permanent Fund Investments:	
Mutual Funds - Equity Securities	746,751
Mutual Funds - Fixed Income	467,031
	1,213,782
Internal Service Fund Deposits, Cash Equivalents and Investments:	
Deposits (demand account)	416,563
Internal Pooled Cash Equivalents (money market accounts)	286,228
	702,791
Internal Pooled Investments (US Treasuries, FL Prime and FL Safe)	3,981,068
	4,683,859
Defined Contribution Pension Plan Investments:	
Mutual Funds - Equity Securities	16,600,440
Mutual Funds - Fixed Income	6,718,790
Mutual Funds - Stable Value	1,226,192
Mutual Funds - Money Market	21,427
Mutual Funds - Real Estate	104,877
	24,671,726
Money Purchase Pension Plan Investments:	
Mutual Funds - Equity Securities	5,917,791
Mutual Funds - Fixed Income	1,223,881
Mutual Funds - Stable Value	116,071
Mutual Funds - Money Market	27,502
Mutual Funds - Real Estate	20,073
	7,305,318
Defined Benefit Pension Plan Deposits and Investments:	
Deposits (demand account)	2,865
Deposits (money market account)	399,753
Commingled Account - International Equities	3,034,128
Commingled Account - Fixed Income	12,551,106
Mutual Funds - Equity Securities	29,473,957
Mutual Funds - Real Estate	3,420,103
	48,881,912
OPEB Retirement Health Benefit Plan Deposits and Investments:	
Deposits (demand account)	412,291
Mutual Funds - Equity Securities	12,222,751
Mutual Funds - Fixed Income	3,587,019
	16,222,061
Total Deposits and Investments	\$ 129,237,959

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 2 - Deposits and investments (continued)

Fair Value Measurement of Investments

The District categorizes its fair value measurements using level 1, quoted prices in active markets for identical assets, or level 2, a model that incorporates observable data of quoted market prices for similar assets.

At September 30, 2019, the District's fair value categorizations of investment fair value measurements were as follows:

	Fair Value 9/30/2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Individual securities:			
US Treasuries	\$ 9,981,584		\$ 9,981,584
Mutual funds:			
Domestic equities	46,382,165	46,382,165	-
International equities	18,579,525	18,579,525	-
Stable value	1,342,263	1,342,263	-
Fixed income	11,996,721	11,996,721	-
Real estate	3,545,053	3,545,053	-
Money market accounts	48,929	48,929	-
	<u>\$ 91,876,240</u>	<u>\$ 81,894,656</u>	<u>\$ 9,981,584</u>
Investments reported at amortized cost:			
Florida Prime	<u>\$ 6,856,011</u>		
Investments measured at net asset value:			
Florida Safe	\$ 7,633,096		
The Boston Company International Core Equity Fund (commingled account)	3,034,128		
Reams Columbus Core Plus Bond Fund (commingled account)	12,551,106		
	<u>\$ 23,218,330</u>		
Total investments	<u>\$ 121,950,581</u>		

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 2 - Deposits and investments (continued)

The District's investment in Florida PRIME, an external investment pool, is measured at amortized cost. Florida PRIME is a qualifying investment pool, essentially operating as a money market fund.

There are currently no limitations as to the frequency of redemptions; however, Florida PRIME has the ability to impose restrictions on withdrawals should a material event occur.

District investments measured at net asset value are summarized as follows:

Florida Safe- The District uses this external pool, which is available to local governments, to invest general governmental revenues. Florida Safe's general investment strategy includes safety of capital, liquidity of funds, transparency and investment income, in that order. This investment is redeemable upon notice.

The Boston Company, Inc. Pooled Employee Funds International Equity Fund of The Bank of New York Mellon- The District's Defined Benefit Pension Plan uses this commingled fund to invest in international securities. The Pricing Policy of The Boston Company requires securities within the fund to be fair value priced daily. This investment is redeemable upon notice.

Reams Columbus Core Plus Bond Fund, LLC – The District's Defined Benefit Pension Plan uses this commingled fund to invest in fixed income securities. The fund is valued on the last business day of each month. This investment is redeemable of the first business day of each month, requiring three business days' notice.

Investment Policies and Risks

General Governmental and Internal Service Fund Investments

The District pools its general governmental and Internal Service Fund surplus funds for investment purposes and these investments are managed in accordance with an Investment Policy Statement (Statement). The Statement authorizes investments in Florida intergovernmental investment pools, such as Florida Safe, Securities and Exchange Commission registered money market funds, interest bearing time deposits, and direct obligations of the U.S. Treasury. Although the District's Statement does not address credit and interest rate risk, the limited nature of the authorized investments effectively minimizes any exposure. The District's pooled general governmental and Internal Service Fund cash equivalents and investments include the following at September 30, 2019:

Fund/Investment	Type	Credit Quality	Weighted Average Maturity (years)	General Governmental	Internal Service Fund
Federated Government Obligations Fund	Money Market	AAAm	33 days	\$ 564,946	\$ 109,767
Federated Treasury Obligations Fund	Money Market	AAAm	34 days	908,201	176,461
Florida Safe		AAAm	36 days	6,391,289	1,241,807
Florida PRIME		AAAm	37 days	5,740,625	1,115,385
US Treasuries		N/A	6 to 24 months	8,357,709	1,623,876
Total Pooled Investments				21,962,770	4,267,296
Bank Deposits				4,296,531	416,563
Total Bank Deposits and Investments				<u>\$ 26,259,301</u>	<u>\$ 4,683,859</u>

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 2 - Deposits and investments (continued)

Permanent Fund Investments

Investments in the Permanent Fund are managed in accordance with a Special Funds Investment Policy Statement (Statement). The Statement sets the following asset allocation guidelines: 60% for domestic and foreign equity securities and 40% for fixed income and cash securities. The Statement authorizes investments in domestic and foreign equities, mutual funds, stable value accounts, corporate bonds, real estate investments trusts, exchange traded funds, commingled funds, and cash equivalents. The Permanent Fund investments, other than mutual funds in equity securities, were as follows at September 30, 2019:

Fund/Investment	Type	Credit Quality	Weighted Average Maturity (years)	Fair Value
Vanguard High Yield Corporate Fund	Fixed Income	BB	3.80	\$ 243,415
Vanguard Total Bond Market Index Fund	Fixed Income	AA	8.30	223,616
				<u>\$ 467,031</u>

Defined Contribution Pension Plan Investments

Participants in this Plan, including all District employees, self-direct investments from a variety of mutual funds offered through the ICMA Retirement Corporation. Accordingly, the District has not adopted an investment policy for this Plan. Defined Contribution Pension Plan investments, other than mutual funds in equity securities, were as follows at September 30, 2019:

Fund/Investment	Type	Credit Quality	Weighted Average Maturity (years)	Fair Value
PIMCO High Yield Fund	Fixed Income	Not Rated	4.57	\$ 52,165
Core Bond Index Fund	Fixed Income	AA	7.62	285,152
Western Asset Core Plus Bond Fund	Fixed Income	BBB	12.70	132,104
Inflation Focused	Fixed Income	AA	8.64	51,800
Total International Bond Index Fund	Fixed Income	A	10.00	91,577
Various - Multi-Allocation Mutual Funds	Fixed Income	N/A	N/A	6,105,992
Total Fixed				<u>\$ 6,718,790</u>
Plus Fund	Stable Value	Aa2	4.01	\$ 1,172,195
Various - Multi-allocation Mutual Funds	Stable Value	N/A	N/A	53,997
Total Stable Value				<u>\$ 1,226,192</u>
Cash Management Fund	Money Market	AAAm	24 days	<u>\$ 21,427</u>

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 2 - Deposits and investments (continued)

Money Purchase Pension Plan Investments

Participants in this Plan self-direct investments from a variety of mutual funds offered through the ICMA Retirement Corporation. Accordingly, the District has not adopted an investment policy for this Plan. Money Purchase Pension Plan investments, other than mutual funds in equity securities, were as follows at September 30, 2019:

Fund/Investment	Type	Credit Quality	Weighted Average Maturity (years)	Fair Value
PIMCO High Yield Fund	Fixed Income	Not Rated	4.57	\$ 3,128
Core Bond Index Fund	Fixed Income	AA	7.62	38,904
Western Asset Core Plus Bond Fund	Fixed Income	BBB	12.70	26,533
Inflation Focused	Fixed Income	AA	8.64	7,612
Total International Bond Index Fund	Fixed Income	A	10.00	16,565
Various - Multi-Allocation Mutual Funds	Fixed Income	N/A	N/A	<u>1,131,139</u>
Total Fixed				<u>\$ 1,223,881</u>
Plus Fund	Stable Value	Aa2	4.01	\$ 106,425
Various - Multi-Allocation Mutual Funds	Stable Value	N/A	N/A	<u>9,646</u>
				<u>\$ 116,071</u>
Cash Management Fund	Money Market	AAAm	24 days	<u>\$ 27,502</u>

Defined Benefit Pension Plan Investments

Investments in the Plan are managed in accordance with an Investment Policy Statement (Statement). This Statement sets the following guidelines: 40% for domestic equity securities, 25% for foreign equity securities and 35% for fixed income and cash securities. The Statement authorizes investments in domestic equities, mutual funds, stable value accounts, money market funds, corporate bonds, real estate investment trusts, exchange traded funds, commingled funds, and cash equivalent accounts.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 2 - Deposits and investments (continued)

The Statement states that the average credit quality of the fixed income portfolio shall be AA- or higher and the average rating of the mortgage portion of the portfolio must hold a credit rating of at least AA. As a means of limiting its exposure to interest rate risk, the Statement states that the average duration of the fixed income portfolio shall be less than 150% of the duration of the Barclays Capital aggregate Bond Index. Defined Benefit Pension Plan deposits and investments, other than mutual funds in equity securities, were as follows at September 30, 2019:

Fund/Investment	Type	Average Credit Quality	Weighted Average Maturity (years)	Fair Value
Fidelity Institutional Government Portfolio	Money Market	AAA	0.09	<u>\$ 399,753</u>
Reams Columbus Core Plus Bond Fund	Fixed Income	AAA	7.00	<u>\$ 12,551,106</u>

