

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Orange County Library District

A component unit of Orange County, Florida | Year ended 9.30.25



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**ORANGE COUNTY LIBRARY DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2025**

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INTRODUCTORY SECTION



March 20, 2026

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

The Annual Comprehensive Financial Report (ACFR) of the Orange County Library District (District) for the fiscal year ended September 30, 2025, is hereby submitted.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the 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 ACFR 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 the 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 nine months 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 and government 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 requires 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 the 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 1,485,300 residents through a 290,000-square-foot Orlando Public Library building and 14 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 System, Universal Orlando Resort, Orlando Health, Orange County Public Schools, Walmart, Publix, Lockheed Martin, University of Central Florida, and Seminole County Public Schools. The two largest property taxpayers of the District are the Walt Disney Company and Universal City Development.

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, 2025, \$15,000,000 was transferred for this purpose and the subsequent year's budget allocated \$5,000,000 for this purpose. As of September 30, 2025, the District had accumulated \$58,448,929 in the Capital 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 pensions and other post-employment benefits (OPEB) plans. Through conservative investment assumptions (6.0% return on investment for pension and OPEB funds) and annually contributing the contribution required by actuaries, the District has appropriately funded plans. Each of the two plans has 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, 2025, the District completed adding exterior lighting at the Orlando Public Library (OPL), installing a new HVAC system at the West Oaks Branch, refreshing the Winter Garden Branch and refreshing the restrooms at the Eatonville Branch and started the roof replacement at OPL as well as upgrading the HVAC controls. The Horizon West Branch construction was well under way with the facility at approximately 50% complete as of September 30, 2025, with estimated completion in early Summer 2026. The Lake Nona Branch construction had just started construction with site work in process with estimated completion in Fall of 2026. The roof replacement at OPL was 70% complete as of September 30, 2025. The District also began the design for a new front entrance, and the renovation of the first floor at OPL. For FY 2025-26, in addition to completing the Horizon West Branch, replacing the roof at OPL and continuing the construction of the Lake Nona Branch, other new projects are planned. These include renovation of the 1st floor and entryway of the Orlando Public Library, construction of the new Bookmobile auxiliary facility, access control and security camera systems upgrades/replacement system-wide and replacing the HVAC system at the Winter Garden Branch.

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 annual comprehensive financial report for the fiscal year ended September 30, 2024. This was the twenty-second consecutive year that the District received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

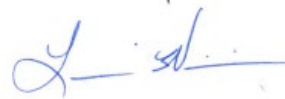
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

ORGANIZATIONAL CHART

DIRECTOR/CHIEF EXECUTIVE OFFICER

ASSISTANT DIRECTOR/CHIEF OPERATING OFFICER

LIFELONG LEARNING

Adult Services
Events & Programs
Melrose Center
Youth Services

NEIGHBORHOOD SERVICES

Community Engagment
Horizon West
North Orange
Windermere
West Oaks
Winter Garden

Alafaya
Chickasaw
Eatonville
Fairview Shores
Orlando Public Library

Hiawassee
Lake Nona
Southeast
Southwest
South Creek
South Trail
Washington Park

IT Design & Development

Acquisitions Services

BUSINESS OPERATIONS

Finance
Facilities & Operations
Construction
Custodial Maintenance

HUMAN RESOURCES

Employee Services
Training & Development

MARKETING & PUBLIC RELATIONS

Marketing & Public Relations
Development

INITIATIVES & INSIGHTS

Data & User Services

IT Services

ORANGE COUNTY LIBRARY DISTRICT
List of Principal Officials
FY 2024-2025

Library Board of Trustees

| | |
|-----------------------|----------------|
| Crockett Bohannon | President |
| Nicole Benjamin | Vice President |
| Venessa Tomlin | Trustee |
| Sharon Smoley | Trustee |
| Ashley Cisneros Mejia | Trustee |

Director/Chief Executive Officer

Steven Powell

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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

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 Audit of the Financial Statements

Opinions

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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2025, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, presented for additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2026 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.

Cherry Bekaert LLP

Orlando, Florida
March 20, 2026

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, as of and for the fiscal year ended September 30, 2025. 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 are 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 15 -16 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 basis 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 17 - 19 of this report.

The District adopted an annual budget for each of its governmental funds. Budgetary comparison schedules are located on page 55 for the General Fund and on pages 66 - 68 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 20 - 22.

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 ("OPEB") Plan. The combined activities for these plans are reported in the Statement of Fiduciary Net Position – Pension and OPEB Trust Funds, and Statement of Changes in Fiduciary Net Position – Pension and OPEB Trust Funds on pages 23 - 24 of this report. Combining financial statements for the plans can be found on pages 64 - 65. 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 25 - 54 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 55 - 63 of this report.

Government-wide Financial Analysis

The following summarizes the District's net position at September 30, 2025 and 2024.

| | 2025 | 2024 |
|--|----------------------|----------------------|
| Current and other assets | \$147,341,591 | \$135,316,631 |
| Capital assets | 58,685,317 | 40,839,367 |
| Total assets | 206,026,908 | 176,155,998 |
| Deferred outflows of resources | 2,489,096 | 2,403,370 |
| Total assets and deferred outflows of resources | 208,516,004 | 178,559,368 |
| Other liabilities | 8,900,384 | 5,544,487 |
| Long term liabilities | 6,663,720 | 6,460,784 |
| Total liabilities | 15,564,104 | 12,005,271 |
| Deferred inflows of resources | 11,818,353 | 10,156,185 |
| Total liabilities and deferred inflows of resources | 27,382,457 | 22,161,456 |
| Net position: | | |
| Net investment in capital assets | 48,644,817 | 33,948,426 |
| Restricted | 16,999,521 | 22,730,812 |
| Unrestricted | 115,489,209 | 99,718,674 |
| Total net position | \$181,133,547 | \$156,397,912 |

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, 2025, the District increased its net position through operating results by \$24,735,635 and assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$181,133,547 as of the end of the fiscal year.

The net investment in capital assets portion of the District's net position consists of land, buildings, improvements, infrastructure, furniture and equipment, library books, intangible assets, right-to-use buildings and equipment, subscription-based information technology arrangements 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 general obligation debt associated with its capital assets. However, the District does have long-term liabilities associated with right-to-use buildings and equipment and subscription-based information technology arrangements.

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 includes 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, 2025 and 2024.

| | 2025 | 2024 |
|---|----------------------|----------------------|
| Program Revenues | | |
| Charges for services | \$759,004 | \$631,152 |
| Operating grants and contributions | 1,322,197 | 955,233 |
| General Revenues | | |
| Property taxes | 74,382,576 | 68,992,498 |
| Investment income | 5,948,232 | 6,487,213 |
| Miscellaneous | 285,069 | 274,421 |
| Total revenues | 82,697,078 | 77,340,517 |
| General Expenses | | |
| Interest expense | 211,501 | 234,221 |
| Program Expenses | | |
| Salaries and benefits | 34,261,458 | 33,345,281 |
| Operating | 13,384,573 | 12,276,577 |
| Depreciation | 4,995,717 | 4,632,698 |
| Materials | 5,108,194 | 4,571,539 |
| Total expenses | 57,961,443 | 55,060,316 |
| Changes in net position | 24,735,635 | 22,280,201 |
| Net position-beginning of year | 156,397,912 | 133,774,025 |
| Adjustment to net position | - | 343,686 |
| Net position-beginning as restated | 156,397,912 | 134,117,711 |
| Net position - end of year | \$181,133,547 | \$156,397,912 |

- Charges For Services increased by \$127,852 mainly due to \$74,585 in additional Fee Card Sales (these are fees charged to patrons that do not live in the district); \$35,188 increase in Copies & Prints (the Library reduced the fees and resulted in additional revenue); \$7,445 in additional Meeting Room Rental (as all the meeting rooms were back on line in FY 2024-25); and \$7,629 in additional Passport Services (as we were fully staffed for that service in FY 2024-25).
- Operating grants and contributions increased by \$366,964 mainly due to the \$358,419 increase in Other Contributions (as a result of donations received from the Doose Estate \$306,319 and Davison Foundation \$50,000); a \$76,728 increase from the Friends Of the Library (\$70,000 for the John Green Author Event); which were off-set by a \$14,644 decrease in Federal/State/City grants; and a \$53,539 decrease in other Grants and Awards.
- While the ad-valorem tax rate did not change, property taxes increased \$5,390,078 due to higher property values and new construction.
- Investment income decreased by \$538,981 which is contributable to less funds being invested as the Library is cash funding the capital projects, the market performance and the Fed Fund Rate which was lowered throughout the year.
- Salaries and benefits increased by \$916,177 due to providing a 4% increase to existing staff; increasing staffing levels by 20 employees in preparation of the new branch openings in FY 2025-26; and the associated benefit costs of Defined Benefit, Defined Contribution and Health Insurance.
- The \$1,107,966 increase in operating expenditures is primarily due to increased costs for leasehold Improvements, information technology subscriptions and tax collector fees.

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 decreased by \$1,420,042. The decrease is mainly due to assigning \$697,831 from unassigned to assigned to Future OCLS Foundations (these are dedicated funds from the Cobble and Doose Estates) and the Library expended \$841,501 more on operations than operating revenues received (Note: The Library had budgeted to spend \$7,426,980 more on operations than operating revenues received, the majority of the savings came from capital projects delay).

All these variances are explained in the government-wide discussion above. The net result is a decrease to the General Fund.

The \$4,368,481 increase in the Capital Projects Fund was due to transferring \$15,000,000 from the Operating Fund to fund the Lake Nona and Horizon West Branches; \$2,323,759 in Investment Income which was off-set by \$12,955,278 in construction costs.

The Capital Projects Sinking Fund was established to accumulate resources for future building improvements such as capital maintenance and major technology purchases. The assigned fund balance increased by \$2,315,936 during the year due to a \$2,000,000 transfer from the General Fund and \$315,936 of investment earnings. The total fund balance of \$8,872,278 includes 1) \$7,872,278 which is assigned for capital maintenance projects such as HVAC (Chiller) replacements and emergency repairs while waiting for insurance proceeds; and 2) \$1,000,000 assigned for emergency repairs specifically for the Horizon West branch per the Horizon West land lease agreement.

Fund balance in the Permanent Fund increased by \$173,872 from \$208,677 in investment earnings off-set by \$34,805 in equipment replacements. Of the ending fund balance, \$1,000,000 is non-spendable and the remaining \$786,504 is restricted for upgrades to the Melrose Center.

General Fund Budgetary Highlights

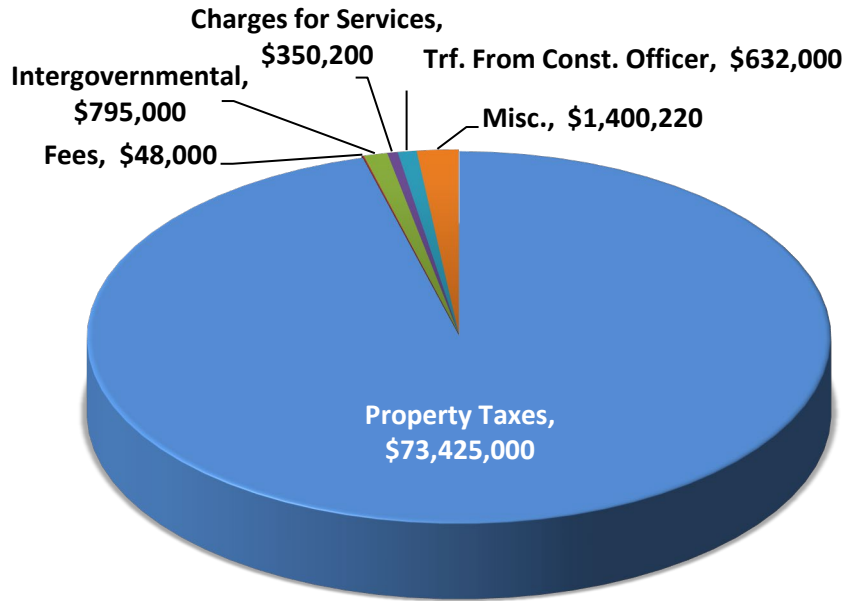
The District adopted a budget for its General Fund (see page 55) prior to the start of its fiscal year and did not amend it. Accordingly, the original and final budgets are the same.

The General Fund budget is prepared on a basis consistent with generally accepted accounting principles, except for right-to-use capital outlay expenditures, other financing sources-lease liabilities issued, other financing sources-subscription liabilities issued and debt service principal and interest expenditures, which are not budgeted.