OPEB Retirement Health Benefit Plan Investments

Investments in the Plan are managed in accordance with an Investment Policy Statement ("Statement"). The Statement sets the following guidelines: 70% for domestic and foreign equity securities and 30% for fixed income and cash securities. The Statement authorizes investments in domestic and foreign equities, mutual funds, stable value accounts, corporate bonds, real estate investments trusts, exchange traded funds, comingled funds, and cash equivalents. The Plan is completely funded by the District. The OPEB Retirement Health Benefit Plan investments, other than mutual funds in equity securities, were as follows at September 30, 2019:

Fund/Investment	Type	Credit Quality	Weighted Average Maturity (years)	Fair Value
Low Duration Bond Fund	Fixed Income	BBB	2.68	<u>\$ 3,587,019</u>

Due to the nature of the District's investments, there is no exposure to custodial credit risk, concentration of credit risk or foreign currency risk.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 3 - Capital assets

Capital asset activity for the year ended September 30, 2019, was as follows:

	<u>Balances</u> <u>October 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u> <u>Sept. 30, 2019</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 3,349,802	\$ -	\$ -	\$ 3,349,802
Construction in progress	2,288,795	132,568	(1,548,943)	872,420
Total capital assets not being depreciated	<u>5,638,597</u>	<u>132,568</u>	<u>(1,548,943)</u>	<u>4,222,222</u>
<i>Capital assets being depreciated:</i>				
Buildings	\$ 29,794,734	-	-	\$ 29,794,734
Building improvements	20,121,230	2,439,599	(189,373)	22,371,456
Furniture and equipment	3,944,108	313,499	(702,079)	3,555,528
Library books and audiovisual materials	8,694,155	1,245,117	(1,981,400)	7,957,872
Computer equipment	5,175,368	382,901	(2,035,071)	3,523,198
Total capital assets being depreciated	<u>67,729,595</u>	<u>4,381,116</u>	<u>(4,907,923)</u>	<u>67,202,788</u>
Less accumulated depreciation for:				
Buildings	\$ 18,487,738	744,869	-	\$ 19,232,607
Building improvements	9,165,010	817,516	(124,283)	9,858,243
Furniture and equipment	2,726,519	212,928	(630,362)	2,309,085
Library books and audiovisual materials	5,554,297	1,602,489	(1,981,400)	5,175,386
Computer equipment	3,985,117	537,010	(1,968,937)	2,553,190
Total accumulated depreciation	<u>39,918,681</u>	<u>3,914,812</u>	<u>(4,704,982)</u>	<u>39,128,511</u>
Total capital assets being depreciated, net	<u>27,810,914</u>	<u>466,304</u>	<u>(202,941)</u>	<u>28,074,277</u>
Governmental activities capital assets, net	<u>\$ 33,449,511</u>	<u>\$ 598,872</u>	<u>\$ (1,751,884)</u>	<u>\$ 32,296,499</u>

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 4 - Long-term liabilities:

A summary of changes in long-term liabilities is as follows:

	<u>Balance October 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2019</u>	<u>Due Within One Year</u>
Accrued compensated absences	\$ 2,147,501	\$ 1,866,157	\$ 1,796,538	\$ 2,217,120	\$ 1,334,834
	<u>\$ 2,147,501</u>	<u>\$ 1,866,157</u>	<u>\$ 1,796,538</u>	<u>\$ 2,217,120</u>	<u>\$ 1,334,834</u>

The General Fund liquidates accrued compensated absences.

The District has not issued debt in the last ten years and wasn't authorized to issue long-term debt (i.e., bonds) in FY 18-19.

Note 5 - Commitments

Leasing arrangements

The District leases various facilities for branch libraries which are accounted for as operating leases and expire over the next ten years. These leases include various renewal options. The District also contracts annually to lease books and other materials.

The following is a schedule by year of minimum future rentals on noncancellable operating lease agreements as of September 30, 2019:

Year Ending September 30,	
2020	\$ 1,194,978
2021	1,059,337
2022	947,631
2023	947,285
2024	967,021
2025-2029	<u>2,256,761</u>
Total minimum future rentals	<u>\$ 7,373,013</u>

Total lease expenditures for the year ended September 30, 2019 were \$1,254,305, of which \$1,157,087 was for facilities and \$97,218 was for books and other materials leased.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 6 - Interfund Balances and Transfers

The composition of interfund balances as of September 30, 2019 is as follows:

Due From:	Due To Internal Service Fund
OPEB Trust Fund	\$248,104

The \$248,104 balance represents the health insurance claims activities of retirees ages 55-64.

The table below details interfund transfers during the year ended September 30, 2019.

Transfers Out	Transfer In Capital Projects Fund	Transfer In Sinking/R&R Fund
General Fund	\$4,300,000	\$275,000

\$4,300,000 was transferred from the General Fund to the Capital Projects Fund to fund future branch expansion projects. \$275,000 was transferred from the General Fund to the Sinking/R&R Fund to fund future facilities repairs/replacements.

Note 7 - Pension plans

Defined Benefit Pension Plan

Plan description - The District administers a single employer, defined benefit pension plan (Defined Benefit Pension Plan for Employees of the Orange County Library District) (the Plan) covering full-time employees hired on or prior to December 31, 2006. Eligibility for vesting begins on date of hire, whereas benefit accrual begins after one year of service. Plan provisions and contribution requirements are established and outlined in the Plan document, which may be amended by the District's Board of Trustees. The Board of Trustees appoints three employees to administer the Plan in accordance with the Plan document. Separate, stand-alone financial statements for the Plan are not prepared.

At January 1, 2019, the date of the latest actuarial valuation, Plan participation consisted of:

Retirees and beneficiaries receiving benefits	137
Terminated employees entitled to benefits but not yet receiving them	62
Active employees	89
Total Plan Participants	288

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 7 - Pension plans (continued)

Benefits - The Plan provides retirement benefits calculated as 2% of the member's final 5 year average salary out of the last ten years of employment times the member's years of service. Members with 10 years of service are eligible to retire at age 55 with a reduced benefit (5% reduction for each year earlier than age 65). Benefit terms provide for a 2% annual cost of living adjustment subsequent to the member's retirement date.

Contributions - The District is obligated by the Plan document to make periodic contributions, which are recognized in the period that they are due and the employer has made a final commitment to provide the contributions. The required contributions are actuarially determined and include normal costs. Employer contribution rates are determined using the entry age normal cost method.

The actuarial determined contribution under the entry age normal method is calculated as the normal cost, amounting to \$970,762, which was the amount contributed by the District for the year ended September 30, 2019. Employees do not make contributions to the plan. The Schedule of Employer Contributions, presented as required supplementary information following the notes to the financial statements, presents multi-year information about the contributions made by the District for the last ten years.

Actuarial assumptions – The total pension liability was determined using the following actuarial assumptions which were also used in the most recent actuarial report prepared as of January 1, 2019:

Investment rate of return	6.75%
Projected salary increases	4.5%
Inflation rate	2.0%
Cost of living adjustments	2.0% per annum
Mortality table	RP-2000 Combined Healthy Participant Mortality Tables, by gender, Scale BB

Investments - Plan investments are managed in accordance with an Investment Policy Statement ("Statement"), which was approved and can be amended by the District's Board of Trustees. The Statement, which authorizes investments in domestic and international equities, fixed income securities, and real estate investment trusts, provides the following allocation guidelines. The long term expected real rate of return, provided on an arithmetic basis, is also indicated for each investment allocation outlined in the Statement as follows:

	Allocation Guideline	Long Term Expected Rate of Return
Domestic equities	40%	9%
International equities	25%	7%
Fixed income	35%	5%
Real estate investments trusts	N/A	12%

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 7 - Pension plans (continued)

Specific investments exceeding 5% of the Plan's net position consisted of the following; Vanguard REIT Index Mutual Fund, Vanguard Russell 3000 Index Mutual Fund, Vanguard Total International Stock Index Mutual Fund, Vanguard Small Cap Index Fund, Reams Columbus Core Plus Bond Fund, and The Boston Company International Core Equity Fund.

For the fiscal year ended September 30, 2019, the annual money-weighted rate of return on Plan investments, was 2.48%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Discount rate - The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine this discount rate assumed that the District would continue to fund the actuarially determined contribution. Based on this assumption and the investment long term expected rate of return for each asset class, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments. Therefore, the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine total pension liability.

Changes in net pension liability - The net pension liability at September 30, 2019 is based on a January 1, 2019 actuarial valuation rolled forward using actuarial methods to the September 30, 2019 measurement date. The components of changes during fiscal 2019 are as follows:

Changes in Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 10/1/2018	\$46,884,058	\$48,916,404	(\$2,032,346)
Changes for the year:			
Service Cost	482,196	-	482,196
Interest	3,124,416	-	3,124,416
Differences between expected and actual experience	923,811	-	923,811
Contributions - employer	-	970,762	(970,762)
Net investment income	-	1,182,684	(1,182,684)
Benefits payments, including refunds of employee contributions	(2,193,025)	(2,193,025)	-
Administrative expense	-	(17,449)	17,449
Net changes	<u>2,337,398</u>	<u>(57,028)</u>	<u>2,394,426</u>
Balances at 9/30/2019	<u>\$49,221,456</u>	<u>\$48,859,376</u>	<u>\$362,080</u>

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 7 - Pension plans (continued)

The following presents the net pension liability (asset), using the discount rate of 6.75%, as well as what it would be if it were calculated using a discount rate that is 1% lower (5.75%) and 1% higher (7.75%) than the current rate:

	1% Decrease - 5.75%	Current Rate- 6.75%	1% Increase- 7.75%
Net pension liability (asset)	\$6,685,451	\$362,080	(\$4,918,386)

Pension expense and deferred outflows and deferred inflows of resources related pensions - For the year ended September 30, 2019, the District recognized pension expense of \$1,243,538. At September 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 164,845	\$ -
Changes in assumptions	-	-
Net difference between projected & actual earnings on pension plan investments	621,448	-
	\$ 786,293	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:

2020	\$	(236,272)
2021		195,931
2022		411,030
2023		415,604

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 7 - Pension plans (continued)

Defined Contribution Pension Plan

Plan description - The District administers a single employer, defined contribution pension plan ((Defined Contribution Plan and Trust for Employees of Orange County Library District (as amended and restated effective January 1, 2002 with subsequent amendments thereto)) (the Defined Contribution Plan) in lieu of participation in Social Security. Plan provisions and contribution requirements are established and outlined in the Defined Contribution Plan document, which may be amended by the District's Board of Trustees. Separate, stand-alone financial statements for the Defined Contribution Plan are not prepared.

All employees are eligible to participate in the Defined Contribution Plan from date of hire. At September 30, 2019, there were 415 participants and the fair value of the Defined Contribution Plan investments was \$24,671,726.

Contributions - The District is obligated by the Defined Contribution Plan document to make contributions equal to seven and one-half percent (7.5%) of the Annual Compensation of each member. For the year ended September 30, 2019, the District contributed \$1,272,322 to the Defined Contribution Plan. Such contributions from the District are recognized as revenue by the Defined Contribution Plan when due and the employer has made a final commitment to provide the contributions. The amounts credited to the accounts of employees shall be 100% vested at all times.

Payment of benefits – Benefits paid to participants are recorded when due and payable in accordance with the terms of the Defined Contribution Plan document.

Administrative costs – Administrative costs are financed through investment earnings.

Money Purchase Pension Plan

Plan description – The District administers a single employer defined contribution plan (Money Purchase Plan and Trust for Employees of the Orange County Library District) (the Money Purchase Plan) for full time employees hired on or after January 1, 2007. In addition to new hires, existing participants in the District's Defined Benefit Pension Plan were given a one time opportunity to freeze their benefits in that plan and begin participating in the Money Purchase Plan. Sixty-six participants in the Defined Benefit Pension Plan made this election in May 2007.

Plan provisions and contribution requirements are established and outlined in the Money Purchase Plan document, which may be amended by the District's Board of Trustees. Separate, stand-alone financial statements for the Money Purchase Plan are not prepared.

Employees are eligible to participate in the Money Purchase Plan from date of hire. At September 30, 2019, there were 190 participants and the fair value of the Money Purchase Plan investments was \$7,305,318.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 7 - Pension plans (continued)

Contributions – The District is obligated by the Money Purchase Plan document to make contributions equal to nine percent (9%) of Annual Compensation of each member. For the year ended September 30, 2019, the District contributed \$821,256 to the Money Purchase Plan. Such contributions from the District are recognized as revenue by the Money Purchase Plan when due and when the employer has made a final commitment to provide contributions. Participants become fully vested in the District's contributions after one year from date of hire.

Payment of benefits- Benefits paid to participants are recorded when due and payable in accordance with the terms of the Money Purchase Plan document.

Administrative costs- Administrative costs are financed through investment earnings.

Note 8 - Other Postemployment Benefit Plan

Plan Description – The District administers a single-employer defined benefit other postemployment benefit plan (OPEB Plan) and can amend the benefit provisions. In accordance with its Employee Handbook and Collective Bargaining Agreements (CBA) previously in effect, the District provides health care insurance coverage and a limited life insurance benefit to those employees who retire under the terms of the District's Defined Benefit Pension Plan on or after attaining age 55 with at least 10 years of service.

In accordance with State Law, all retiring employees must be provided access to the District's group health insurance coverage. For non CBA retirees hired prior to January 1, 2007, the District pays the entire cost of this coverage. Non CBA retirees hired after this date, who have attained age 60 and 15 years of full-time service, will receive a monthly benefit based on their years of full-time service. The funds will be deposited annually into a Health Reimbursement Account for each eligible retiree. For CBA retirees hired prior to December 9, 2004 and retired prior to October 9, 2008, the District pays a fixed reimbursement with the balance of the cost of the District's group coverage being paid by the retiree. CBA retirees who retired on or after October 9, 2008 but before decertification of the Collective Bargaining Unit in 2015, receive a service-based dollar discount towards premiums paid for coverage. Spouses/Dependents of retirees may be covered at the retirees' option, but retirees are responsible for the full cost of the coverage.

Retirees are eligible to participate in the District's dental plan. The premiums of non CBA retirees, under the age of 65 and who have their medical coverage, are paid in full by the District. All other retirees are required to pay the entire stated premium. All retirees are responsible for the cost of spousal/dependent coverage.

\$1,000 of life insurance is provided to all retirees.

In March 2007, the District established a qualifying trust and began funding its OPEB Plan obligation. Separate stand-alone financial statements for the trust are not prepared.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 8 - Other Postemployment Benefit Plan (continued)

As of the January 1, 2019, the date of the latest actuarial validation, plan participation consisted of:

Retirees and beneficiaries receiving benefits	113
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>263</u>
Total Plan Participants	<u><u>376</u></u>

Funding Policy - The District has the authority to establish and amend the funding policy for its OPEB Plan. For the year ended September 30, 2019, the District contributed \$700,000, \$373,448 of which was based on actuarially determined rates per the January 1, 2018 OPEB Actuarial Report, the remaining amount was contributed based on excess operating funds and executive management's decision. It is the District's intent to base future contributions on the actuarially determined rates in subsequent annual actuarial reports.

Contributions - OPEB Plan member contributions are recognized in the period that they are due. Employer contributions to the OPEB Plan are recognized as revenue when due and the employer has made a final commitment to provide the contributions. The required contributions are actuarially determined and include normal costs. Employer contribution rates are determined using the Entry Age Normal Cost Method.

As mentioned above, the actuarially determined contribution amounted to \$373,448. Employees do not make contributions to the plan. The Schedule of Contributions, presented as required supplementary information following the notes to the financial statements, presents multi-year information about the contributions made by the District for the last three years.

If CBA retirees elect to participate in the District's group health insurance coverage, they are responsible for paying the difference between the cost of this coverage and the fixed reimbursement, which varies depending on the retirement date. All retirees are responsible for contributing the entire cost of any spouse/dependent coverage.

Payment of Benefits and Refunds - Benefits and refunds paid to participants are recorded when due and payable in accordance with terms of the OPEB Plan.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 8 - Other Postemployment Benefit Plan (continued)

Actuarial methods and assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Valuation Date	January 1, 2019
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll, closed period
Amortization period	Closed 5 year period
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	6.5% Compounded annually
Inflation rate	2.5% general price inflation annual rate
Projected annual salaries increases	4.5%
Mortality tables	<p>Monthly rates are used to measure the probabilities of participants dying before and after retirement. These are taken from the RP-2000 Combined Healthy Participant Mortality Table for active members and the RP-2000 Mortality Table Annuitants for non-disabled inactive members, with mortality improvement projected to all future years from the year 2000 using Projection Scale BB. Rates have been adjusted to be a blend of 50% White Collar and 50% Blue Collar (male) and 100% White Collar (female).</p> <p>Mortality rates for impaired (from disability) lives are based on the RP-2000 Disabled Retiree tables and Healthy White Collar tables for males and females. Rates have been adjusted to be 100% Disabled Retiree with setback four years (male) and set forward two years (female).</p>

ORANGE COUNTY LIBRARY DISTRICT

**Notes to Financial Statements
Year Ended September 30, 2019**

Note 8 - Other Postemployment Benefit Plan (continued)

Healthcare cost trend rate Monthly medical and prescription benefits are assumed to increase each year according to the rates in the following table

Annual Increase Rates

<u>Year</u>	<u>Medical/Rx</u>	<u>Gross Premium Contribution</u>
2020	6.50%	6.50%
2021	6.25%	6.25%
2022	6.05%	6.05%
2023	5.96%	5.96%
2024	5.86%	5.86%
2025	5.77%	5.77%
2026	5.68%	5.68%
2027	5.59%	5.59%
Thereafter	5.49% - 4.24%	5.49% - 4.24%

Investments - Plan investments are managed in accordance with an Investment Policy Statement (Statement), which was approved and can be amended by the District's Board of Trustees. The Statement, which authorizes investments in domestic and international equities, fixed income securities, and real estate investment trusts, provides the following allocation guidelines. The long term expected real rate of return, provided on an arithmetic basis, is also indicated for each investment allocation outlined in the Statement as follows:

	<u>Allocation Guideline</u>	<u>Long Term Expected Rate of Return</u>
Domestic and International equities	70%	Domestic 9%, International 7%
Fixed income	30%	5%
Real estate investments trusts	N/A	12%

Specific investments exceeding 5% of the Plan's net position consist of the following: Vantagepoint Low Duration Bond Fund, Vantagepoint Broad Market Index Fund, Vantagepoint Mid/Small Cap Index Fund, and Vantagepoint Overseas Equity Index Fund.

For fiscal year ended September 30, 2019, the annual money-weighted rate of return on the Plan investments, net of investment expenses, was 1.4%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Discount Rate - The discount rate used to measure the total OPEB asset was 6.5%. The projection of cash flows used to determine this discount rate assumed that the District would continue to fund the actuarially determined contribution. Based on this assumption and investment long term expected

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 8 - Other Postemployment Benefit Plan (continued)

rate of return for each asset class, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments. Therefore, the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine total pension liability.

Changes in Net OPEB Liability - The Net OPEB Liability at September 30, 2019 is based on a January 1, 2019 actuarial valuation rolled forward using actuarial methods to the September 30, 2019 measurement date. The components of changes during fiscal 2019 are as follows:

Changes in Net OPEB Liability (Asset)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at 10/1/2018	\$14,718,646	\$15,633,765	(\$915,119)
Changes for the year:			
Service Cost	352,302	-	352,302
Interest on the Total OPEB Liability	961,109	-	961,109
Changes in benefit terms	642,850	-	642,850
Differences between expected and actual experience	(48,127)	-	(48,127)
Changes in assumptions	(253,545)	-	(253,545)
Contributions - employer	-	700,000	(700,000)
Net investment income	-	195,514	(195,514)
Benefits payments	(569,322)	(569,322)	-
Net changes	1,085,267	326,192	759,075
Balances at 9/30/2019	\$15,803,913	\$15,959,957	(\$156,044)

The following presents the Net OPEB Liability (Asset), using the discount rate of 6.5%, as well as what it would be if it were calculated using a discount rate that is 1% lower (5.5%) and 1% higher (7.5%) than the current rate:

	1% Decrease - 5.5%	Current Rate - 6.5%	1% Increase - 7.5%
Net OPEB Liability (Asset)	\$1,746,763	(\$156,044)	(\$2,114,048)

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 8 - Other Postemployment Benefit Plan (continued)

The following presents the Net OPEB Liability (Asset) using the same health care trend rates used in the most recent actuarial valuation, as well as what the Net OPEB Liability (Asset) would be if it were calculated using a sequence of health care trend rates that are 1% lower and 1% higher.