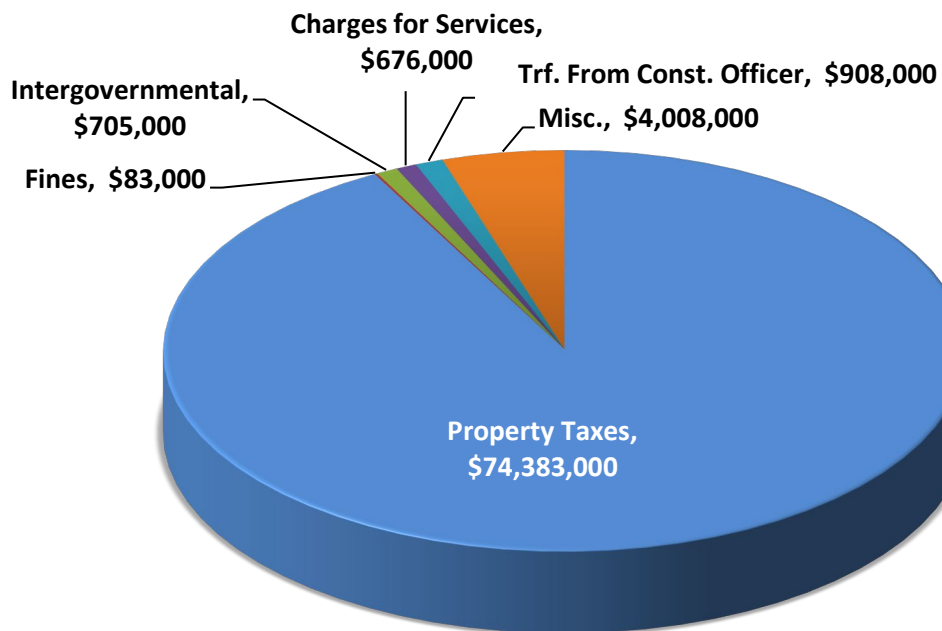
The following charts show the budget versus actual for revenues and expenditures (rounded to nearest one thousand).

GENERAL FUND

Budgeted Revenues and Transfers - \$76,650,420

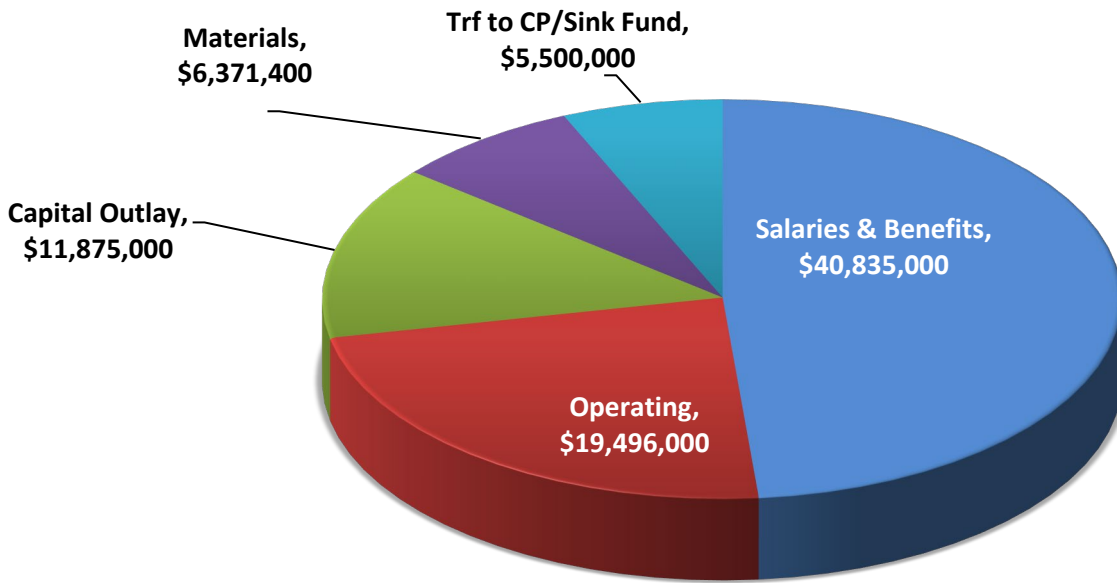


Actual Revenues and Transfers - \$80,763,000

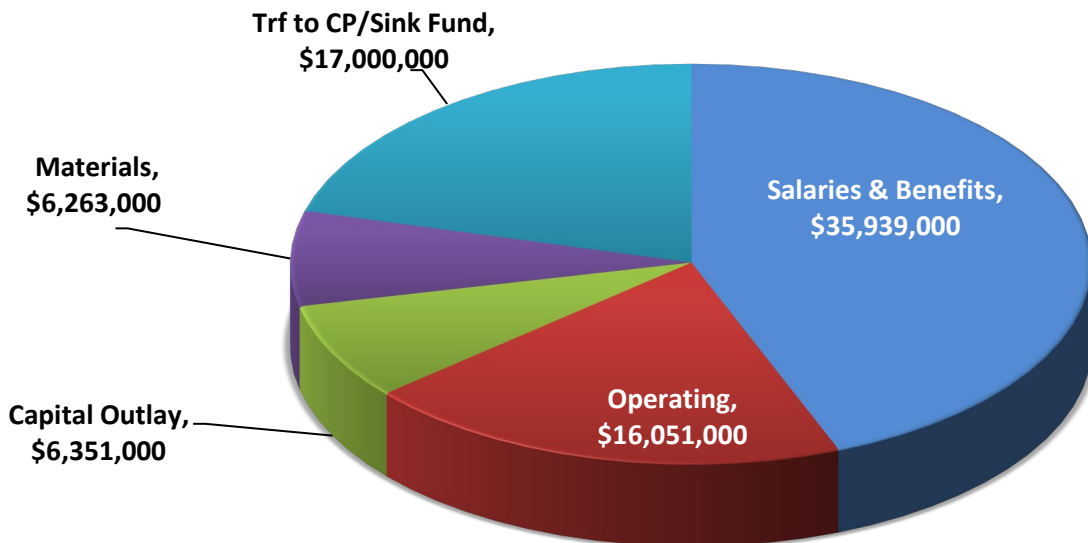


GENERAL FUND

Budgeted Expenditures and Transfers - \$84,077,400



Actual Expenditures and Transfers - \$81,604,000



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 to be in compliance with State requirements. However, the District traditionally receives more property taxes than budgeted.

Intergovernmental Revenues – Actual county, state and federal grant revenues received during the year were \$90,270 less than budgeted. This is mainly due to federal funds to libraries being reduced.

Charges for Services – Charges for services increased by \$360,804 due to higher than anticipated revenues from Fees and Lost Materials, Fee Cards and Copies/Prints as a result of changes in policy and pricing. Additionally, Meeting Room Rental increase by \$7,445 and Passport Services increase by \$7,629.

Investment Income - Investment income revenue was higher than budgeted by \$1,933,360 due to a combination of increase balance Capital Project Fund and market conditions.

Other - Included in miscellaneous revenues, the District recognized \$37,000 from the Supervisor of Elections for using our facilities for polling locations, and \$15,841 from Truist for the Commercial Card program rebate. This came in higher than what was budgeted.

Salaries and Benefits – The salaries and benefits were under budget by \$4,895,651 mainly due to having budgeted positions vacant throughout the year.

Operating – The District expended \$16,050,648 of the \$19,496,000 operating budget. The underspend of \$3,445,352 was a result of the following:

- \$776,041 savings in Supplies – Hardware/Software as a result of deferring replacing out-of-warranty PCs, tablets and printers.
- \$633,493 savings in Other Contractual Services lower than anticipated rates for security services (Police, Sheriff, Security Guards), reclassified contracted marketing material costs to promotions and software costs now considered SBITA.
- \$446,610 savings in Supplies and Supplies-Programming due to bookmobile being delayed until FY 2025-2026, and reduction in the cost for office supplies and janitorial supplies and postponed office furniture purchases.
- \$369,689 savings in Telecommunication Services due to the discontinuation of the mobile hot-spot program.
- \$311,819 savings in Rent/Leases due to lower than budgeted rental increases.
- \$279,420 savings in Professional Services due to capitalization of design fees, which were budgeted as operating costs.
- \$265,000 savings in Insurance Costs due to lower than anticipated renewal rates.

- \$224,016 savings in Utilities costs due to implementing energy saving techniques and a lower than anticipated rate increase from OUC and Duke Energy.
- \$139,264 savings in various other accounts.

Capital Outlay – Of the total \$18,246,400 budget, this category was underspent by \$5,632,992 primarily due to underspending \$3,691,373 on Capital Projects, including \$1,150,544 of the Roofing Project moving into FY 2025-26; the Exterior Lighting Project coming in \$1,381,314 under budget, \$1,159,515 of the OPL 1st Floor design cost being moved to FY 2025-26; Furniture & Equipment being underspent by \$634,261 due to delayed/postponed purchases; Hardware/Software being underspent by \$1,198,522 as the network upgrade and computer replacements were pushed back to FY 2025-2026. Additionally, \$600,000 of HRIS and Financial Software were budgeted as a capital purchase, however, the related contracts resulted in subscriptions. Library Materials was underspent by \$108,836 due to lower than anticipated price increases.

Capital Assets

The District’s capital assets, net of accumulated depreciation/amortization, consist of the following at September 30, 2025 and 2024.

| | <u>2025</u> | <u>2024</u> |
|--|----------------------------|----------------------------|
| Land | \$3,349,802 | \$3,349,802 |
| Construction in progress | 18,998,446 | 3,093,021 |
| Library books for future branch locations | 1,212,930 | - |
| Buildings and building improvements | 22,760,073 | 23,115,336 |
| Right-to-use leased buildings | 5,167,025 | 5,605,397 |
| Infrastructure | 642,026 | 704,896 |
| Furniture and equipment | 2,246,713 | 1,992,857 |
| Right-to-use leased equipment | 229,087 | 343,631 |
| Right-to-use subscription asset | 1,883,502 | 400,650 |
| Library books and audiovisual materials | 2,107,519 | 2,085,117 |
| Intangible assets-software & website development | 88,194 | 148,660 |
| Total Capital Assets | <u>\$58,685,317</u> | <u>\$40,839,367</u> |

As of September 30,2025, the Library possessed books designated for future branch locations at Horizon West and Lake Nona. Since these branches have not yet opened, the books remain unused and, consequently, were not subject to the depreciation for fiscal year 2025.

Significant capital asset purchases included the following:

- The construction cost for Horizon West was \$12,501,292.
- The construction cost for Lake Nona was \$458,029.
- The construction cost for the OPL Roof Replacement was \$2,969,629.
- Library books for both Lake Nona and Horizon West was \$1,212,930.
- The HVAC controls at the Main Library were replaced at a total cost of \$342,062.
- The restrooms at the Winter Garden Branch were refreshed at a total cost of \$362,008.

Additional information on the District’s capital assets can be found on page 38 of this report.

Long-term Liabilities

The District’s long-term liabilities consist of the following at September 30, 2025 and 2024.

| | <u>2025</u> | <u>2024</u> |
|------------------------------|---------------------|---------------------|
| Accrued compensated absences | \$3,580,277 | \$3,436,453 |
| Lease liabilities | 5,898,276 | 6,377,231 |
| Subscription liabilities | 1,416,896 | 308,850 |
| | <u>\$10,895,449</u> | <u>\$10,122,534</u> |

Additional information on the District’s long-term liabilities can be found on page 39 - 41 of this report.

Financial outlook

Based in the current housing market values holding steady and not decreasing, combined with the number of new housing permits and commercial permits being applied for, the District sees a steady 1% to 3% growth in property taxes per year over the next several years. Universal’s EPIC Theme Park opened in the Summer of 2025, which will have a significant impact on property taxes for FY 2026-2027. The Horizon West and the Lake Nona branches are scheduled to open in FY 2025-2026. The operating costs for these branches have been included into the District’s long-range operating and financial plan.

The unknown factor is the effect on property taxes based on proposed house and senate bills. The result will not be known until November 2026 and any effect would not be apparent until FY 2026-27.

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 Net Position

September 30, 2025

Assets and Deferred Outflows of Resources

| | |
|---|--------------------|
| Cash and cash equivalents | \$ 17,140,981 |
| Investments | 104,829,194 |
| Due from other governmental agencies | 959,126 |
| Due from OPEB Trust Fund | 113,811 |
| Other receivables | 273,032 |
| Inventory | 177,366 |
| Prepaid items | 740,015 |
| Net pension asset | 13,034,467 |
| Net OPEB asset | 10,073,599 |
| Nondepreciable capital assets | 23,561,178 |
| Depreciable/amortizable capital assets (net of accumulated depreciation/amortization) | <u>35,124,139</u> |
| Total assets | 206,026,908 |
| Deferred outflows of resources related to pension and OPEB | <u>2,489,096</u> |
| Total assets and deferred outflows of resources | <u>208,516,004</u> |

Liabilities and Deferred Inflows of Resources

| | |
|---|-------------------|
| Accrued salaries payable | 791,272 |
| Other accrued liabilities | 58,087 |
| Accounts payable | 3,011,889 |
| Claims payable | 285,439 |
| Retainage payable | 521,968 |
| Long-term liabilities: | |
| Due within one year: Compensated absences, lease and subscription liabilities | 4,231,729 |
| Due beyond one year: Compensated absences, lease and subscription liabilities | <u>6,663,720</u> |
| Total liabilities | 15,564,104 |
| Deferred inflows of resources related to pension and OPEB | <u>11,818,353</u> |
| Total liabilities and deferred inflows of resources | <u>27,382,457</u> |

Net Position

| | |
|---|-----------------------|
| Net investment in capital assets | 48,644,817 |
| Restricted for: | |
| Net pension and OPEB | 13,778,809 |
| Nonexpendable endowments | 1,157,517 |
| Melrose Center and Horizon West and Lake Nona Branch agreements | 2,063,195 |
| Unrestricted | <u>115,489,209</u> |
| Total net position | <u>\$ 181,133,547</u> |

See notes to financial statements.

ORANGE COUNTY LIBRARY DISTRICT

Statement of Activities
Year Ended September 30, 2025

| | |
|---|------------------------------|
| Program expenses: | |
| Salaries and benefits | \$ 34,261,458 |
| Operating | 13,384,573 |
| Depreciation/amortization | 4,995,717 |
| Electronic materials | 5,108,194 |
| Interest Expense | <u>211,501</u> |
| Total program expenses | <u>57,961,443</u> |
| Program revenues: | |
| Charges for services | 759,004 |
| Operating grants and contributions | <u>1,322,197</u> |
| Total program revenues | <u>2,081,201</u> |
| Net program revenues (expenses) | <u>(55,880,242)</u> |
| General revenues: | |
| Property taxes | 74,382,576 |
| Investment income | 5,948,232 |
| Miscellaneous | <u>285,069</u> |
| Total general revenues | <u>80,615,877</u> |
| Change in net position | 24,735,635 |
| Net position - beginning of year | <u>156,397,912</u> |
| Net position - end of year | <u><u>\$ 181,133,547</u></u> |

See notes to financial statements.

ORANGE COUNTY LIBRARY DISTRICT

**Balance Sheet
Governmental Funds
September 30, 2025**

| | General | Capital Projects | Capital Projects Sinking | Permanent | Total Governmental Funds |
|--|----------------------|-----------------------------|---|---------------------|---|
| Assets | | | | | |
| Cash and cash equivalents | \$ 4,672,477 | \$ 10,929,942 | \$ 190,299 | \$ 17,202 | \$ 15,809,920 |
| Investments | 40,649,865 | 48,809,203 | 8,681,970 | 1,769,293 | 99,910,331 |
| Due from other governmental agencies | 959,126 | - | - | - | 959,126 |
| Other receivables | 8,338 | 3,765 | 9 | 9 | 12,121 |
| Inventory | 177,366 | - | - | - | 177,366 |
| Prepaid items | 252,620 | 487,395 | - | - | 740,015 |
| Total assets | \$ 46,719,792 | \$ 60,230,305 | \$ 8,872,278 | \$ 1,786,504 | \$ 117,608,879 |
| Liabilities and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 1,655,359 | \$ 1,356,530 | \$ - | \$ - | \$ 3,011,889 |
| Accrued salaries payable | 791,272 | - | - | - | 791,272 |
| Other accrued liabilities | 24,184 | - | - | - | 24,184 |
| Retainage payable | 97,122 | 424,846 | - | - | 521,968 |
| Total liabilities | 2,567,937 | 1,781,376 | - | - | 4,349,313 |
| Fund Balances: | | | | | |
| Nonspendable: | | | | | |
| Inventory | 177,366 | - | - | - | 177,366 |
| Prepaid items | 252,620 | 47,395 | - | - | 300,015 |
| Lake Nona - Advance Rent Payment | - | 440,000 | - | - | 440,000 |
| 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: | | | | | |
| Horizon West - Demolition Fund | - | 276,691 | - | - | 276,691 |
| Melrose Center Operations | - | - | - | 786,504 | 786,504 |
| Horizon West - Emergency Repair Fund | - | - | 1,000,000 | - | 1,000,000 |
| 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: | | | | | |
| Future Author Events | 77,010 | - | - | - | 77,010 |
| Future OCLS Foundation | 697,831 | - | - | - | 697,831 |
| Capital Projects | - | 57,684,843 | 7,872,278 | - | 65,557,121 |
| Unassigned: | 37,980,683 | - | - | - | 37,980,683 |
| Total fund balances | 44,151,855 | 58,448,929 | 8,872,278 | 1,786,504 | 113,259,566 |
| Total liabilities and fund balances | \$ 46,719,792 | \$ 60,230,305 | \$ 8,872,278 | \$ 1,786,504 | \$ 117,608,879 |

| | |
|--|-----------------------|
| Total fund balances | \$ 113,259,566 |
| Capital assets reported in government-wide financial statements | 58,685,317 |
| Net pension asset reported in the government-wide financial statements | 13,034,467 |
| Net OPEB asset reported in the government-wide financial statements | 10,073,599 |
| Long-term liabilities reported in government-wide financial statements | (10,895,449) |
| Assets and liabilities of internal service fund included in government-wide financial statements | 6,305,304 |
| Deferred outflows of resources related to pensions and OPEB reported in government-wide financial statements | 2,489,096 |
| Deferred inflows of resources related to pensions and OPEB reported in government-wide financial statements | (11,818,353) |
| Net position of governmental activities | \$ 181,133,547 |

ORANGE COUNTY LIBRARY DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2025

| | <u>General</u> | <u>Capital Projects</u> | <u>Capital Projects Sinking</u> | <u>Permanent</u> | <u>Total Governmental Funds</u> |
|--|----------------------|-----------------------------|---|---------------------|---|
| Revenues: | | | | | |
| Taxes: | | | | | |
| Property | \$ 74,382,576 | \$ - | \$ - | \$ - | \$ 74,382,576 |
| Intergovernmental revenues: | | | | | |
| State aid to libraries | 622,179 | - | - | - | 622,179 |
| Federal grants | 82,551 | - | - | - | 82,551 |
| Charges for services: | | | | | |
| Fees and lost materials | 83,145 | - | - | - | 83,145 |
| Copiers and printers | 261,899 | - | - | - | 261,899 |
| Other fees | 413,960 | - | - | - | 413,960 |
| Miscellaneous revenue: | | | | | |
| Investment income | 3,099,860 | 2,323,759 | 315,936 | 208,677 | 5,948,232 |
| Contributions | 605,896 | - | - | - | 605,896 |
| Other | 301,975 | - | - | - | 301,975 |
| Total revenues | <u>79,854,041</u> | <u>2,323,759</u> | <u>315,936</u> | <u>208,677</u> | <u>82,702,413</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Salaries and benefits | 35,939,349 | - | - | - | 35,939,349 |
| Operating | 13,178,080 | - | - | 14,211 | 13,192,291 |
| Capital Outlay: | | | | | |
| Owned | 12,368,916 | 12,955,278 | - | 20,594 | 25,344,788 |
| Leasehold Improvements | 244,492 | - | - | - | 244,492 |
| Right-to-use assets | 2,382,295 | - | - | - | 2,382,295 |
| Debt service: | | | | | |
| Principal - leases | 863,286 | - | - | - | 863,286 |
| Principal - subscriptions | 625,484 | - | - | - | 625,484 |
| Interest - leases | 196,825 | - | - | - | 196,825 |
| Interest - subscriptions | 14,676 | - | - | - | 14,676 |
| Total expenditures | <u>65,813,403</u> | <u>12,955,278</u> | <u>-</u> | <u>34,805</u> | <u>78,803,486</u> |
| Excess (deficiency) of revenues over (under) expenditures | 14,040,638 | (10,631,519) | 315,936 | 173,872 | 3,898,927 |
| Other financing sources (uses): | | | | | |
| Lease liabilities issued | 384,331 | - | - | - | 384,331 |
| Subscription liabilities issued | 1,733,530 | - | - | - | 1,733,530 |
| Transfers in (out) | (17,000,000) | 15,000,000 | 2,000,000 | - | - |
| Total other financing sources (uses) | <u>(14,882,139)</u> | <u>15,000,000</u> | <u>2,000,000</u> | <u>-</u> | <u>2,117,861</u> |
| Net change in fund balances | (841,501) | 4,368,481 | 2,315,936 | 173,872 | 6,016,788 |
| Fund balances at beginning of year | <u>44,993,356</u> | <u>54,080,448</u> | <u>6,556,342</u> | <u>1,612,632</u> | <u>107,242,778</u> |
| Fund balances at end of year | <u>\$ 44,151,855</u> | <u>\$ 58,448,929</u> | <u>\$ 8,872,278</u> | <u>\$ 1,786,504</u> | <u>\$ 113,259,566</u> |

See notes to financial statements.

ORANGE COUNTY LIBRARY DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Year Ended September 30, 2025

Net change in fund balances - total governmental funds \$ 6,016,788

Governmental funds report all capital outlays as expenditures. However, in the statement of activities the cost of capital outlay, other than electronic library books and other materials, is allocated over estimated useful lives and reported as depreciation/amortization expense. This is the amount of capital outlay not reported as electronic materials expense on the statement of activities. 22,863,381

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. (21,714)

Depreciation/amortization of capital assets, not reported in governmental funds. (4,995,717)

Some items affecting expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds, as follows:

| | |
|--|-------------|
| Increase in net pension asset | 4,071,611 |
| Increase in accrued compensated absences | (143,824) |
| Decrease in lease liabilities | 478,955 |
| Increase in subscription liabilities | (1,108,046) |
| Decrease in net OPEB asset | (673,454) |

Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the governmental funds.

| | |
|--|-------------|
| Decrease in deferred outflows of resources | 85,726 |
| Increase in deferred inflows of resources | (1,662,168) |

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 in the statement of activities. (175,903)

Change in net position - statement of activities \$ 24,735,635

ORANGE COUNTY LIBRARY DISTRICT
Statement of Net Position-
Internal Service Fund
September 30, 2025

Assets

Current Assets:

| | |
|--------------------------------|----------------|
| Cash and cash equivalents | \$ 1,331,061 |
| Investments | 4,918,863 |
| Due from OPEB Trust Fund | 113,811 |
| Interest & dividend receivable | 656 |
| Accounts receivable | <u>260,255</u> |

Total current assets 6,624,646

Liabilities

Current Liabilities:

| | |
|------------------|---------------|
| Claims payable | 285,439 |
| Accounts payable | <u>33,903</u> |

Total current liabilities 319,342

Unrestricted net position \$ 6,305,304

ORANGE COUNTY LIBRARY DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position-
Internal Service Fund
Year Ended September 30, 2025

| | | |
|---|---------------|----------------------------|
| Operating Revenues | | |
| Charges for services | | <u>\$ 4,433,623</u> |
| Operating Expenses | | |
| Claims expenses | 4,465,836 | |
| Stop loss insurance | 306,583 | |
| Contractual services | <u>70,630</u> | |
| Total operating expenses | | <u>4,843,049</u> |
| Operating loss | | (409,426) |
| Nonoperating Revenues | | |
| Investment earnings | | <u>233,523</u> |
| Change in net position | | (175,903) |
| Net position - beginning of year | | <u>6,481,207</u> |
| Net position - end of year | | <u><u>\$ 6,305,304</u></u> |

See notes to financial statements.

ORANGE COUNTY LIBRARY DISTRICT
Statement of Cash Flows-
Internal Service Fund
Year Ended September 30, 2025

Cash flows from operating activities

| | |
|---------------------------------------|--------------------|
| Receipts from charges for services | \$ 4,525,606 |
| Cash payments for claims and expenses | <u>(5,023,587)</u> |

| | |
|--|------------------|
| Net cash used in operating activities | <u>(497,981)</u> |
|--|------------------|

Cash flows from investing activities

| | |
|-------------------------|---------------|
| Purchase of investments | (87,359) |
| Sale of investments | 97,850 |
| Income from investments | <u>15,414</u> |

| | |
|--|---------------|
| Net cash provided in investing activities | <u>25,905</u> |
|--|---------------|

| | |
|--|-----------|
| Net decrease in cash and cash equivalents | (472,076) |
|--|-----------|

| | |
|---|------------------|
| Cash and cash equivalents, October 1, 2024 | <u>1,803,137</u> |
|---|------------------|

| | |
|--|----------------------------|
| Cash and cash equivalents, September 30, 2025 | <u><u>\$ 1,331,061</u></u> |
|--|----------------------------|

Reconciliation of operating loss to cash flows used in operating activities

| | |
|----------------|--------------|
| Operating loss | \$ (409,426) |
|----------------|--------------|

Adjustments to reconcile operating loss to net cash used by operating activities:

| | |
|---|---------------|
| Increase in receivables | (239,281) |
| Decrease in due from OPEB Trust Fund | 107,946 |
| Increase in claims payable and accounts payable | <u>42,780</u> |

| | |
|--|----------------------------|
| Net cash used in operating activities | <u><u>\$ (497,981)</u></u> |
|--|----------------------------|

Non-cash investing, capital or financing activities:

| | |
|--|------------|
| Interest earnings from Local Government Investment Pools | \$ 220,126 |
|--|------------|

See notes to financial statements.

ORANGE COUNTY LIBRARY DISTRICT
Statement of Fiduciary Net Position-
Pension and Other Postemployment Benefit Trust Funds
September 30, 2025

Assets

| | |
|---|---------------------------|
| Cash and cash equivalents | \$ 867,160 |
| Accounts receivable | 319 |
| Interest and dividend receivable | 65 |
| Notes receivable from plan participants | 313,243 |
| Investments: | |
| Commingled account: | |
| Fixed income | 18,817,503 |
| Mutual funds: | |
| Domestic equities | 84,559,754 |
| International equities | 29,702,842 |
| Stable value | 7,548,771 |
| Fixed income | 14,469,925 |
| Real estate | <u>2,795,771</u> |
| Total investments | <u>157,894,566</u> |
| Total assets | <u>159,075,353</u> |

Liabilities

| | |
|------------------------------|-----------------------|
| Accounts payable | 32,876 |
| Due to Internal Service Fund | <u>113,811</u> |
| Total liabilities | <u>146,687</u> |

Net Position

| | |
|-------------------------------|-------------------------------------|
| Restricted for: | |
| Pensions | 131,226,866 |
| Other postemployment benefits | <u>27,701,800</u> |
| Total net position | <u><u>\$ 158,928,666</u></u> |

See notes to financial statements.