1% Trend Decrease	Trend Rate Assumption	1% Trend Increase
5.50% decreasing to 3.84%	6.50% decreasing to 4.84%	7.50% decreasing to 5.84%
(\$2,304,496)	(\$156,044)	\$2,035,132

OPEB expense and deferred outflows and deferred inflows of resources related pensions - For the year ended September 30, 2019, the District recognized pension expense of \$986,737. At September 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 139,179	\$ -
Changes in assumptions	-	162,413
Net difference between projected & actual earnings on pension plan investments	305,218	-
	\$ 444,397	\$ 162,413

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30:

2020	\$	50,918
2021		50,918
2022		50,918
2023		169,159
2024		4,174
Thereafter		(44,103)

Updated procedures were applied to the Plan's January 1, 2019 actuarial valuation to roll forward the total OPEB asset to September 30, 2019 for purposes of the GASB 74 calculation.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2019

Note 9 - Risk Management

The District became self-insured for employee health insurance, effective January 1, 2007. As permitted by GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, the District accounts for its self-insured assets, liabilities, net position and activities in an internal service fund.

The District's health internal service fund covered claims up to \$200,000 per individual. The District purchased excess stop loss coverage on an individual basis where individual claims exceeded the \$200,000 limit.

The \$145,061 liability includes \$136,945 of actuarially determined claims incurred but not reported, with the remaining amount representing actual claims that have been submitted. Changes to the claims liability since the year ended September 30, 2017 are as follows:

<u>Fiscal Year Ended</u>	<u>Balance October 1</u>	<u>Additions</u>	<u>Claim Payments</u>	<u>Balance September 30</u>
9/30/2018	\$ 186,589	\$ 2,285,502	\$ (2,295,871)	\$ 176,220
9/30/2019	\$ 176,220	\$ 2,141,318	\$ (2,172,477)	\$ 145,061

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. In fiscal year 2019, the District contracted with various companies for insurance coverage. The companies provided coverage for workers compensation, property, liability, flood, public officials, fiduciary (pension), and employment practices. Settlements have not exceeded insurance coverage for each of the past three years.

Note 10 - Property Taxes

Under Florida law, the assessment of all properties and the collections of all property taxes are provided by Orange County's Property Appraiser and Tax Collector, who are elected officials. Ad valorem property taxes levied in September 2019 are for the purpose of financing the budget of the 2020 fiscal year. Property tax revenues recognized for the 2019 fiscal year were levied in September 2018.

The State legislative act, which established the District, permits the District to levy taxes up to 1 mill of assessed valuation for operating. The District's Governing Board establishes the tax levy for the District, which included a Millage rate levied of .3748 mills for operating for the fiscal year ended September 30, 2019.

Key dates in the property tax cycle for revenues recognized in fiscal year 2019 include the following:

Lien date	January 1, 2018
Property taxes levied	September 18, 2018
Beginning of fiscal year for which taxes have been levied	October 1, 2018
Tax bills rendered	November 1, 2018
Property taxes payable:	
Maximum discount (latest date)	November 30, 2018
Delinquent	April 1, 2019
Tax certificates sold on unpaid taxes	May 31, 2019

REQUIRED SUPPLEMENTARY INFORMATION

ORANGE COUNTY LIBRARY DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended September 30, 2019

	Original and Final Budgeted Amounts	Budgetary Basis Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Taxes:			
Property	\$ 43,905,000	\$ 44,157,999	\$ 252,999
Intergovernmental revenues:			
State aid to libraries	982,000	830,417	(151,583)
Federal grants	-	53,458	53,458
Other state grants	-	6,250	6,250
Charges for services:			
Fines	600,000	669,617	69,617
Copiers/vending machines	230,000	237,819	7,819
Other fees	263,000	255,693	(7,307)
Miscellaneous revenue:			
Investment income	200,000	635,580	435,580
Contributions	81,000	82,324	1,324
Other	149,000	208,418	59,418
Total revenues	<u>46,410,000</u>	<u>47,137,575</u>	<u>727,575</u>
Expenditures:			
Current:			
Salaries and benefits	24,919,000	24,281,867	637,133
Operating	10,839,000	10,952,136	(113,136)
Capital outlay	8,085,000	5,864,201	2,220,799
Total expenditures	<u>43,843,000</u>	<u>41,098,204</u>	<u>2,744,796</u>
Revenues over expenditures	<u>2,567,000</u>	<u>6,039,371</u>	<u>3,472,371</u>
Other financing sources (uses):			
Transfers out	(3,300,000)	(4,575,000)	(1,275,000)
Transfers from constitutional officers	410,000	426,898	16,898
Total other financing sources (uses)	<u>(2,890,000)</u>	<u>(4,148,102)</u>	<u>(1,258,102)</u>
Net change in fund balance	<u>\$ (323,000)</u>	1,891,269	<u>\$ 2,214,269</u>
Fund balance at beginning of year		<u>12,684,156</u>	
Fund balance at end of year		<u>\$ 14,575,425</u>	

Note: The above schedule presentation differs from the governmental fund financial statements in that the above transfers from constitutional officers are netted against operating expenditures in the governmental fund financial statements.

ORANGE COUNTY LIBRARY DISTRICT
Defined Benefit Pension Plan
Schedule of Employer Contributions

<u>Year Ended September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Covered Employee Payroll</u>	<u>Actual Contribution as a % of Covered Employee Payroll</u>
2010	\$ 1,226,649	\$ 1,432,399	\$ 205,750	\$ 6,445,574	22.2%
2011	\$ 891,426	\$ 1,056,751	\$ 165,325	\$ 6,104,311	17.3%
2012	\$ 1,141,821	\$ 1,106,367	\$ (35,454)	\$ 5,634,242	19.6%
2013	\$ 880,688	\$ 945,971	\$ 65,283	\$ 5,401,961	17.5%
2014	\$ 627,395	\$ 690,719	\$ 63,324	\$ 5,226,257	13.2%
2015	\$ 614,847	\$ 614,847	\$ -	\$ 5,169,894	11.9%
2016	\$ 806,723	\$ 806,723	\$ -	\$ 4,807,950	16.8%
2017	\$ 809,614	\$ 809,614	\$ -	\$ 4,775,367	17.0%
2018	\$ 570,718	\$ 570,718	\$ -	\$ 4,314,180	13.2%
2019	\$ 970,762	\$ 970,762	\$ -	\$ 4,134,169	23.5%

ORANGE COUNTY LIBRARY DISTRICT
Defined Benefit Pension Plan
Schedule of Changes in Net Pension Liability (Asset)

	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 482,196	\$ 539,196	\$ 547,066	\$ 584,935	\$ 608,203	\$ 643,083
Interest	3,124,416	3,095,052	3,002,367	2,848,788	2,749,937	2,674,586
Differences between expected and actual experience	923,811	(1,056,864)	(271,908)	(481,840)	(239,752)	(619,604)
Changes in assumptions	-	-	-	2,648,331	-	-
Benefit payments, including refunds of employee contributions	(2,193,025)	(1,981,145)	(1,814,685)	(1,745,038)	(1,622,931)	(1,551,781)
Net change in total pension liability	<u>2,337,398</u>	<u>596,239</u>	<u>1,462,840</u>	<u>3,855,176</u>	<u>1,495,457</u>	<u>1,146,284</u>
Total pension liability - beginning	<u>46,884,058</u>	<u>46,287,819</u>	<u>44,824,979</u>	<u>40,969,803</u>	<u>39,474,346</u>	<u>38,328,062</u>
Total pension liability - ending (A)	<u>\$ 49,221,456</u>	<u>\$ 46,884,058</u>	<u>\$ 46,287,819</u>	<u>\$ 44,824,979</u>	<u>\$ 40,969,803</u>	<u>\$ 39,474,346</u>
Plan fiduciary net position						
Employer contributions	\$ 970,762	\$ 570,718	\$ 809,614	\$ 806,723	\$ 614,847	\$ 690,719
Net investment income	1,182,684	3,160,375	4,965,286	3,772,044	(720,586)	3,381,106
Benefit payments, including refunds of employee contributions	(2,193,025)	(1,981,145)	(1,814,685)	(1,745,038)	(1,622,931)	(1,551,781)
Administrative expense	(17,449)	(17,574)	(16,718)	(16,045)	(15,918)	(15,511)
Net change in plan fiduciary net position	<u>(57,028)</u>	<u>1,732,374</u>	<u>3,943,497</u>	<u>2,817,684</u>	<u>(1,744,588)</u>	<u>2,504,533</u>
Plan fiduciary net position - beginning	<u>48,916,404</u>	<u>47,184,030</u>	<u>43,240,533</u>	<u>40,422,849</u>	<u>42,167,437</u>	<u>39,662,904</u>
Plan fiduciary net position - ending (B)	<u>\$ 48,859,376</u>	<u>\$ 48,916,404</u>	<u>\$ 47,184,030</u>	<u>\$ 43,240,533</u>	<u>\$ 40,422,849</u>	<u>\$ 42,167,437</u>
Plan net pension liability (asset) - ending (A-B)	\$ 362,080	\$ (2,032,346)	\$ (896,211)	\$ 1,584,446	\$ 546,954	\$ (2,693,091)
Plan fiduciary net position as a percentage of total pension liability (asset)	99.3%	104.3%	101.9%	96.5%	98.7%	106.8%
Covered employee payroll	\$ 4,134,169	\$ 4,314,180	\$ 4,775,367	\$ 4,807,950	\$ 5,169,894	\$ 5,226,257
Net pension liability (asset) as a percentage of covered payroll	8.8%	47.1%	18.8%	33.0%	10.6%	51.5%

Note: Information is not available for years preceding fiscal 2014.

**ORANGE COUNTY LIBRARY DISTRICT
Defined Benefit Pension Plan**

**Actuarial Methods and Assumptions
Last fiscal year**

Valuation date	January 1, 2019
Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll, closed period
Amortization period	10 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	6.75%
Projected salary increases	4.5%
Inflation rate	2.0%
Cost of living adjustments	2.0% per annum
Mortality table	RP-2000 Combined Healthy Participant Mortality Tables, by gender, Scale BB

**Schedule of Investment Returns
Last six fiscal years**

Annual money-weighted rate of return, net of investment expenses

2014	8.7%
2015	-1.6%
2016	9.5%
2017	11.7%
2018	6.9%
2019	2.5%

Note: Information is not available for years preceding fiscal 2014.

ORANGE COUNTY LIBRARY DISTRICT
Other Postemployment Benefits Plan
Schedule of Employer Contributions

<u>Year Ended September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Covered Employee Payroll</u>	<u>Actual Contribution as a % of Covered Employee Payroll</u>
2017	\$ 690,843	\$ 690,843	\$ 11,939,326	5.8%
2018	\$ 539,459	\$ 539,459	\$ 11,789,254	4.6%
2019	\$ 373,448	\$ 700,000	\$ 12,866,962	5.4%

Note: Information is not available for years preceding fiscal 2017.

ORANGE COUNTY LIBRARY DISTRICT
Other Postemployment Benefit Plan
Schedule of Changes in Net OPEB Liability (Asset)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability			
Service cost	\$ 352,302	\$ 351,322	\$ 368,597
Interest on the total OPEB liability	961,109	907,225	879,525
Changes in benefit terms	642,850	-	-
Difference between expected and actual experience	(48,127)	240,326	879,525
Changes in assumptions	(253,545)	81,538	879,525
Benefit payments	(569,322)	(935,514)	(673,847)
Net change in total OPEB liability	<u>1,085,267</u>	<u>644,897</u>	<u>574,275</u>
Total OPEB liability - beginning	<u>14,718,646</u>	<u>14,073,749</u>	<u>13,499,474</u>
Total OPEB liability - ending (A)	<u>\$ 15,803,913</u>	<u>\$ 14,718,646</u>	<u>\$ 14,073,749</u>
Plan Fiduciary net position			
Employer contributions	\$ 700,000	\$ 539,459	\$ 690,843
Net investment income	195,514	1,521,630	1,813,966
Benefit payments	(569,322)	(935,514)	(673,847)
Administrative expense	-	(8,054)	(10,047)
Net change in plan fiduciary net position	<u>326,192</u>	<u>1,117,521</u>	<u>1,820,915</u>
Plan fiduciary net position - beginning	<u>15,633,765</u>	<u>14,516,244</u>	<u>12,695,329</u>
Plan fiduciary net position - ending (B)	<u>\$ 15,959,957</u>	<u>\$ 15,633,765</u>	<u>\$ 14,516,244</u>
Net OPEB liability (asset) - ending (A) - (B)	\$ (156,044)	\$ (915,119)	\$ (442,495)
Plan fiduciary net position as a percentage of total OPEB liability	101.0%	106.2%	103.1%
Covered employee payroll (CEP)	\$ 12,866,962	\$ 11,789,254	\$ 11,939,326
Net OPEB liability (asset) as a percentage of CEP	1.21%	7.76%	3.71%

Note: Information is not available for years preceding fiscal 2017.

**ORANGE COUNTY LIBRARY DISTRICT
Other Postemployment Benefits Plan**

**Actuarial Methods and Assumptions
Last fiscal year**

Valuation date	January 1, 2019
Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll, closed period
Amortization period	Closed 5 year period
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	6.5%
Projected salary increases	4.5%
Inflation rate	2.5% general; price inflation annual rate
Healthcare cost trend rate	6.50% for 2019 decreasing to an ultimate rate of 4.24% by 2040 and thereafter.

**Schedule of Investment Returns
Last ten fiscal years**

Annual money-weighted rate of return, net of investment expenses

2010	9.2%
2011	-2.6%
2012	19.5%
2013	17.7%
2014	9.3%
2015	-1.8%
2016	10.1%
2017	14.3%
2018	10.4%
2019	1.4%

OTHER SUPPLEMENTARY INFORMATION

ORANGE COUNTY LIBRARY DISTRICT
Combining Statement of Fiduciary Net Position-
Pension and Other Postemployment Benefit Trust Funds
September 30, 2019

	<u>Defined Benefit</u>	<u>Defined Contribution</u>	<u>Money Purchase</u>	<u>OPEB</u>	<u>Total</u>
Assets					
Cash and cash equivalents	\$ 402,618	\$ -	\$ -	\$ 412,291	\$ 814,909
Commingled accounts:					
International equities	3,034,128	-	-	-	3,034,128
Fixed income	12,551,106	-	-	-	12,551,106
Mutual funds:					
Domestic equities	19,698,909	12,496,366	4,200,373	9,485,360	45,881,008
International equities	9,775,048	4,104,074	1,717,418	2,737,391	18,333,931
Stable value	-	1,226,192	116,071	-	1,342,263
Fixed income	-	6,718,790	1,223,881	3,587,019	11,529,690
Real estate	3,420,103	104,877	20,073	-	3,545,053
Money market accounts	-	21,427	27,502	-	48,929
Total Investments	48,479,294	24,671,726	7,305,318	15,809,770	96,266,108
Total assets	<u>\$ 48,881,912</u>	<u>\$ 24,671,726</u>	<u>\$ 7,305,318</u>	<u>\$ 16,222,061</u>	<u>\$ 97,081,017</u>
Liabilities					
Accounts payable	22,536	-	-	14,000	36,536
Due to Internal Service Fund	-	-	-	248,104	248,104
Total liabilities	<u>\$ 22,536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 262,104</u>	<u>\$ 284,640</u>
Net position restricted for pension and other postemployment benefits	<u>\$ 48,859,376</u>	<u>\$ 24,671,726</u>	<u>\$ 7,305,318</u>	<u>\$ 15,959,957</u>	<u>\$ 96,796,377</u>

ORANGE COUNTY LIBRARY DISTRICT
Combining Statement of Changes in Fiduciary Net Position-
Pension and Other Postemployment Benefit Trust Funds
Year Ended September 30, 2019

	<u>Defined Benefit</u>	<u>Defined Contribution</u>	<u>Money Purchase</u>	<u>OPEB</u>	<u>Total</u>
Additions:					
Employer contributions:					
General Fund	\$ 970,762	\$ 1,272,322	\$ 821,256	\$ 700,000	\$ 3,764,340
Investment income	1,253,830	604,112	158,081	195,514	2,211,537
Investment expenses	(71,146)	-	-	-	(71,146)
Total additions	<u>2,153,446</u>	<u>1,876,434</u>	<u>979,337</u>	<u>895,514</u>	<u>5,904,731</u>
Deductions:					
Benefits paid to participants	2,193,025	1,104,178	253,409	562,065	4,112,677
Administrative expenses	17,449	3,150	856	7,257	28,712
Total deductions	<u>2,210,474</u>	<u>1,107,328</u>	<u>254,265</u>	<u>569,322</u>	<u>4,141,389</u>
Change in net position	(57,028)	769,106	725,072	326,192	1,763,342
Net position - beginning of year	<u>48,916,404</u>	<u>23,902,620</u>	<u>6,580,246</u>	<u>15,633,765</u>	<u>95,033,035</u>
Net position - end of year	<u>\$ 48,859,376</u>	<u>\$ 24,671,726</u>	<u>\$ 7,305,318</u>	<u>\$ 15,959,957</u>	<u>\$ 96,796,377</u>

ORANGE COUNTY LIBRARY DISTRICT
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Capital Projects Fund
Year Ended September 30, 2019

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Miscellaneous revenue:			
Investment income	\$ 32,000	\$ 169,340	\$ 137,340
Total revenues	32,000	169,340	137,340
Expenditures:			
Capital outlay	250,000	-	250,000
Total expenditures	250,000	-	250,000
Revenues over (under) expenditures	(218,000)	169,340	387,340
Other Financing Sources:			
Transfers in	3,300,000	4,300,000	1,000,000
Net change in fund balance	\$ 3,082,000	4,469,340	\$ 1,387,340
Fund balance at beginning of year		5,407,974	
Fund balance at end of year		\$ 9,877,314	

ORANGE COUNTY LIBRARY DISTRICT
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Capital Projects Sinking Fund
Year Ended September 30, 2019

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Miscellaneous revenue:			
Investment Income	\$ 5,000	\$ 11,756	\$ 6,756
Total revenues	<u>5,000</u>	<u>11,756</u>	<u>6,756</u>
Revenues over expenditures	<u>5,000</u>	<u>11,756</u>	<u>6,756</u>
Other Financing Sources:			
Transfers in	<u>-</u>	<u>275,000</u>	<u>275,000</u>
Net change in fund balance	<u>\$ 5,000</u>	<u>286,756</u>	<u>\$ 281,756</u>
Fund balance at beginning of year		<u>509,646</u>	
Fund balance at end of year		<u>\$ 796,402</u>	

ORANGE COUNTY LIBRARY DISTRICT
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Permanent Fund
Year Ended September 30, 2019

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Miscellaneous revenue:			
Investment income	\$ 25,000	\$ 80,150	\$ 55,150
Contributions	-	500,000	500,000
	<u>25,000</u>	<u>580,150</u>	<u>555,150</u>
Total revenues	<u>25,000</u>	<u>580,150</u>	<u>555,150</u>
Expenditures:			
Capital outlay	-	50,000	(50,000)
	<u>-</u>	<u>50,000</u>	<u>(50,000)</u>
Total expenditures	<u>-</u>	<u>50,000</u>	<u>(50,000)</u>
Revenues over expenditures	<u>25,000</u>	<u>530,150</u>	<u>505,150</u>
Net change in fund balance	<u>\$ 25,000</u>	<u>530,150</u>	<u>\$ 505,150</u>
Fund balance at beginning of year		<u>683,632</u>	
Fund balance at end of year		<u>\$ 1,213,782</u>	

STATISTICAL SECTION

ORANGE COUNTY LIBRARY DISTRICT

STATISTICAL SECTION

The Statistical Section of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and the required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Trends	62 -65
These schedules contain trend information to help the reader understand how the District's financial performance and position have changed over time.	
Revenue Capacity	66 - 69
These schedules contain information to help the reader assess the factors affecting the District's ability to generate property taxes.	
Debt Capacity	70 - 74
These schedules present information to help the reader assess the affordability of the District's current levels of debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	75- 76
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	77 - 79
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

ORANGE COUNTY LIBRARY DISTRICT

NET POSITION GOVERNMENTAL ACTIVITIES LAST TEN FISCAL YEARS

(accrual basis of accounting)

FISCAL YEAR	NET INVESTMENT IN CAPITAL ASSETS	RESTRICTED (3)	UNRESTRICTED	TOTAL
2019	\$ 32,296,499	\$ 1,527,343	\$ 28,367,603	\$ 62,191,445
2018	33,449,511	3,788,614	18,935,150	56,173,275
2017	32,861,690	1,753,058	16,822,368	51,437,116
2016	33,213,078	886,358 (2)	16,684,484	50,783,920
2015	29,407,021	407,707	17,853,751	47,668,479
2014	26,859,536	439,319	18,769,164	46,068,019
2013	25,962,992	852,297	20,801,812	47,617,101
2012	26,552,839	1,457,517 (1)	22,073,543	50,083,899
2011	27,978,659	157,517	22,212,296	50,348,472
2010	29,547,695	157,517	20,860,243	50,565,455

(1) Includes \$1,000,000 Melrose Family Foundation donation received in FY 2012.