ORANGE COUNTY LIBRARY DISTRICT
Statement of Changes in Fiduciary Net Position-
Pension and Other Postemployment Benefit Trust Funds
Year Ended September 30, 2025

Additions:

| | |
|-------------------------|-------------------|
| Employer contributions: | |
| General Fund | \$ 5,405,531 |
| Employee contributions: | |
| Loan Interest | 17,665 |
| Investment gain | 17,046,577 |
| Investment expenses | <u>(92,052)</u> |
| Total additions | <u>22,377,721</u> |

Deductions:

| | |
|-------------------------------|------------------|
| Benefits paid to participants | 5,590,382 |
| Administrative expenses | <u>88,122</u> |
| Total deductions | <u>5,678,504</u> |

| | |
|---|------------------------------|
| Change in net position | 16,699,217 |
| Net position - beginning of year | <u>142,229,449</u> |
| Net position - end of year | <u><u>\$ 158,928,666</u></u> |

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

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.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

Note 1 - Summary of significant accounting policies (continued)

For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to leases, subscription-based technology agreements, 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. It also includes the debt service expenditures associated with the financing of the long-term lease and subscription liabilities.

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.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

Note 1 - Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, and money market accounts. Investments in external pools, including Florida Prime and Florida Safe, are considered investments.

Investments

Investments are stated at fair value, net asset value ("NAV") or 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.

Receivables

Amounts due from private individuals, organizations or other governments which are owed to the District, but not collected as of September 30, 2025, are reported as receivables. These receivables consist of interest, dividends, reimbursements, rebates, plan participant note receivables, grants and taxes. Receivables are reported at their gross value. The District does not bill for services, so there is no provision for uncollectible amounts.

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).

Pension and OPEB assets

The District administers a single employer, defined benefit pension plan (Defined Benefit Pension Plan for Employees of the Orange County Library District) ("Plan") covering full-time employees hired on or prior to December 31, 2006. The required contributions to the Plan are actuarially determined and include normal costs. See Financial Statement Note 7 for further information related to the Plan.

The District also administers a single-employer defined benefit other postemployment benefit plan ("OPEB Plan") and can amend the benefit provisions. The required contributions to the Plan are actuarially determined and include normal costs. See Financial Statement Note 8 for further information related to the OPEB Plan.

Capital assets

Capital assets consist of facilities and equipment used in the District's operations and are recorded as expenditures in the General Fund, Capital Projects Fund, Capital Projects Sinking Fund, or Permanent Fund at the time goods are received or a lease has commenced, and a liability is incurred. Capital assets are defined by the District as assets with an initial, individual cost of at least \$1,000 (or \$100,000 in the case of leasehold improvements) and an estimated useful life in excess of two years or more. They are capitalized in the government-wide financial statements at historical cost, with the exception of right-to-use assets.

Right-to-use assets are assets for leased facilities and equipment and Information technology-based subscriptions, which are capitalized at an amount equal to the initial measurement of the lease or subscription liability, adjusted for any lease payments made prior to the lease term, plus capitalizable initial implementation costs. Right-to-use assets are amortized over the life of the related lease or subscription term.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

Note 1 - Summary of significant accounting policies (continued)

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

Land, construction in progress, and library books for future branch locations are not depreciated. All other capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

| Assets | Years |
|---------------------------------------|--------|
| Buildings | 40 |
| Building and leasehold improvements | 15 |
| Right-to-use leased buildings | 5 - 18 |
| Infrastructure | 15 |
| Furniture and equipment | 4 - 10 |
| Library books & audiovisual materials | 4 |
| Right-to-use leased equipment | 6 |
| Right-to-use subscription assets | 2 - 5 |
| Intangible assets | 4 |

Accumulated depreciation and amortization are recorded from the date each asset was placed in service. The District's sole function is to provide library service. As a result, depreciation and amortization 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.

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 in the government-wide financial statements when it becomes more likely than not that the leave will be used, paid out, or settled through noncash means. The liability consists of Paid Time Off (for full-time employees), Part Time Leave, Floating and Sick Bank leave. The employees pay rate on September 30, 2025 is used to measure the liability. The Sick Bank leave is recognized as a liability for the estimated portion expected to be used as time off and 25% payout upon separation. The total compensated absences liability is segregated into current and noncurrent portions on the Statement of Governmental Net Position, with the current portions representing the average of leave used during the three most current fiscal years.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

Note 1 - Summary of significant accounting policies (continued)

Lease liabilities

As a lessee, the District recognizes lease liabilities with an initial, individual value of \$1,000 or more in the government-wide financial statements. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The recognition and treatment of the corresponding right-to-use assets are discussed in the 'Capital assets' subsection of Note 1. The District uses its estimated incremental borrowing rate as the discount rate for leases. The lease terms include the noncancellable periods of the leases, and the lease payments included in the measurement of the lease liability are composed of fixed payments.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liabilities.

Subscription liabilities

The District recognizes IT-based subscription liabilities with an initial, individual value of \$1,000 or more in the government-wide financial statements. At the commencement of a term, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of lease payments made. The recognition and treatment of the corresponding right-to-use assets are discussed in the 'Capital assets' subsection of Note 1. The District uses its estimated incremental borrowing rate as the discount rate for subscriptions. The subscription terms include the noncancellable periods, and the subscription payments included in the measurement of the liability are composed of fixed payments.

The District monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liabilities.

Deferred outflows and inflows of resources

For purposes of measuring changes in the net pension and net other postemployment benefit ("OPEB") assets for the District's Defined Benefit Pension Plan and Other Postemployment Benefit Plan, differences between expected and actual experience, changes in assumptions and the net difference between projected and actual earnings on plan investments, are not charged to expense in the current period, but recorded as deferred outflows and inflows of resources in the Statement of Governmental Net Position.

Claims Liability

Provision for injury losses are charged to operations based on the estimated ultimate cost of settling incurred claims and incurred but not reported claims using past experience adjusted for current trends.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

Note 1 - Summary of significant accounting policies (continued)

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation and associated liabilities. Net position is reported as restricted when a net pension or net OPEB 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.
- **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 Executive Director, or the Chief Financial Officer. No formal policy exists for assigning fund balances.
- **Unassigned** – Fund balance of the General Fund that is not constrained for any particular purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount.

However, in 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.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

Note 1 - Summary of significant accounting policies (continued)

For purposes of the Statement of Governmental Net Position, nonspendable endowments are presented as restricted. 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.

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, 2025

Note 2 - Deposits and investments

At September 30, 2025, the District had the following deposits and investments:

| | Fair Value |
|--|-------------------|
| General Governmental Deposits, Cash Equivalents and Investments: | |
| Deposits (demand accounts) | \$ 13,840,413 |
| Internal Pooled Cash Equivalents (money market accounts) | 1,952,305 |
| | 15,792,718 |
| Internal Pooled Investments (FL Prime and FL Safe) | 98,141,038 |
| | 113,933,756 |
| Permanent Fund Deposits and Investments: | |
| Deposits (demand accounts) | 17,202 |
| Mutual Funds - Equity Securities | 1,231,603 |
| Mutual Funds - Fixed Income | 537,690 |
| | 1,786,495 |
| Internal Service Fund Deposits, Cash Equivalents and Investments: | |
| Deposits (demand account) | 1,233,211 |
| Internal Pooled Cash Equivalents (money market accounts) | 97,850 |
| | 1,331,061 |
| Internal Pooled Investments (FL Prime and FL Safe) | 4,918,863 |
| | 6,249,924 |
| Defined Contribution Pension Plan Investments: | |
| Mutual Funds - Equity Securities | 31,738,512 |
| Mutual Funds - Fixed Income | 7,530,000 |
| Mutual Funds - Stable Value | 5,534,031 |
| Mutual Funds - Real Estate | 131,380 |
| | 44,933,923 |
| Money Purchase Pension Plan Investments: | |
| Mutual Funds - Equity Securities | 15,315,597 |
| Mutual Funds - Fixed Income | 1,962,212 |
| Mutual Funds - Stable Value | 2,014,740 |
| Mutual Funds - Real Estate | 58,048 |
| | 19,350,597 |
| Defined Benefit Pension Plan Deposits, Cash Equivalents and Investments: | |
| Deposits (demand account) | 3,735 |
| Cash Equivalents (money market accounts) | 727,297 |
| Commingled Account - Fixed Income | 18,817,503 |
| Mutual Funds - Equity Securities | 44,500,180 |
| Mutual Funds - Real Estate | 2,606,343 |
| | 66,655,058 |
| OPEB Retirement Health Benefit Plan Deposits and Investments: | |
| Deposits (demand account) | 136,128 |
| Mutual Funds - Equity Securities | 22,708,307 |
| Mutual Funds - Fixed Income | 4,977,713 |
| | 27,822,148 |
| Total Deposits, Cash Equivalents and Investments | \$ 280,731,901 |

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

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 and level 2, significant other observable inputs.

At September 30, 2025, the District's fair value categorizations of investment fair value measurements were as follows:

| | Fair Value 9/30/2025 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) |
|--|-------------------------|--|--|
| Mutual funds: | | | |
| Domestic equities | \$ 58,057,100 | \$ 57,833,782 | \$ 223,318 |
| International equities | 20,113,508 | 20,113,508 | - |
| Stable value | 90,967 | 90,967 | - |
| Fixed income | 6,349,574 | 6,200,696 | 148,878 |
| Real estate | 2,795,772 | 2,795,772 | - |
| | <u>87,406,921</u> | <u>\$ 87,034,725</u> | <u>\$ 372,196</u> |
| Investments reported at amortized cost: | | | |
| Florida PRIME | 51,415,155 | | |
| Florida SAFE | 51,644,746 | | |
| | <u>103,059,901</u> | | |
| Investments measured at net asset value: | | | |
| Reams Columbus Core Plus Bond Fund (commingled account) | 18,817,503 | | |
| Missionsquare mutual funds | 53,439,435 | | |
| Total investments | <u>\$ 262,723,760</u> | | |

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

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.

The District also uses Florida SAFE, an external investment 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 investment in Florida SAFE is measured at amortized cost.

District investments measured at NAV are as follows:

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 PRIME and 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 risk, interest rate risk, concentration of credit risk or foreign currency risk, the limited nature of the authorized investments effectively minimizes any exposure. Custodial credit risk is minimized by ensuring that the investments are held in the name of the District. The District's pooled general governmental and Internal Service Fund cash equivalents and investments include the following at September 30, 2025:

| Fund/Investment | Type | Credit Quality | Weighted Average Maturity (years) | General/ Cap Projs/Cap Sink Funds | Internal Service Fund |
|---------------------------------------|--------------|----------------|-----------------------------------|-----------------------------------|-----------------------|
| Federated Government Obligations Fund | Money Market | AAAm | 44 days | \$ 1,203,612 | \$ 60,325 |
| Federated Treasury Obligations Fund | Money Market | AAAm | 47 days | 748,693 | 37,525 |
| Florida SAFE | | AAAm | 38 days | 49,179,835 | 2,464,910 |
| Florida PRIME | | AAAm | 47 days | 48,961,203 | 2,453,953 |
| Total Pooled Investments | | | | <u>100,093,343</u> | <u>5,016,713</u> |
| Bank Deposits | | | | 13,840,413 | 1,233,211 |
| Total Bank Deposits and Investments | | | | <u>\$ 113,933,756</u> | <u>\$ 6,249,924</u> |

ORANGE COUNTY LIBRARY DISTRICT

**Notes to Financial Statements
Year Ended September 30, 2025**

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 equity security mutual funds, were as follows at September 30, 2025:

| Fund/Investment | Type | Credit Quality | Weighted Average Maturity (years) | Fair Value |
|---------------------------------------|--------------|-----------------------|--|-------------------|
| Vanguard High Yield Corporate Fund | Fixed Income | BB- | 3.40 | \$ 315,826 |
| Vanguard Total Bond Market Index Fund | Fixed Income | AA | 8.10 | 221,864 |
| | | | | <u>\$ 537,690</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 MissionSquare Retirement. Accordingly, the District has not adopted an investment policy for this Plan. Defined Contribution Pension Plan investments, other than equity security mutual funds and real estate mutual funds, were as follows at September 30, 2025:

| Fund/Investment | Type | Credit Quality | Weighted Average Maturity (years) | Fair Value |
|---|--------------|-----------------------|--|---------------------|
| Fidelity US Bond Index Fund | Fixed Income | AA | 8.10 | \$ 203,242 |
| Fidelity Inflation-Protected Bond Fund | Fixed Income | AAA | 8.00 | 149,883 |
| MSQ Allspring Core PLUS Bond | Fixed Income | BBB | 8.99 | 143,836 |
| Various - Multi-Allocation Mutual Funds | Fixed Income | N/A | N/A | 7,033,039 |
| Total Fixed | | | | <u>\$ 7,530,000</u> |
| Plus Fund | Stable Value | Aa3 | 3.38 | \$ 2,022,189 |
| Various - Multi-allocation Mutual Funds | Stable Value | N/A | N/A | 3,511,842 |
| Total Stable Value | | | | <u>\$ 5,534,031</u> |

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

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 MissionSquare Retirement. Accordingly, the District has not adopted an investment policy for this Plan. Money Purchase Pension Plan investments, other than equity security mutual funds and real estate mutual funds, were as follows at September 30, 2025:

| Fund/Investment | Type | Credit Quality | Weighted Average Maturity (years) | Fair Value |
|---|--------------|----------------|-----------------------------------|---------------------|
| Fidelity US Bond Index Fund | Fixed Income | AA | 8.10 | \$ 73,637 |
| Fidelity Inflation-Protected Bond Fund | Fixed Income | AAA | 8.00 | 6,652 |
| MSQ Allspring Core PLUS Bond | Fixed Income | BBB | 8.99 | 34,415 |
| Various - Multi-Allocation Mutual Funds | Fixed Income | N/A | N/A | 1,847,508 |
| Total Fixed | | | | <u>\$ 1,962,212</u> |
| Plus Fund | Stable Value | Aa3 | 3.38 | \$ 536,202 |
| Various - Multi-Allocation Mutual Funds | Stable Value | N/A | N/A | 1,478,538 |
| | | | | <u>\$ 2,014,740</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.