(2) Includes \$500,000 Kendrick B. Melrose donation received in FY 2016.

(3) Includes net pension asset and net OPEB asset

ORANGE COUNTY LIBRARY DISTRICT

**CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES
LAST TEN FISCAL YEARS**
(accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Program Expenses										
Salaries and benefits	\$ 24,910,999	\$ 22,787,890	\$ 22,900,705	\$ 21,474,152	\$ 20,414,549	\$ 18,883,855	\$ 18,140,914	\$ 17,859,087	\$ 18,137,533	\$ 19,985,436
Operating	10,098,378	9,075,273	9,087,009	9,354,014	8,454,658	7,855,277	8,645,249	7,904,571	7,456,834	8,003,829
Depreciation	3,914,812	4,076,370	4,303,673	4,382,963	2,096,541	1,942,267	1,816,789	1,847,548	1,888,744	1,905,805
Materials	2,948,660	3,130,625	2,866,042	2,898,914	4,863,762	4,472,687	4,533,827	4,653,884	4,458,761	4,790,414
Interest	-	-	-	-	-	-	-	-	-	2,197
Total Expenses	\$ 41,872,849	\$ 39,070,158	\$ 39,157,429	\$ 38,110,043	\$ 35,829,510	\$ 33,154,086	\$ 33,136,779	\$ 32,265,090	\$ 31,941,872	\$ 34,687,681
Program Revenues										
Charges for services	\$ 1,163,129	\$ 1,279,929	\$ 1,289,113	\$ 1,377,878	\$ 1,511,583	\$ 1,559,911	\$ 1,554,924	\$ 1,740,844	\$ 1,921,219	\$ 1,927,773
Operating grants & contrib.	1,518,081	1,268,671	1,237,111	1,151,860	1,501,688	1,226,815	1,289,380	1,343,216	1,299,721	1,205,780
Capital grants & contrib.	-	-	-	500,000	446,227	53,773	-	1,000,000	-	-
Total Program Revenues	\$ 2,681,210	\$ 2,548,600	\$ 2,526,224	\$ 3,029,738	\$ 3,459,498	\$ 2,840,499	\$ 2,844,304	\$ 4,084,060	\$ 3,220,940	\$ 3,133,553
Total Net (Exp.)	\$ (39,191,639)	\$ (36,521,558)	\$ (36,631,205)	\$ (35,080,305)	\$ (32,370,012)	\$ (30,313,587)	\$ (30,292,475)	\$ (28,181,030)	\$ (28,720,932)	\$ (31,554,128)
General Revenues										
Property Taxes	\$ 44,157,999	\$ 40,292,698	\$ 36,747,153	\$ 33,714,713	\$ 30,552,756	\$ 28,374,814	\$ 27,375,629	\$ 27,515,072	\$ 28,223,502	\$ 32,417,864
Investment Income	896,826	449,103	270,264	172,626	95,449	65,964	49,125	30,448	38,982	90,929
Operating Lease	-	-	-	-	-	-	146,045	107,458	-	-
Miscellaneous	154,984	272,751	266,984	302,935	642,595	323,727	254,878	263,479	241,465	284,604
Total General Revenues	\$ 45,209,809	\$ 41,014,552	\$ 37,284,401	\$ 34,190,274	\$ 31,290,800	\$ 28,764,505	\$ 27,825,677	\$ 27,916,457	\$ 28,503,949	\$ 32,793,397
Change in Net Position	\$ 6,018,170	\$ 4,492,994	\$ 653,196	\$ (890,031)	\$ (1,079,212)	\$ (1,549,082)	\$ (2,466,798)	\$ (264,573)	\$ (216,983)	\$ 1,239,269

ORANGE COUNTY LIBRARY DISTRICT

FUND BALANCES GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund:										
Nonspendable:										
Inventory	\$ 123,866	\$ 155,055	\$ 176,092	\$ 162,025	\$ 152,942	\$ 194,661	\$ 258,245	\$ 296,003	\$ 299,161	\$ 310,269
Prepaid Items	179,387	258,713	119,952	174,017	199,582	153,653	163,175	141,907	132,375	153,717
Annetta O' B Walker Trust Fund	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
A.P. Phillips Jr. Memorial Fund	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Perce C. & Mary M. Gullet Mem. Fund	19,805	19,805	19,805	19,805	19,805	19,805	19,805	19,805	19,805	19,805
Willis H. Warner Memorial Fund	33,712	33,712	33,712	33,712	33,712	33,712	33,712	33,712	33,712	33,712
Restricted For:										
Kendrick Melrose Family Foundation	-	-	-	-	-	-	411,029	1,000,000	-	-
Committed To:										
Strategic Plan	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Edmund L. Murray Estate Fund	724,689	724,689	724,689	724,689	724,689	724,689	724,689	724,689	724,689	724,689
Arthur Sondheim Estate Fund	39,941	39,941	39,941	39,941	39,941	39,941	39,941	39,941	39,941	39,941
Vivian Esch Estate Fund	44,198	44,198	44,198	44,198	44,198	44,198	44,198	44,198	44,198	44,198
Assigned To:										
Subsequent Year's Budget	-	323,000	1,000,877	2,080,087	1,644,978	2,860,984	4,125,670	4,330,982	-	-
Unassigned:	9,305,827	6,981,043	4,242,799	2,234,086	3,675,686	2,695,807	3,454,600	4,308,266	8,738,773	8,081,586
Total General Fund	\$14,575,425	\$12,684,156	\$10,506,065	\$ 9,616,560	\$10,639,533	\$10,871,450	\$13,379,064	\$15,043,503	\$14,136,654	\$13,511,917
All Other Governmental Funds										
Nonspendable:										
Melrose Donation	\$ 1,000,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for:										
Debt Service	-	-	-	-	-	-	-	-	-	9,602
Melrose Center	213,782	183,632	133,020	59,693	-	-	-	-	-	-
Assigned To:										
Capital Projects	10,673,716	5,917,620	4,334,823	3,303,238	2,387,733	5,922,381	6,479,030	6,466,464	6,460,757	6,452,086
Total All Other Governmental Funds	\$11,887,498	\$ 6,601,252	\$ 4,967,843	\$ 3,862,931	\$ 2,387,733	\$ 5,922,381	\$ 6,479,030	\$ 6,466,464	\$ 6,460,757	\$ 6,461,688

ORANGE COUNTY LIBRARY DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Property Taxes	\$44,157,999	\$40,292,698	\$36,747,153	\$33,714,713	\$30,552,756	\$28,374,814	\$27,375,629	\$27,515,072	\$28,223,502	\$32,417,864
Intergovernmental	890,125	1,048,075	1,052,618	1,224,878	1,560,875	1,120,090	993,051	1,149,985	1,133,872	1,039,037
Fines	669,617	756,003	786,065	886,427	1,048,826	1,119,034	1,150,472	1,357,960	1,537,099	1,604,515
Charges for Services	493,512	523,926	503,048	491,451	462,757	440,877	404,452	382,884	384,120	323,258
Investment Income	896,826	449,103	270,264	172,626	95,449	65,964	49,125	30,448	38,982	90,929
Miscellaneous	790,742	500,191	646,804	739,518	829,635	484,225	697,252	1,564,168	407,314	451,347
Total Revenues	47,898,821	43,569,996	40,005,952	37,229,613	34,550,298	31,605,004	30,669,981	32,000,517	31,724,889	35,926,950
Expenditures										
Salaries & Benefits	\$24,281,867	\$22,706,126	\$22,052,113	\$20,620,002	\$19,663,201	\$18,817,390	\$18,123,357	\$17,867,066	\$18,288,479	\$20,267,661
Operating	10,526,038	9,209,974	9,136,182	9,044,726	9,102,757	8,535,706	8,366,153	8,133,042	8,024,290	8,467,782
Books & Other Materials	4,193,777	4,447,476	4,573,355	4,736,787	4,863,762	4,472,687	4,533,827	4,653,884	4,458,761	4,790,414
Capital Outlay	1,719,624	3,394,920	2,249,885	2,375,873	1,467,012	2,247,100	1,298,517	433,969	329,553	1,010,928
Capital Projects Outlay	-	-	-	-	3,220,131	596,384	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	399,543
Principal	-	-	-	-	-	-	-	-	-	2,197
Interest	-	-	-	-	-	-	-	-	-	-
Total Expenditures	40,721,306	39,758,496	38,011,535	36,777,388	38,316,863	34,669,267	32,321,854	31,087,961	31,101,083	34,938,525
Excess of revenues over(under)expenditures	7,177,515	3,811,500	1,994,417	452,225	(3,766,565)	(3,064,263)	(1,651,873)	912,556	623,806	988,425
Net Change in Fund Balances	\$ 7,177,515	\$ 3,811,500	\$ 1,994,417	\$ 452,225	\$ (3,766,565)	\$ (3,064,263)	\$ (1,651,873)	\$ 912,556	\$ 623,806	\$ 988,425
Government-wide										
Capital Outlay (1)	\$ 2,964,741	\$ 4,711,771	\$ 3,957,198	\$ 4,213,746	\$ 4,687,143	\$ 2,843,484	\$ 1,298,517	\$ 433,969	\$ 329,553	\$ 1,010,928
Non Capital Expenditures	\$37,756,565	\$35,046,725	\$34,054,337	\$32,563,642	\$33,629,720	\$31,825,783	\$31,023,337	\$30,653,992	\$30,771,530	\$33,927,597
Debt Service as percentage of noncapital expenditures	-	-	-	-	-	-	-	-	-	1.18%

(1) Effective October 1, 2015, the District began capitalizing library books and audiovisual materials.