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 investments, other than equity security mutual funds and real estate mutual funds, were as follows at September 30, 2025:

| Fund/Investment | Type | Average Credit Quality | Weighted Average Maturity (years) | Fair Value |
|---|--------------|------------------------|-----------------------------------|----------------------|
| Fidelity Institutional Government Portfolio | Money Market | N/A | 0.10 | <u>\$ 727,297</u> |
| Reams Columbus Core Plus Bond Fund | Fixed Income | Aa3 | 9.50 | <u>\$ 18,817,503</u> |

ORANGE COUNTY LIBRARY DISTRICT

**Notes to Financial Statements
Year Ended September 30, 2025**

Note 2 - Deposits and investments (continued)

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 investment, other than equity security mutual funds, was as follows at September 30, 2025:

| Fund/Investment | Type | Credit Quality | Weighted Average Maturity (years) | Fair Value |
|-------------------------------------|--------------|-----------------------|--|---------------------|
| Vanguard Short-term Bond Index Fund | Fixed Income | AA | 2.90 | <u>\$ 4,977,713</u> |

Due to the nature of the District's investments, there is no exposure to concentration of credit risk or foreign currency risk. Custodial credit risk is minimized by ensuring that securities are held in the name of the District.

Note 3 – Due from other governmental agencies

Due from other governmental agencies at September 30, 2025 were as follows:

| Agency | Description | Amount |
|---------------------------------------|---|-----------------------|
| Orange County Tax Collector | Tax Distribution #16 | 95,149 |
| Orange County Tax Collector | FY 25 Unused Fees | 788,626 |
| Orange County Government | American Rescue Plan Act Grant - Expanded Digital Literacy Training Program (Sub-receipt) | 49,999 |
| State of Florida, Department of State | Library Services and Technology Act Grant - Right Service at the Right Time | <u>25,352</u> |
| | Total | <u><u>959,126</u></u> |

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

Note 4 - Capital assets

Capital asset activity for the year ended September 30, 2025, was as follows:

| | <u>Balances</u> <u>Oct. 1, 2024</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balances</u> <u>Sept. 30, 2025</u> |
|---|--|----------------------|---------------------|--|
| Governmental activities: | | | | |
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$ 3,349,802 | \$ - | \$ - | \$ 3,349,802 |
| Construction in progress | 3,093,021 | 16,832,195 | (926,770) | 18,998,446 |
| Library books for future branch locations | - | 1,212,930 | - | 1,212,930 |
| Total capital assets not being depreciated | <u>6,442,823</u> | <u>18,045,125</u> | <u>(926,770)</u> | <u>23,561,178</u> |
| <i>Capital assets being depreciated/amortized:</i> | | | | |
| Buildings and building/leasehold improvements | 57,867,893 | 1,298,129 | (8,603) | 59,157,419 |
| Right-to-use leased buildings | 8,037,398 | 384,331 | - | 8,421,729 |
| Infrastructure | 1,006,637 | 1,013 | - | 1,007,650 |
| Furniture and equipment | 6,767,170 | 963,998 | (857,519) | 6,873,649 |
| Right-to-use leased equipment | 687,261 | - | - | 687,261 |
| Right-to-use subscription asset | 628,309 | 1,997,965 | (65,016) | 2,561,258 |
| Library books and audiovisual materials | 5,391,579 | 1,099,590 | (1,109,963) | 5,381,206 |
| Intangible assets - software & website development | 785,399 | - | - | 785,399 |
| Total capital assets being depreciated/amortized | <u>81,171,646</u> | <u>5,745,026</u> | <u>(2,041,101)</u> | <u>84,875,571</u> |
| Less accumulated depreciation/amortization for: | | | | |
| Buildings and building/leasehold improvements | 34,752,557 | 1,648,230 | (3,441) | 36,397,346 |
| Right-to-use leased buildings | 2,432,001 | 822,703 | - | 3,254,704 |
| Infrastructure | 301,741 | 63,883 | - | 365,624 |
| Furniture and equipment | 4,774,313 | 693,590 | (840,967) | 4,626,936 |
| Right-to-use leased equipment | 343,630 | 114,544 | - | 458,174 |
| Right-to-use subscription asset | 227,659 | 515,113 | (65,016) | 677,756 |
| Library books and audiovisual materials | 3,306,462 | 1,077,188 | (1,109,963) | 3,273,687 |
| Intangible assets - software & website development | 636,739 | 60,466 | - | 697,205 |
| Total accumulated depreciation/amortization | <u>46,775,102</u> | <u>4,995,717</u> | <u>(2,019,387)</u> | <u>49,751,432</u> |
| Total capital assets being depreciated/amortized, net | <u>34,396,544</u> | <u>749,309</u> | <u>(21,714)</u> | <u>35,124,139</u> |
| Governmental activities capital assets, net | <u>\$ 40,839,367</u> | <u>\$ 18,794,434</u> | <u>\$ (948,484)</u> | <u>\$ 58,685,317</u> |

As of September 30, 2025, the Library possessed books designated for future branch locations at Horizon West and Lake Nona. Since these branches have not yet opened, the books remain unused and, consequently, were not subject to the depreciation for fiscal year 2025.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

Note 5 - Long-term liabilities

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

| | <u>Balance October 1, 2024</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance September 30, 2025</u> | <u>Due Within One Year</u> |
|---------------------------------|--|---------------------|---------------------|---|------------------------------------|
| Accrued compensated absences | \$ 3,436,453 | \$ 3,490,480 | \$ 3,346,656 | \$ 3,580,277 | \$ 2,890,917 |
| Lease liabilities | 6,377,231 | 384,331 | 863,286 | 5,898,276 | 922,672 |
| Subscription liabilities | 308,850 | 1,733,530 | 625,484 | 1,416,896 | 418,140 |
| | <u>\$ 10,122,534</u> | <u>\$ 5,608,341</u> | <u>\$ 4,835,426</u> | <u>\$ 10,895,449</u> | <u>\$ 4,231,729</u> |

The General Fund liquidates lease and subscription liabilities.

On October 1, 2021, the District entered into a 62-month lease as a lessee for the South Trail Branch location. An initial lease liability was recorded in the amount of \$547,328. As of September 30, 2025, the value of the lease liability is \$139,342. The District is required to make monthly principal and interest payments of \$9,902 to \$10,199 through November 2026. The lease has an interest rate of 3.25%. The value of the right-to-use lease asset as of September 30, 2025 is \$123,590, net of accumulated amortization of \$423,738.

On October 1, 2021, the District entered into a 212-month lease as a lessee for the Fairview Shores Branch location. An initial lease liability was recorded in the amount of \$2,241,007. As of September 30, 2025, the value of the lease liability is \$1,917,738. The District is required to make monthly principal and interest payments of \$12,795 to \$16,552 through May 2039. The lease has an interest rate of 3.25%. The value of the right-to-use lease asset as of September 30, 2025 is \$1,733,609, net of accumulated amortization of \$507,398.

On October 1, 2021, the District entered into a 99-month lease as a lessee for the Hiawasse Branch location. An initial lease liability was recorded in the amount of \$1,265,553. As of September 30, 2025, the value of the lease liability is \$721,399. The District is required to make monthly principal and interest payments of \$14,487 to \$15,675 through December 2029. The lease has an interest rate of 3.25%. The value of the right-to-use lease asset as of September 30, 2025 is \$651,952, net of accumulated amortization of \$613,601.

On October 1, 2021, the District entered into a 161-month lease as a lessee for the Southeast Branch location. An initial lease liability was recorded in the amount of \$1,822,262. As of September 30, 2025, the value of the lease liability is \$1,414,993. The District is required to make monthly principal and interest payments of \$13,282 to \$15,873 through February 2035. The lease has an interest rate of 3.25%. The value of the right-to-use lease asset as of September 30, 2025 is \$1,278,979, net of accumulated amortization of \$543,283.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

Note 5 - Long-term liabilities (continued)

On October 1, 2021, the District entered into an 88-month lease as a lessee for the Dr. Phillips Branch location. An initial lease liability was recorded in the amount of \$1,726,177. As of September 30, 2025, the value of the lease liability is \$858,064. The District is required to make monthly principal and interest payments of \$22,159 to \$23,018 through January 2029. The lease has an interest rate of 3.25%. The value of the right-to-use lease asset as of September 30, 2025 is \$784,626 net of accumulated amortization of \$941,551.

On October 1, 2021, the District entered into a 98-month lease as a lessee for the Eatonville Branch location. An initial lease liability was recorded in the amount of \$435,071. On November 20, 2024, the monthly fixed payments increased to \$6,047. The lease liability was remeasured and increased by \$56,216. As of September 30, 2025, the value of the lease liability is \$282,415. The District is required to make monthly fixed principal and interest payments of \$6,047 through November 2029. The lease has an interest rate of 3.25%. The value of the right-to-use lease asset also increased by \$56,216 and as of September 30, 2025 is \$268,822, net of accumulated amortization of \$222,465.

On October 1, 2021, the District entered into a 72-month lease as a lessee for the Bibliotecha RFID workstations and self-check out equipment. An initial lease liability was recorded in the amount of \$687,261. As of September 30, 2025, the value of the lease liability is \$236,210. The District is required to make annual fixed principal and interest payments of \$123,893 through October 2026. The lease has an interest rate of 3.25%. The value of the right-to-use lease asset as of September 30, 2024 is \$229,087, net of accumulated amortization of \$458,174.

On September 1, 2025, the District entered into a 123-month lease as a lessee for the Goldenrod Road Bookmobile Warehouse. An initial liability was recorded in the amount of \$328,115. As of September 30, 2025, the value of the lease liability is \$328,115. The District is required to make monthly principal and interest payments of \$2,941 to \$4,354 through November 2035. The lease has an interest rate of 5.0%. The value of the right-to-use asset as of September 30, 2025 is \$325,447 net of accumulated amortization of \$2,668.

The future principal and interest lease payments as of September 30, 2025, were as follows:

| Year Ending September 30, | <u>Principal</u> | <u>Interest</u> |
|---------------------------|---------------------|-------------------|
| 2026 | \$ 922,672 | \$ 185,551 |
| 2027 | 871,670 | 155,687 |
| 2028 | 770,992 | 126,952 |
| 2029 | 624,152 | 102,614 |
| 2030 | 356,339 | 86,048 |
| 2031-2035 | 1,676,709 | 257,847 |
| 2036-2039 | 675,742 | 41,990 |
| TOTAL | <u>\$ 5,898,276</u> | <u>\$ 956,689</u> |

ORANGE COUNTY LIBRARY DISTRICT

**Notes to Financial Statements
Year Ended September 30, 2025**

Note 5 - Long-term liabilities (continued)

As of September 30, 2025, the District had eighteen (18) active information technology arrangements for intangible right-to-use subscription software (subscriptions). The subscriptions have payments that range from \$2,982 to \$223,496 and interest rates that range from 4.35% to 6.00%. The final payment runs through January 2029. As of September 30, 2025, the value of the subscription liabilities is \$1,416,896. The value of the right-to-use subscription asset as of September 30, 2025 is \$1,883,502, net of accumulated amortization of \$677,756.

For the year ended September 30, 2025, there were no variable payments not included in the measurement of the subscription liability, termination penalties, commitments before the beginning of the subscription terms or any impairment losses.

The future principal and interest subscription payments as of September 30, 2025, were as follows:

| Year Ending September 30, | <u>Principal</u> | <u>Interest</u> |
|---------------------------|---------------------|-------------------|
| 2026 | \$ 418,140 | \$ 69,945 |
| 2027 | 326,319 | 49,176 |
| 2028 | 338,459 | 32,858 |
| 2029 | <u>333,978</u> | <u>16,699</u> |
| TOTAL | <u>\$ 1,416,896</u> | <u>\$ 168,678</u> |

The District has not issued debt in the last ten years and wasn't authorized to issue long-term debt (i.e., bonds) in fiscal year 24-25.

Note 6 - Interfund Balances and Transfers

The composition of interfund balances as of September 30, 2025 is as follows:

| <u>Due From:</u> | <u>Due To Internal Service Fund</u> |
|------------------|---|
| OPEB Trust Fund | \$113,811 |

The \$113,811 balance represents the health insurance claims activities of retirees ages 55-64.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

Note 6 - Interfund Balances and Transfers (continued)

The table below details interfund transfers during the year ended September 30, 2025.

| Transfers Out | Transfer In Capital Projects Fund | Transfer In Capital Projects Sinking Fund |
|----------------------|--|--|
| General Fund | \$15,000,000 | \$2,000,000 |

\$15,000,000 was transferred from the General Fund to the Capital Projects Fund to fund future branch expansion projects. \$2,000,000 was transferred from the General Fund to the Capital Projects Sinking 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) ("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, 2025, the date of the latest actuarial valuation, Plan participation consisted of:

| | |
|--|-----|
| Retirees and beneficiaries receiving benefits | 146 |
| Terminated employees entitled to benefits but not yet receiving them | 57 |
| Employees transferred to the Money Purchase Plan | 12 |
| Active employees | 44 |
| | 259 |

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.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

Note 7 - Pension plans (continued)

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 \$372,604. However, the District contributed \$1,500,000, which was determined by management for the year ended September 30, 2025. 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, 2025:

| | |
|----------------------------|--|
| Investment rate of return | 6.00% |
| Projected salary increases | 5.0% |
| Inflation rate | 2.0% |
| Cost of living adjustments | 2.0% per annum |
| Mortality table | PubG-2010, Below-Median, Amounts-Weighted Mortality Tables (by gender), Improvement Scale MP2021 |

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% | 10% |
| International equities | 25% | 12% |
| Fixed income and cash | 35% | 1% |
| Real estate investments trusts | N/A | 7% |

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

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

Note 7 - Pension plans (continued)

For the fiscal year ended September 30, 2025, the annual money-weighted rate of return on Plan investments was 10.10%. 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 6.00%. 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 asset - The net pension asset at September 30, 2025 is based on a January 1, 2025 actuarial valuation rolled forward using actuarial methods to the September 30, 2025 measurement date. The components of changes during fiscal 2025 are as follows:

Changes in Net Pension Asset

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Asset (a) - (b) |
|--|--|--|--|
| Balances at 10/1/2024 | \$52,902,950 | \$61,865,806 | (\$8,962,856) |
| Changes for the year: | | | |
| Service Cost | 357,534 | - | 357,534 |
| Interest | 3,240,138 | - | 3,240,138 |
| Differences between expected and actual experience | (874,323) | - | (874,323) |
| Changes of assumptions | 848,534 | | 848,534 |
| Contributions - employer | - | 1,500,000 | (1,500,000) |
| Net investment income | - | 6,163,561 | (6,163,561) |
| Benefits payments, including refunds of employee contributions | (2,880,197) | (2,880,197) | - |
| Administrative expense | - | (20,067) | 20,067 |
| Net changes | 691,686 | 4,763,297 | (4,071,611) |
| Balances at 9/30/2025 | \$53,594,636 | \$66,629,103 | (\$13,034,467) |

The plan fiduciary net position as a percentage of the total pension liability is 124.32%.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

Note 7 - Pension plans (continued)

The following presents the net pension asset, using the discount rate of 6.00%, as well as what it would be if it were calculated using a discount rate that is 1% lower (5.00%) and 1% higher (7.00%) than the current rate:

| | 1% Decrease - 5.00% | Current Rate- 6.00% | 1% Increase- 7.00% |
|-------------------------------|-------------------------------|-------------------------------|------------------------------|
| Net pension liability (asset) | \$804,737 | (\$13,034,467) | (\$22,923,127) |

Pension benefit and deferred outflows and deferred inflows of resources related pensions - For the year ended September 30, 2025, the District recognized pension expense of \$278,606. At September 30, 2025, 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 | \$ - | \$ 86,645 |
| Changes in assumptions | 84,089 | - |
| Net difference between projected & actual earnings on pension plan investments | - | 5,124,488 |
| | \$ 84,089 | \$ 5,211,133 |

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:

| | | |
|------|----|-------------|
| 2026 | \$ | 493,959 |
| 2027 | | (2,793,866) |
| 2028 | | (2,328,536) |
| 2029 | | (498,601) |

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.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

Note 7 - Pension plans (continued)

All employees are eligible to participate in the Defined Contribution Plan from date of hire. At September 30, 2025, there were 797 participants and the fair value of the Defined Contribution Plan investments was \$44,933,923.

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, 2025, the District contributed \$1,903,926 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 paid through the participant plan accounts.

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, 2025, there were 424 participants and the fair value of the Money Purchase Plan investments was \$19,350,597.

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, 2025, the District contributed \$1,647,164 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 the participant plan accounts.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

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.

As of January 1, 2025, the date of the latest actuarial valuation, plan participation consisted of:

| | |
|---|-------------------|
| Retirees and beneficiaries receiving benefits | 116 |
| Active employees | <u>338</u> |
| Total Plan Participants | <u><u>454</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, 2025, the District contributed \$354,441, which was based on the actuarially determined amount per the January 1, 2024 OPEB Actuarial Report. It is the District’s intent to base future contributions on the actuarially determined amounts in subsequent annual actuarial reports.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

Note 8 - Other Postemployment Benefit Plan (continued)

Contributions - 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.

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 nine 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.

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, 2025 |
| Actuarial cost method | Entry Age Normal Cost Method |
| Amortization method | Level dollar |
| Amortization period | Closed 5 year period |
| Asset valuation method | Market Value |
| Actuarial assumptions: | |
| Investment rate of return | 6.00% Compounded annually |
| Inflation rate | 2.50% general price inflation annual rate |
| Projected annual salaries increases | 4.50%, including inflation |

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

Note 8 - Other Postemployment Benefit Plan (continued)

Mortality tables Pub-2010 Headcount Weighted Mortality Tables, generational mortality using gender specific MP-2021 mortality improvement scale. The tables used during employment were the Employee Tables, set back 1 year for males. The tables used post-employment are the Healthy Retiree Tables, set back one year for males. These are the same mortality rates currently in use for Regular Class members of the Florida Retirement System (FRS) as of July 1, 2024. They are based on the results of a statewide experience study covering the period 2018 through 2023.

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

| Year | Medical/Rx | Gross Premium Contribution |
|------------|---------------|----------------------------|
| 2026 | 6.50% | 6.50% |
| 2027 | 6.00% | 6.00% |
| 2028 | 5.75% | 5.75% |
| 2029 | 5.59% | 5.59% |
| 2030 | 5.43% | 5.43% |
| 2031 | 5.26% | 5.26% |
| 2032 | 5.10% | 5.10% |
| 2033 | 4.94% | 4.94% |
| Thereafter | 4.78% - 4.00% | 4.78% - 4.00% |

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 and International equities | 70% | Domestic 10%, International 12% |
| Fixed income | 30% | 1% |
| Real estate investments trusts | N/A | 7% |

Specific investments exceeding 5% of the Plan's net position consist of the following: Vanguard Short-term Bond Index Mutual Fund, Vanguard Total Stock Market Index Mutual Fund, Vanguard Extended Market Index Mutual Fund and Vanguard Developed Markets Index Mutual Fund.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

Note 8 - Other Postemployment Benefit Plan (continued)

For fiscal year ended September 30, 2025, the annual money-weighted rate of return on the Plan investments, net of investment expenses, was 14.54%. 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 6.00%. 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 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 OPEB liability.

Changes in net OPEB asset - The Net OPEB asset at September 30, 2025 is based on a January 1, 2025 actuarial valuation rolled forward using actuarial methods to the September 30, 2025 measurement date. The components of changes during fiscal 2025 are as follows:

Changes in Net OPEB Asset

| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Asset (a) - (b) |
|--|---|--|---|
| Balances at 10/1/2024 | \$13,636,735 | \$24,383,788 | (\$10,747,053) |
| Changes for the year: | | | |
| Service Cost | 369,462 | - | 369,462 |
| Interest on the Total OPEB Liability | 857,978 | - | 857,978 |
| Changes in benefit terms | 2,167,859 | - | 2,167,859 |
| Differences between expected and actual experience | (121,645) | - | (121,645) |
| Changes in assumptions | 1,274,924 | - | 1,274,924 |
| Contributions - employer | - | 354,441 | (354,441) |
| Net investment income | - | 3,520,683 | (3,520,683) |
| Benefits payments | (557,112) | (557,112) | - |
| Net changes | <u>3,991,466</u> | <u>3,318,012</u> | <u>673,454</u> |
| Balances at 9/30/2025 | <u>\$17,628,201</u> | <u>\$27,701,800</u> | <u>(\$10,073,599)</u> |

The plan fiduciary net position as a percentage of the total OPEB liability is 157.14%.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

Note 8 - Other Postemployment Benefit Plan (continued)

The following presents the Net OPEB asset, using the discount rate of 6.00%, as well as what it would be if it were calculated using a discount rate that is 1% lower (5.00%) and 1% higher (7.00%) than the current rate:

| | 1% Decrease - 5.00% | Current Rate - 6.00% | 1% Increase - 7.00% |
|----------------|----------------------------|-----------------------------|----------------------------|
| Net OPEB asset | (\$7,690,910) | (\$10,073,599) | (\$12,072,259) |

The following presents the Net OPEB asset using the same health care trend rates used in the most recent actuarial valuation, as well as what the Net OPEB 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 5.50% decreasing to 3.00% | Trend Rate Assumption 6.50% decreasing to 4.00% | 1% Trend Increase 7.50% decreasing to 5.00% |
|----------------|--|--|--|
| Net OPEB asset | (\$12,490,584) | (\$10,073,599) | (\$7,055,530) |

OPEB benefit and deferred outflows and deferred inflows of resources related pensions - For the year ended September 30, 2025, the District recognized OPEB expense of \$311,332. At September 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Net Deferred Outflows of Resources | Net Deferred Inflows of Resources |
|--|---|--|
| Difference between expected and actual experience | \$ 5,862 | \$ 1,343,757 |
| Changes in assumptions | 2,399,145 | 1,765,868 |
| Net difference between projected & actual earnings on OPEB plan investments | - | 3,497,595 |
| | \$ 2,405,007 | \$ 6,607,220 |

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

Note 8 - Other Postemployment Benefit Plan (continued)

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

Year ended September 30:

| | | |
|------------|----|-------------|
| 2026 | \$ | (928,557) |
| 2027 | | (1,935,202) |
| 2028 | | (1,422,068) |
| 2029 | | (497,572) |
| 2030 | | 58,882 |
| Thereafter | | 522,304 |

Updated procedures were applied to the Plan's January 1, 2025 actuarial valuation to roll forward the total OPEB asset to September 30, 2025.

Note 9 - Risk Management

The District became self-insured for employee health insurance, effective January 1, 2007. 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 covers claims up to \$250,000 per individual. The District purchased stop loss coverage insurance that has an annual specific deductible per individual of \$250,000.

The \$285,439 claims liability includes \$276,452 of actual and estimated claims incurred as of September 30, 2025, with the remaining amount representing service fees. Changes to the claims liability since the year ended September 30, 2023 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> |
|------------------------------|-------------------------------|------------------|-----------------------|---------------------------------|
| 9/30/2024 | \$ 469,272 | \$ 3,778,994 | \$ (3,976,066) | \$ 272,200 |
| 9/30/2025 | \$ 272,200 | \$ 4,465,837 | \$ (4,452,598) | \$ 285,439 |

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 2025, the District contracted with various companies for insurance coverage. The companies provided coverage for workers compensation, property, liability, flood, public officials, fiduciary (pension), employment practices, storage tank, cyber and professional liability. Settlements have not exceeded insurance coverage for each of the past three years.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

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 2025 are for the purpose of financing the budget of the 2026 fiscal year. Property tax revenues recognized for the 2025 fiscal year were levied in September 2024.

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, 2025.

Key dates in the property tax cycle for revenues recognized in fiscal year 2025 include the following:

| | |
|---|--------------------|
| Assessment and valuation date | January 1, 2024 |
| Property taxes levied | September 24, 2024 |
| Beginning of fiscal year for which taxes have been levied | October 1, 2024 |
| Tax bills rendered | November 1, 2024 |
| Property taxes payable: | |
| Maximum discount (latest date) | November 30, 2024 |
| Delinquent | April 1, 2025 |
| Tax certificates sold on unpaid taxes | June 1, 2025 |

Note 11 – Commitments

As of September 30, 2025 the Orange County Library District had the following commitments:

- Approximately \$18.3 Million for construction costs for the Horizon West Branch, of which approximately \$6.617 million was not incurred.
- Approximately \$1.675 million for design, engineering and pre-construction services for the Horizon West Branch, of which approximately \$98,500 was not incurred. (note: The \$1.675M includes \$120k for HJH Pre-Construction which was fully paid by 9-30-25).
- Approximately \$1.925 million for design, engineering and pre-construction services for the Lake Nona Branch, of which approximately \$765,800 was accumulated but not paid as these costs are being paid by the City of Orlando and paid by the Library upon completion of the project.
- Approximately \$15.149 Million for construction costs for the Lake Nona Branch, of which approximately \$2.627 million was accumulated but not paid as these costs are being paid by the City of Orlando and paid by the Library upon completion of the project.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2025

Note 11 – Commitments (continued)

- Approximately \$1.215 million for design, engineering and Construction Administration services for the Orlando Public Library (OPL) First Floor Renovation Project, of which approximately \$691,000 was not incurred.
- Approximately \$130,000 for pre-construction services for OPL 1st Floor Renovation Project , of which approximately \$109,000 was not incurred.
- Approximately \$4.550 million for OPL Roof Replacement, of which \$1.580 Million was not incurred.