ORANGE COUNTY LIBRARY DISTRICT

TAXABLE ASSESSED VALUE AND ESTIMATED FAIR VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Fiscal Year	Real Property			Personal Property			Centrally Assessed Property(1)			Totals			Ratio of	
	Taxable Assessed Value	Estimated Fair Value	Taxable Assessed Value	Estimated Fair Value	Taxable Assessed Value	Estimated Fair Value	Taxable Assessed Value	Estimated Fair Value	Taxable Assessed Value	Estimated Fair Value	Taxable Assessed Value	Estimated Fair Value	Total Assessed Value to Est. Fair Value	Total Direct Tax Rate
2019	\$112,086,988,934	\$162,751,903,933	\$10,321,278,945	\$14,276,238,923	\$24,808,221	\$27,356,370	\$122,433,076,100	\$177,055,499,226					69.15%	0.3748
2018	102,398,480,167	147,532,347,134	9,514,415,422	13,437,571,192	23,653,199	26,159,067	111,936,548,788	160,996,077,393					69.53	0.3748
2017	93,430,521,091	135,656,513,905	8,784,592,166	12,670,499,394	16,919,656	18,627,949	102,232,032,913	148,345,641,248					68.91	0.3748
2016	84,780,485,956	124,700,853,055	8,939,890,427	12,886,669,851	23,317,377	24,749,513	93,743,693,760	137,612,272,419					68.12	0.3748
2015	75,841,561,597	105,529,994,182	8,279,549,811	12,250,845,165	21,765,161	23,119,905	84,142,876,569	117,803,959,252					71.43	0.3748
2014	70,747,635,067	95,744,666,369	7,941,397,415	11,917,111,545	21,561,331	22,959,315	78,710,593,813	107,684,737,229					73.09	0.3748
2013	68,084,636,506	92,132,990,490	7,711,741,964	11,624,305,924	19,920,941	21,182,712	75,816,299,411	103,778,479,126					73.06	0.3748
2012	68,251,144,114	92,183,305,123	7,674,028,456	11,436,287,666	20,447,140	22,333,097	75,945,619,710	103,641,925,886					73.28	0.3748
2011	75,880,631,329	102,514,330,536	8,128,539,297	11,760,765,118	12,538,415	14,049,385	84,021,709,041	114,289,145,039					73.52	0.3748
2010	87,964,627,849	118,873,313,104	8,196,399,075	11,623,461,158	17,078,383	19,436,909	96,178,105,307	130,516,211,171					73.69	0.3748

(1) Centrally Assessed Property consists of property assessed by The State of Florida

Information is reported based on the fiscal year in which associated tax revenue is recognized - e.g., the 2018 tax roll data is reported here for Fiscal Year 2019, as that is the period of collection and revenue recognition.

Source: Orange County Property Appraiser

ORANGE COUNTY LIBRARY DISTRICT

PROPERTY TAX RATES PER \$1,000 OF ASSESSED VALUATION ALL DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS

FISCAL YEAR ENDING SEPTEMBER 30 (1)	LIBRARY DISTRICT (2)	ORANGE COUNTY	SCHOOL BOARD	TOTAL DIRECT AND OVERLAPPING TAX RATES (3)
2019	0.3748	4.4347	7.1090	11.9185
2018	0.3748	4.4347	7.2990	12.1085
2017	0.3748	4.4347	7.4700	12.2795
2016	0.3748	4.4347	7.8110	12.6205
2015	0.3748	4.4347	8.2180	13.0275
2014	0.3748	4.4347	8.4740	13.2835
2013	0.3748	4.4347	8.4780	13.2875
2012	0.3748	4.4347	8.4780	13.2875
2011	0.3748	4.4347	7.8940	12.7035
2010	0.3748	4.4347	7.8940	12.7035

(1) Information is reported based on the fiscal year in which associated tax revenue is recognized- e.g., the 2018 tax roll data is reported here for Fiscal Year 2019, as that is the period of collection and revenue recognition.

(2) This is the Library District's total direct rate. There is only one component in this rate.

(3) The tax rates for other agencies that do not levy a tax on the entire Library District are omitted here.

Source: Orange County Tax Collector

ORANGE COUNTY LIBRARY DISTRICT

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	TYPE OF BUSINESS	FISCAL YEAR 2019 ⁽¹⁾		FISCAL YEAR 2010 ⁽¹⁾	
		ASSESSED VALUE	PERCENTAGE OF TOTAL ASSESSED VALUE	ASSESSED VALUE	PERCENTAGE OF TOTAL ASSESSED VALUE
Walt Disney Company	Tourism	\$ 11,100,000,000	9.07%	\$ 6,290,000,000	6.54%
Universal Studios	Tourism	2,700,000,000	2.21	1,280,000,000	1.33
Marriott Resorts/Ritz Carlton	Hotels	1,900,000,000	1.55	1,190,000,000	1.24
Hilton Resorts/Waldorf Astoria	Hotels	1,400,000,000	1.14	711,800,000	0.74
Duke Energy/Progress Energy	Utilities	903,000,000	0.74	603,300,000	0.63
Orange Lake Country Club	Timeshare	883,000,000	0.72	521,100,000	0.54
Wyndham Resorts	Hotels	752,000,000	0.61	386,700,000	0.40
Westgate Resorts	Hotels	687,000,000	0.56	385,900,000	0.40
Hyatt Resorts	Hotels	677,000,000	0.55		
Vistana/Svo Vistana Village	Timeshare	645,000,000	0.53		
RH Resorts/Rosen Hotels	Hotel			442,700,000	0.46
Sea World	Tourism			406,600,000	0.42
Total Top Ten Principal Taxpayers		\$ 21,647,000,000	17.68%	\$ 12,218,100,000	12.70%
Taxable Assessed Value of all other taxpayers		\$ 100,786,076,100	82.32%	\$ 83,960,005,307	87.30%
Total Taxable Assessed Value of all taxpayers		\$ 122,433,076,100	100.00%	\$ 96,178,105,307	100.00%

(1) Information is reported based on the fiscal year in which associated tax revenue is recognized- e.g., the 2018 tax roll data is reported here for Fiscal Year 2019, as that is the period of collection and revenue recognition.

Information For Principal Taxpayers of the District is not available. Instead, principal taxpayers for Orange County, which includes the District, is presented.

Information for Principal Taxpayers for 2019 is not available so 2018 Principal Taxpayers is used as an estimate.

Source: Orange County Property Appraiser

ORANGE COUNTY LIBRARY DISTRICT

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR (1)	LEVY	COLLECTED WITHIN THE LEVY YEAR		COLLECTIONS SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE OF THE LEVY		AMOUNT	PERCENTAGE OF THE LEVY
2019	\$46,073,893	\$44,156,509	95.84%	\$17,579	\$44,174,088	95.88%
2018	42,025,923	40,274,855	95.83	1,916	40,276,771	95.84
2017	38,393,129	36,745,386	95.71	58,384	36,803,770	95.86
2016	35,390,723	33,745,862	95.35	68,995	33,814,857	95.55
2015	31,619,914	30,384,231	96.09	70,441	30,454,672	96.31
2014	29,514,918	28,304,731	95.90	92,638	28,397,369	96.21
2013	28,433,670	27,277,420	95.93	140,894	27,418,314	96.43
2012	28,477,769	27,339,854	96.00	122,428	27,462,282	96.43
2011	29,342,905	28,128,414	95.86	88,783	28,217,197	96.16
2010	33,642,623	32,260,271	95.89	112,612	32,372,883	96.23

(1) Information is reported based on the fiscal year in which associated tax revenue is recognized- e.g., the 2018 tax roll data is reported here for Fiscal Year 2019, as that is the period of collection and revenue recognition.

ORANGE COUNTY LIBRARY DISTRICT

RATIO OF OUTSTANDING DEBT

LAST TEN FISCAL YEARS

The District did not have debt in the last ten fiscal years.

ORANGE COUNTY LIBRARY DISTRICT

RATIO OF NET GENERAL OBLIGATION BONDED DEBT LAST TEN FISCAL YEARS

The District did not have any general obligation bonded debt in the last ten fiscal years.

ORANGE COUNTY LIBRARY DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL DEBT

SEPTEMBER 30, 2019

JURISDICTION	GROSS DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO ORANGE COUNTY LIBRARY DISTRICT(3)	AMOUNT APPLICABLE TO ORANGE COUNTY LIBRARY DISTRICT	DEBT PER CAPITA (4)
Direct:				
Orange County Library District (1)				
Overlapping:				
Reedy Creek Improvement District (2)	\$739,225,000	94.0%	\$694,871,500	\$522.12
Total Direct and Overlapping Debt			<u>\$694,871,500</u>	<u>\$522.12</u>

- (1) Bank Line of Credit was paid off in FY 2010
General Obligation Bonds were paid off in FY 2006
- (2) Bond issues of 2013A, 2013B, 2015A, 2016A, 2017A (Reedy Creek)
- (3) The percentage of overlapping debt applicable is estimated using taxable assessed property values, by determining the amount of the overlapping government's taxable assessed value that is within the District's boundaries and dividing by the total taxable assessed value of the overlapping government.
- (4) Based on 2019 District population estimate of 1,330,868

ORANGE COUNTY LIBRARY DISTRICT

LEGAL DEBT MARGIN

Neither the Orange County Library District nor the Florida Statutes provide for a limit on the amount of ad valorem taxes Orange County Library District may levy for voted bonds.

ORANGE COUNTY LIBRARY DISTRICT

PLEDGED REVENUE COVERAGE

NON-GENERAL OBLIGATION DEBT

LAST TEN FISCAL YEARS

The District did not have non-general obligation debt in the last ten fiscal years.

ORANGE COUNTY LIBRARY DISTRICT

DEMOGRAPHIC AND ECONOMIC INFORMATION LAST TEN FISCAL YEARS

FISCAL YEAR		POPULATION(1)		PERSONAL INCOME	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
2019	(1)	1,330,868	(2)	61,642,216,000	\$ 46,317	2.7%
2018		1,297,459	(3)	61,642,216,000	47,510	2.6
2017		1,267,162		57,386,378,000	45,287	3.1
2016		1,233,481		54,565,646,000	44,237	4.4
2015		1,206,422		50,998,452,000	42,272	4.7
2014		1,182,511		47,623,300,000	40,273	5.6
2013		1,158,689		45,003,579,000	38,840	6.2
2012		1,132,302		44,498,053,000	39,299	8.4
2011		1,113,807		42,076,361,000	37,777	10.1
2010		1,102,353		39,787,994,000	36,094	11.8

(1) Population for 2019 is an estimate by the Bureau of Economics and Business Research. Excludes the City of Winter Park and Maitland which is not served by the District.

(2) Personal Income for 2019 not available so 2018 personal income used as an estimate. Includes all of Orange County.

(3) Information for Fiscal Year 2018 has been updated from that previously reported.

Source: Population from University of Florida, Bureau of Economics and Business Research
 Personal Income from Bureau of Economic Analysis
 Unemployment Rates from State of Florida's Labor Market Statistics and Bureau of Labor Statistics

ORANGE COUNTY LIBRARY DISTRICT

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

EMPLOYER	2019		2010	
	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
Walt Disney World Resort	74,200	9.72%	60,200	11.19%
AdventHealth	28,959	3.79	16,000	2.97
Universal Orlando Resort	25,000	3.27		
Orange County Public Schools	24,629	3.23	22,000	4.09
University of Central Florida	9,476	1.24		
Lockheed Martin	9,000	1.18		
Resource Employment Solution	8,280	1.08		
Orange County Government	7,066	0.93	7,993	1.49
Darden Restaurants, Inc.	6,137	0.80	6,500	1.21
City of Orlando	4,734	0.62		
Orlando Health			13,000	2.42
Seminole County Public Schools			8,000	1.49
SeaWorld Orlando			7,290	1.36
School District of Osceola County			6,189	1.15
School District of Lake County			5,433	1.01
Total	<u>197,481</u>	25.86	<u>152,605</u>	28.38
Total Employment in Orange County	<u>763,604</u>		<u>537,799</u>	

Source: Top 10 Employers from Orlando Business Journal Book of Lists dated 2018/2019
 Total Employment in Orange County from State of Florida Labor Market Statistics
 and Bureau of Labor Statistics

ORANGE COUNTY LIBRARY DISTRICT

DISTRICT EMPLOYEES LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>FULL TIME EQUIVALENTS</u>
2019	336
2018	335
2017	328
2016	328
2015	321
2014	298
2013	288
2012	275
2011	276
2010	285

Source: Orange County Library District

ORANGE COUNTY LIBRARY DISTRICT

OPERATING INDICATORS LAST TEN FISCAL YEARS

FISCAL YEAR	CIRCULATION		WEBSITE / CATALOG VISITS		CLASS AND PROGRAM ATTENDANCE		COMPUTER SESSIONS	
2019	10,369,336		4,095,285		596,269		998,483	
2018	(4)	10,127,116	(3)	3,929,820	(4)	462,956	(4)	976,489
2017	11,993,719		4,045,818		560,713		974,512	
2016	12,912,258		(2)	4,272,999	413,571		1,098,833	
2015	12,787,970		5,029,455		369,805		1,154,547	
2014	13,026,964		(1)	4,754,155	299,715		1,166,073	
2013	14,485,390		5,275,322		355,987		1,137,049	
2012	15,169,395		5,364,297		275,378		1,073,050	
2011	14,809,471		5,226,285		281,186		1,047,862	
2010	14,236,419		5,512,254		242,528		1,059,900	

(1) New website statistics software created the decline from 2013 to 2014.

(2) A decrease in internal visits (traffic originating from within the Library's network) accounts for the decrease in total web visits between 2015 and 2016.

(3) New website statistics software (WebPAC) created the decline from 2017 to 2018.

(4) Statistics from 2018 have been updated from those previously reported.

Source: Orange County Library District

ORANGE COUNTY LIBRARY DISTRICT

SERVICE LOCATION INFORMATION LAST TEN FISCAL YEARS

Location	Status	Square Footage									
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Main	Own	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000
Alafaya Branch	Own	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Chickasaw Branch	Own	15,660	15,660	15,660	15,660	15,660	-	-	-	-	-
Eatonville Branch	Lease	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600
Fairview Shores Branch	Lease (1)	8,796	12,740	12,740	12,740	12,740	12,740	12,740	12,740	12,740	12,740
Herndon Branch	Lease	13,160	13,160	13,160	13,160	13,160	13,160	13,160	13,160	13,160	13,160
Hiwassee Branch	Lease	13,455	13,455	13,455	13,455	13,455	13,455	13,455	13,455	13,455	13,455
North Orange Branch	Own	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
South Creek Branch	Own	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
South Trail Branch	Lease	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750
Southeast Branch	Lease	13,310	13,310	13,310	13,310	13,310	13,310	13,310	13,310	13,310	13,310
Southwest Branch	Lease	15,553	15,553	15,553	15,553	15,553	15,553	15,553	15,553	15,553	15,553
Washington Park Branch	Lease	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600
West Oaks Branch	Own	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Windermere Branch	Lease	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400
Winter Garden Branch	Own	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
TOTAL		461,284	465,228	465,228	465,228	465,228	449,568	449,568	449,568	449,568	449,568

(1) In June 2019, the Edgewater Branch relocated and became the Fairview Shores Branch.

Source: Orange County Library District

COMPLIANCE SECTION

**Report of Independent Auditor on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Members of the Orange County Library Board of Trustees
Orange County Library District
Orlando, Florida

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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Orange County Library District (the "District"), a component unit of Orange County, Florida, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated January 27, 2020. We also have audited the financial statements of the internal service fund, presented in the District's basic financial statements, and each of the fiduciary funds of the District, presented as supplementary information in the accompanying combining financial statements, as of and for the year ended September 30, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered District's internal control over financial reporting (internal control) to determine the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of District'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 entity'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District'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 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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cheryl Behrman LLP". The signature is written in a cursive, flowing style.

Orlando, Florida
January 27, 2020

**Report of Independent Auditor on Compliance for Each Major State
Financial Assistance Project and on Internal Control over Compliance
Required by Chapter 10.550, Rules of the Auditor General**

To the Members of the Orange County Library Board of Trustees
Orange County Library District
Orlando, Florida

Report on Compliance for the Major State Financial Assistance Project

We have audited the Orange County Library District's (the "District") compliance with the types of compliance requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on the District's major state financial assistance project for the year ended September 30, 2019. The District's major state financial assistance project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and the terms and conditions applicable to its major state financial assistance project.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the major state financial assistance project based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General. Those standards and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state financial assistance project. However, our audit does not provide a legal determination on the District's compliance with those requirements.

Opinion on the Major State Financial Assistance Project

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state financial assistance project for the year ended September 30, 2019.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state financial assistance project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state financial assistance project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state financial assistance project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



Orlando, Florida
January 27, 2020

ORANGE COUNTY LIBRARY DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2019

Part I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

State Financial Assistance Project Section

Internal control over major project:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Type of auditor's report on compliance for major state financial assistance project: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550 yes x no

ORANGE COUNTY LIBRARY DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2019

Part I - Summary of Auditor's Results (continued)

State Financial Assistance Project Section (continued)

Identification of major state project:

State Project:

<u>Name of Project</u>	<u>CSFA Number</u>
<u>State Aid to Libraries Grant</u>	<u>45.030</u>

Dollar threshold used to determine Type A projects:

State	<u>\$ 300,000</u>
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ORANGE COUNTY LIBRARY DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2019

Part II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

Part III - State Project Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major state projects, as required to be reported by Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*.

There were no findings required to be reported by Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*.

ORANGE COUNTY LIBRARY DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

YEAR ENDED SEPTEMBER 30, 2019

State Agency / State Project	CSFA No.	Project No.	Award Amount	Expenditures
DEPARTMENT OF STATE / DIVISION OF LIBRARY AND INFORMATION SERVICES:				
Direct Projects:				
State Aid to Libraries Grant	45.030	19-ST-46	\$ 830,417	\$ 830,417
DIVISION OF CULTURAL AFFAIRS				
Direct Projects:				
Cultural Affairs Grant Program	45.025	N/A	6,250	6,250
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 836,667</u>	<u>\$ 836,667</u>

Note: The Schedule of Expenditures of State Financial Assistance is presented on the modified accrual basis of accounting.

Independent Auditor's Management Letter

To the Members of the Orange County Library Board of Trustees
Orange County Library District
Orlando, Florida

Report of the Financial Statements

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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Orange County Library District (the "District"), a component unit of Orange County, Florida as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 27, 2020. We also have audited the financial statements of the internal service fund, presented in the District's basic financial statements, and each of the fiduciary funds of the District, presented as supplementary information in the accompanying combining financial statements, as of and for the year ended September 30, 2019.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Report of Independent Auditor on Compliance for Each Major State Financial Assistance Project and on Internal Control over Compliance Required by Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on Compliance with Local Government Investment Policies regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated January 27, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No findings or recommendations were made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The District was established by special state legislative act, Chapter 80-555, Laws of Florida, approved by referendum on September 9, 1980, as an independent special district. The original act, as amended, was recodified into Chapter 99-486, Laws of Florida. There are no component units of the District.

Financial Condition and Management

Sections 10.554(1)(i)5.a and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify of the specific conditions met. In connection with our audit of the financial statements of the District, the results of our tests did not indicate the District met any of the specified conditions of a financial emergency contained in Section 215.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Cheryl Behrman LLP".

Orlando, Florida
January 27, 2020

**Independent Accountant's Report on Compliance
with Local Government Investment Policies**

To the Members of the Orange County Library Board of Trustees
Orange County Library District
Orlando, Florida

We have examined the Orange County Library District's (the "District") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2019. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the District's compliance with the specified requirements.

In our opinion, the District complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2019.

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, and Rules of the Auditor General.



Orlando, Florida
January 27, 2020