REQUIRED SUPPLEMENTARY INFORMATION

ORANGE COUNTY LIBRARY DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund (Budgetary Basis)
Year Ended September 30, 2025

| | Original and Final Budgeted Amounts | Budgetary Basis Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|--|---|--|
| Revenues: | | | |
| Taxes: | | | |
| Property | \$ 73,425,000 | \$ 74,382,576 | \$ 957,576 |
| Intergovernmental revenues: | | | |
| State aid to libraries | 200,000 | 622,179 | 422,179 |
| Federal grants | 545,000 | 82,551 | (462,449) |
| Other state grants | 50,000 | - | (50,000) |
| Charges for services: | | | |
| Fees and Lost Materials | 48,000 | 83,145 | 35,145 |
| Copies and Prints | 180,000 | 261,899 | 81,899 |
| Other fees | 170,200 | 413,960 | 243,760 |
| Miscellaneous revenue: | | | |
| Investment income | 1,166,500 | 3,099,860 | 1,933,360 |
| Contributions | 100,000 | 605,896 | 505,896 |
| Other | 133,720 | 301,975 | 168,255 |
| Total revenues | <u>76,018,420</u> | <u>79,854,041</u> | <u>3,835,621</u> |
| Expenditures: | | | |
| Current: | | | |
| Salaries and benefits | 40,835,000 | 35,939,349 | 4,895,651 |
| Operating | 19,496,000 | 16,050,648 | 3,445,352 |
| Capital outlay | 18,246,400 | 12,613,408 | 5,632,992 |
| Total expenditures | <u>78,577,400</u> | <u>64,603,405</u> | <u>13,973,995</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,558,980)</u> | <u>15,250,636</u> | <u>17,809,616</u> |
| Other financing sources (uses): | | | |
| Transfers out | (5,500,000) | (17,000,000) | (11,500,000) |
| Transfers from constitutional officers | 632,000 | 907,863 | 275,863 |
| Total other financing sources (uses) | <u>(4,868,000)</u> | <u>(16,092,137)</u> | <u>(11,224,137)</u> |
| Net change in fund balance budgetary basis | <u>\$ (7,426,980)</u> | <u>(841,501)</u> | <u>\$ 6,585,479</u> |
| Fund balance at beginning of year | | <u>44,993,356</u> | |
| Fund balance at end of year | | <u>\$ 44,151,855</u> | |

Note 1: The General Fund budget 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, the debt service expenditures, and \$264,435 of capital outlay expenditures (subscription implementation costs) reflected in the governmental fund financial statements are budgeted in operating expenditures in this schedule.

Note 2: The General Fund budget is prepared on a basis consistent with generally accepted accounting principles, except for right-to-use capital outlay expenditures, other financing sources-lease liabilities issued, other financing sources-subscription liabilities issued and debt service principal and interest expenditures, which are not budgeted.

Note 3: 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. 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
Defined Benefit Pension Plan
Schedule of Employer Contributions

| Year Ended September 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Excess (Deficiency) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|-------------------------------------|--|--------------------------------|---|----------------------------|--|
| 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% |
| 2020 | \$ 624,944 | \$ 850,002 | \$ 225,058 | \$ 3,880,611 | 21.9% |
| 2021 | \$ 435,097 | \$ 629,000 | \$ 193,903 | \$ 4,125,334 | 15.2% |
| 2022 | \$ 354,746 | \$ 900,000 | \$ 545,254 | \$ 3,498,061 | 25.7% |
| 2023 | \$ 305,517 | \$ 1,400,000 | \$ 1,094,483 | \$ 3,327,406 | 42.1% |
| 2024 | \$ 364,118 | \$ 1,250,000 | \$ 885,882 | \$ 3,453,532 | 36.2% |
| 2025 | \$ 372,604 | \$ 1,500,000 | \$ 1,127,396 | \$ 3,372,812 | 44.5% |

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

| | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|---|------------------------|-----------------------|-----------------------|----------------------|------------------------|
| Total pension liability | | | | | |
| Service cost | \$ 357,534 | \$ 268,132 | \$ 299,237 | \$ 395,546 | \$ 424,009 |
| Interest | 3,240,138 | 3,157,140 | 3,073,720 | 3,038,449 | 2,999,934 |
| Differences between expected and actual experience | (874,323) | 69,521 | 729,211 | (87,805) | (269,474) |
| Changes in assumptions | 848,534 | 4,357,874 | - | - | - |
| Benefit payments, including refunds of employee contributions | (2,880,197) | (2,861,337) | (2,809,935) | (2,647,399) | (2,466,398) |
| Net change in total pension liability | 691,686 | 4,991,330 | 1,292,233 | 698,791 | 688,071 |
| Total pension liability - beginning | 52,902,950 | 47,911,620 | 46,619,387 | 45,920,596 | 45,232,525 |
| Total pension liability - ending (A) | <u>\$ 53,594,636</u> | <u>\$ 52,902,950</u> | <u>\$ 47,911,620</u> | <u>\$ 46,619,387</u> | <u>\$ 45,920,596</u> |
| Plan fiduciary net position | | | | | |
| Employer contributions | \$ 1,500,000 | \$ 1,250,000 | \$ 1,400,000 | \$ 900,000 | \$ 629,000 |
| Net investment income (loss) | 6,163,561 | 12,299,297 | 5,462,733 | (12,372,666) | 11,520,251 |
| Benefit payments, including refunds of employee contributions | (2,880,197) | (2,861,337) | (2,809,935) | (2,647,399) | (2,466,398) |
| Administrative expense | (20,067) | (19,260) | (18,568) | (19,289) | (19,208) |
| Net change in plan fiduciary net position | 4,763,297 | 10,668,700 | 4,034,230 | (14,139,354) | 9,663,645 |
| Plan fiduciary net position - beginning | 61,865,806 | 51,197,106 | 47,162,876 | 61,302,230 | 51,638,585 |
| Plan fiduciary net position - ending (B) | <u>\$ 66,629,103</u> | <u>\$ 61,865,806</u> | <u>\$ 51,197,106</u> | <u>\$ 47,162,876</u> | <u>\$ 61,302,230</u> |
| Plan net pension liability (asset) - ending (A-B) | <u>\$ (13,034,467)</u> | <u>\$ (8,962,856)</u> | <u>\$ (3,285,486)</u> | <u>\$ (543,489)</u> | <u>\$ (15,381,634)</u> |
| Plan fiduciary net position as a percentage of total pension liability (asset) | 124.3% | 116.9% | 106.9% | 101.2% | 133.5% |
| Covered payroll | \$ 3,372,812 | \$ 3,453,532 | \$ 3,327,406 | \$ 3,498,061 | \$ 4,125,334 |
| Net pension liability (asset) as a percentage of covered payroll | (386.46%) | (259.5%) | (98.7%) | (15.5%) | (372.9%) |

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

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|-----------------------|----------------------|-----------------------|---------------------|---------------------|
| Total pension liability | | | | | |
| Service cost | \$ 459,840 | \$ 482,196 | \$ 539,196 | \$ 547,066 | \$ 584,935 |
| Interest | 3,277,367 | 3,124,416 | 3,095,052 | 3,002,367 | 2,848,788 |
| Differences between expected and actual experience | (605,583) | 923,811 | (1,056,864) | (271,908) | (481,840) |
| Changes in assumptions | (4,827,703) | - | - | - | 2,648,331 |
| Benefit payments, including refunds of employee contributions | (2,292,852) | (2,193,025) | (1,981,145) | (1,814,685) | (1,745,038) |
| Net change in total pension liability | (3,988,931) | 2,337,398 | 596,239 | 1,462,840 | 3,855,176 |
| Total pension liability - beginning | 49,221,456 | 46,884,058 | 46,287,819 | 44,824,979 | 40,969,803 |
| Total pension liability - ending (A) | <u>\$ 45,232,525</u> | <u>\$ 49,221,456</u> | <u>\$ 46,884,058</u> | <u>\$46,287,819</u> | <u>\$44,824,979</u> |
| Plan fiduciary net position | | | | | |
| Employer contributions | \$ 850,002 | \$ 970,762 | \$ 570,718 | \$ 809,614 | \$ 806,723 |
| Net investment income | 4,239,562 | 1,182,684 | 3,160,375 | 4,965,286 | 3,772,044 |
| Benefit payments, including refunds of employee contributions | (2,292,852) | (2,193,025) | (1,981,145) | (1,814,685) | (1,745,038) |
| Administrative expense | (17,503) | (17,449) | (17,574) | (16,718) | (16,045) |
| Net change in plan fiduciary net position | 2,779,209 | (57,028) | 1,732,374 | 3,943,497 | 2,817,684 |
| Plan fiduciary net position - beginning | 48,859,376 | 48,916,404 | 47,184,030 | 43,240,533 | 40,422,849 |
| Plan fiduciary net position - ending (B) | <u>\$ 51,638,585</u> | <u>\$ 48,859,376</u> | <u>\$ 48,916,404</u> | <u>\$47,184,030</u> | <u>\$43,240,533</u> |
| Plan net pension liability (asset) - ending (A-B) | <u>\$ (6,406,060)</u> | <u>\$ 362,080</u> | <u>\$ (2,032,346)</u> | <u>\$ (896,211)</u> | <u>\$ 1,584,446</u> |
| Plan fiduciary net position as a percentage of total pension liability (asset) | 114.2% | 99.3% | 104.3% | 101.9% | 96.5% |
| Covered payroll | \$ 3,880,611 | \$ 4,134,169 | \$ 4,314,180 | \$ 4,775,367 | \$ 4,807,950 |
| Net pension liability (asset) as a percentage of covered payroll | (165.1%) | 8.8% | (47.1%) | (18.8%) | 33.0% |

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

**Actuarial Methods and Assumptions
Last fiscal year**

| | |
|----------------------------|--|
| Valuation date | January 1, 2025 |
| Actuarial cost method | Entry age normal cost method |
| Amortization method | Level percentage of payroll |
| Amortization period | 10 years |
| Asset valuation method | Market value |
| Actuarial assumptions: | |
| Investment rate of return | 6.0% |
| Projected salary increases | 5.0% |
| Inflation rate | 2.0% |
| Cost of living adjustments | 2.0% per annum |
| Mortality table | PubG-2010, Below-Median, Amounts-Weighted Mortality Tables, Improvement Scale MP2021 |

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

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

| | |
|------|--------|
| 2016 | 9.5% |
| 2017 | 11.7% |
| 2018 | 6.9% |
| 2019 | 2.5% |
| 2020 | 8.8% |
| 2021 | 23.0% |
| 2022 | -20.4% |
| 2023 | 11.9% |
| 2024 | 22.2% |
| 2025 | 10.1% |

Note: Fiscal years 2021 - 2024 have been updated from prior reports based on the returns provided by the Plan's investment advisor.

**ORANGE COUNTY LIBRARY DISTRICT
Other Postemployment Benefit 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% |
| 2020 | \$ 723,271 | \$ 723,271 | \$ 13,352,808 | 5.4% |
| 2021 | \$ 342,403 | \$ 342,403 | \$ 12,879,530 | 2.7% |
| 2022 | \$ 299,125 | \$ 299,125 | \$ 13,007,411 | 2.3% |
| 2023 | \$ 272,771 | \$ 272,771 | \$ 14,661,609 | 1.9% |
| 2024 | \$ 310,798 | \$ 310,798 | \$ 17,696,438 | 1.8% |
| 2025 | \$ 354,441 | \$ 354,441 | \$ 20,199,615 | 1.7% |

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

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

| | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|--|------------------------|------------------------|-----------------------|-----------------------|-----------------------|
| Total OPEB liability | | | | | |
| Service cost | \$ 369,462 | \$ 319,311 | \$ 252,055 | \$ 274,764 | \$ 311,672 |
| Interest on the total OPEB liability | 857,978 | 881,688 | 756,400 | 786,238 | 870,097 |
| Changes in benefit terms | 2,167,859 | - | - | - | - |
| Difference between expected and actual experience | (121,645) | (875,568) | (8,094) | (310,125) | (433,918) |
| Changes in assumptions | 1,274,924 | 355,701 | 1,418,965 | (716,746) | (1,358,311) |
| Benefit payments | (557,112) | (579,041) | (539,114) | (401,819) | (883,721) |
| Net change in total OPEB liability | <u>3,991,466</u> | <u>102,091</u> | <u>1,880,212</u> | <u>(367,688)</u> | <u>(1,494,181)</u> |
| Total OPEB liability - beginning | <u>13,636,735</u> | <u>13,534,644</u> | <u>11,654,432</u> | <u>12,022,120</u> | <u>13,516,301</u> |
| Total OPEB liability - ending (A) | <u>\$ 17,628,201</u> | <u>\$ 13,636,735</u> | <u>\$ 13,534,644</u> | <u>\$ 11,654,432</u> | <u>\$ 12,022,120</u> |
| Plan Fiduciary net position | | | | | |
| Employer contributions | \$ 354,441 | \$ 310,798 | \$ 272,771 | \$ 299,125 | \$ 342,403 |
| Net investment income (loss) | 3,520,683 | 5,038,949 | 2,717,638 | (3,704,486) | 4,437,898 |
| Benefit payments | (557,112) | (579,041) | (539,114) | (401,819) | (883,721) |
| Administrative expense | - | - | - | - | - |
| Net change in plan fiduciary net position | <u>3,318,012</u> | <u>4,770,706</u> | <u>2,451,295</u> | <u>(3,807,180)</u> | <u>3,896,580</u> |
| Plan fiduciary net position - beginning | <u>24,383,788</u> | <u>19,613,082</u> | <u>17,161,787</u> | <u>20,968,967</u> | <u>17,072,387</u> |
| Plan fiduciary net position - ending (B) | <u>\$ 27,701,800</u> | <u>\$ 24,383,788</u> | <u>\$ 19,613,082</u> | <u>\$ 17,161,787</u> | <u>\$ 20,968,967</u> |
| Net OPEB asset - ending (A) - (B) | <u>\$ (10,073,599)</u> | <u>\$ (10,747,053)</u> | <u>\$ (6,078,438)</u> | <u>\$ (5,507,355)</u> | <u>\$ (8,946,847)</u> |
| Plan fiduciary net position as a percentage of total OPEB liability | 157.1% | 178.8% | 144.9% | 147.3% | 174.4% |
| Covered employee payroll | \$ 20,199,615 | \$ 17,696,438 | \$ 14,661,609 | \$ 13,007,411 | \$ 12,879,530 |
| Net OPEB asset as a percentage of covered employee payroll | (49.9%) | (60.7%) | (41.5%) | (42.3%) | (69.5%) |

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

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

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Total OPEB liability | | | | |
| Service cost | \$ 416,326 | \$ 352,302 | \$ 351,322 | \$ 368,597 |
| Interest on the total OPEB liability | 1,026,949 | 961,109 | 907,225 | 879,525 |
| Changes in benefit terms | - | 642,850 | - | - |
| Difference between expected and actual experience | (519,356) | (48,127) | 240,326 | - |
| Changes in assumptions | (2,369,485) | (253,545) | 81,538 | - |
| Benefit payments | (842,046) | (569,322) | (935,514) | (673,847) |
| Net change in total OPEB liability | <u>(2,287,612)</u> | <u>1,085,267</u> | <u>644,897</u> | <u>574,275</u> |
| Total OPEB liability - beginning | <u>15,803,913</u> | <u>14,718,646</u> | <u>14,073,749</u> | <u>13,499,474</u> |
| Total OPEB liability - ending (A) | <u><u>\$ 13,516,301</u></u> | <u><u>\$ 15,803,913</u></u> | <u><u>\$ 14,718,646</u></u> | <u><u>\$ 14,073,749</u></u> |
| Plan Fiduciary net position | | | | |
| Employer contributions | \$ 723,271 | \$ 700,000 | \$ 539,459 | \$ 690,843 |
| Net investment income | 1,231,205 | 195,514 | 1,521,630 | 1,813,966 |
| Benefit payments | (842,046) | (569,322) | (935,514) | (673,847) |
| Administrative expense | - | - | (8,054) | (10,047) |
| Net change in plan fiduciary net position | <u>1,112,430</u> | <u>326,192</u> | <u>1,117,521</u> | <u>1,820,915</u> |
| Plan fiduciary net position - beginning | <u>15,959,957</u> | <u>15,633,765</u> | <u>14,516,244</u> | <u>12,695,329</u> |
| Plan fiduciary net position - ending (B) | <u><u>\$ 17,072,387</u></u> | <u><u>\$ 15,959,957</u></u> | <u><u>\$ 15,633,765</u></u> | <u><u>\$ 14,516,244</u></u> |
| Net OPEB asset - ending (A) - (B) | <u><u>\$ (3,556,086)</u></u> | <u><u>\$ (156,044)</u></u> | <u><u>\$ (915,119)</u></u> | <u><u>\$ (442,495)</u></u> |
| Plan fiduciary net position as a percentage of total OPEB liability | 126.3% | 101.0% | 106.2% | 103.1% |
| Covered employee payroll | \$ 13,352,808 | \$ 12,866,962 | \$ 11,789,254 | \$ 11,939,326 |
| Net OPEB asset as a percentage of covered employee payroll | (26.6%) | (1.2%) | (7.8%) | (3.7%) |

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

**Actuarial Methods and Assumptions
Last fiscal year**

| | |
|----------------------------|--|
| Valuation date | January 1, 2025 |
| Actuarial cost method | Entry age normal cost method |
| Amortization method | Level dollar, closed period |
| Amortization period | Closed 5 years |
| Asset valuation method | Market value |
| Actuarial assumptions: | |
| Investment rate of return | 6.0% |
| Projected salary increases | 4.5% |
| Inflation rate | 2.5% |
| Healthcare cost trend rate | 6.5% for 2026 decreasing to an ultimate rate of 4.0% by 2050 and thereafter. |

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

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

| | |
|------|--------|
| 2016 | 10.1% |
| 2017 | 14.3% |
| 2018 | 10.4% |
| 2019 | 1.4% |
| 2020 | 7.8% |
| 2021 | 26.0% |
| 2022 | -17.7% |
| 2023 | 15.8% |
| 2024 | 12.3% |
| 2025 | 14.5% |

OTHER SUPPLEMENTARY INFORMATION

ORANGE COUNTY LIBRARY DISTRICT
Combining Statement of Fiduciary Net Position-
Pension and Other Postemployment Benefit Trust Funds
September 30, 2025

| | <u>Defined Benefit</u> | <u>Defined Contribution</u> | <u>Money Purchase</u> | <u>OPEB</u> | <u>Total</u> |
|---|----------------------------|---------------------------------|---------------------------|----------------------|-----------------------|
| Assets | | | | | |
| Cash and cash equivalents | \$ 731,032 | \$ - | \$ - | \$ 136,128 | \$ 867,160 |
| Accounts receivable | 319 | - | - | - | 319 |
| Interest and dividend receivable | 2 | - | - | 63 | 65 |
| Notes receivable from plan participants | - | - | 313,243 | - | 313,243 |
| Investments: | | | | | |
| Commingled account: | | | | | |
| Fixed income | 18,817,503 | - | - | - | 18,817,503 |
| Mutual funds: | | | | | |
| Domestic equities | 30,409,374 | 24,710,513 | 11,327,885 | 18,111,982 | 84,559,754 |
| International equities | 14,090,806 | 7,027,999 | 3,987,712 | 4,596,325 | 29,702,842 |
| Stable value | - | 5,534,031 | 2,014,740 | - | 7,548,771 |
| Fixed income | - | 7,530,000 | 1,962,212 | 4,977,713 | 14,469,925 |
| Real estate | 2,606,343 | 131,380 | 58,048 | - | 2,795,771 |
| Total Investments | 65,924,026 | 44,933,923 | 19,350,597 | 27,686,020 | 157,894,566 |
| Total assets | <u>\$ 66,655,379</u> | <u>\$ 44,933,923</u> | <u>\$ 19,663,840</u> | <u>\$ 27,822,211</u> | <u>\$ 159,075,353</u> |
| Liabilities | | | | | |
| Accounts payable | 26,276 | - | - | 6,600 | 32,876 |
| Due to Internal Service Fund | - | - | - | 113,811 | 113,811 |
| Total liabilities | <u>\$ 26,276</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 120,411</u> | <u>\$ 146,687</u> |
| Net position restricted for pension and other postemployment benefits | <u>\$ 66,629,103</u> | <u>\$ 44,933,923</u> | <u>\$ 19,663,840</u> | <u>\$ 27,701,800</u> | <u>\$ 158,928,666</u> |

ORANGE COUNTY LIBRARY DISTRICT
Combining Statement of Changes in Fiduciary Net Position-
Pension and Other Postemployment Benefit Trust Funds
Year Ended September 30, 2025

| | <u>Defined Benefit</u> | <u>Defined Contribution</u> | <u>Money Purchase</u> | <u>OPEB</u> | <u>Total</u> |
|---|----------------------------|---------------------------------|---------------------------|----------------------|-----------------------|
| Additions: | | | | | |
| Employer contributions: | | | | | |
| General Fund | \$ 1,500,000 | \$ 1,903,926 | \$ 1,647,164 | \$ 354,441 | \$ 5,405,531 |
| Employee contributions: | | | | | |
| Loan interest | - | - | 17,665 | - | 17,665 |
| Investment gain | 6,246,984 | 4,998,620 | 2,271,661 | 3,529,312 | 17,046,577 |
| Investment expenses | <u>(83,423)</u> | <u>-</u> | <u>-</u> | <u>(8,629)</u> | <u>(92,052)</u> |
| Total additions | <u>7,663,561</u> | <u>6,902,546</u> | <u>3,936,490</u> | <u>3,875,124</u> | <u>22,377,721</u> |
| Deductions: | | | | | |
| Benefits paid to participants | 2,880,197 | 1,472,651 | 685,670 | 551,864 | 5,590,382 |
| Administrative expenses | <u>20,067</u> | <u>42,467</u> | <u>20,340</u> | <u>5,248</u> | <u>88,122</u> |
| Total deductions | <u>2,900,264</u> | <u>1,515,118</u> | <u>706,010</u> | <u>557,112</u> | <u>5,678,504</u> |
| Change in net position | 4,763,297 | 5,387,428 | 3,230,480 | 3,318,012 | 16,699,217 |
| Net position - beginning of year | <u>61,865,806</u> | <u>39,546,495</u> | <u>16,433,360</u> | <u>24,383,788</u> | <u>142,229,449</u> |
| Net position - end of year | <u>\$ 66,629,103</u> | <u>\$ 44,933,923</u> | <u>\$ 19,663,840</u> | <u>\$ 27,701,800</u> | <u>\$ 158,928,666</u> |

ORANGE COUNTY LIBRARY DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Capital Projects Fund (Budgetary Basis)
Year Ended September 30, 2025

| | Original and Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|--|---------------------------|---|
| Revenues: | | | |
| Miscellaneous revenue: | | | |
| Investment income | \$ 125,000 | \$ 2,323,759 | \$ 2,198,759 |
| Expenditures: | | | |
| Capital outlay | 28,225,000 | 12,955,278 | 15,269,722 |
| Revenues over (under) expenditures | (28,100,000) | (10,631,519) | 17,468,481 |
| Other Financing Sources: | | | |
| Transfers in | 5,000,000 | 15,000,000 | 10,000,000 |
| Net change in fund balance | \$ (23,100,000) | 4,368,481 | \$ 27,468,481 |
| Fund balance at beginning of year | | 54,080,448 | |
| Fund balance at end of year | | \$ 58,448,929 | |

ORANGE COUNTY LIBRARY DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Capital Projects Sinking Fund (Budgetary Basis)
Year Ended September 30, 2025

| | Original and Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|--|---------------------------|---|
| Revenues: | | | |
| Miscellaneous revenue: | | | |
| Investment income | \$ 50,000 | \$ 315,936 | \$ 265,936 |
| Revenues over expenditures | 50,000 | 315,936 | 265,936 |
| Other Financing Sources: | | | |
| Transfers in | 500,000 | 2,000,000 | 1,500,000 |
| Net change in fund balance | \$ 550,000 | 2,315,936 | \$ 1,765,936 |
| Fund balance at beginning of year | | 6,556,342 | |
| Fund balance at end of year | | \$ 8,872,278 | |

ORANGE COUNTY LIBRARY DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Permanent Fund (Budgetary Basis)
Year Ended September 30, 2025

| | Original and Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|--|---------------------------|---|
| Revenues: | | | |
| Miscellaneous revenue: | | | |
| Investment income | \$ 25,000 | \$ 208,677 | \$ 183,677 |
| Expenditures: | | | |
| Capital outlay | 75,000 | 34,805 | 40,195 |
| Revenues over (under) expenditures | (50,000) | 173,872 | 223,872 |
| Net change in fund balance | \$ (50,000) | 173,872 | \$ 223,872 |
| Fund balance at beginning of year | | 1,612,632 | |
| Fund balance at end of year | | \$ 1,786,504 | |

STATISTICAL SECTION

ORANGE COUNTY LIBRARY DISTRICT

STATISTICAL SECTION

The Statistical Section of the Annual Comprehensive 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 | 70 - 73 |
| These schedules contain trend information to help the reader understand how the District's financial performance and position have changed over time. | |
| Revenue Capacity | 74 - 77 |
| These schedules contain information to help the reader assess the factors affecting the District's ability to generate property taxes. | |
| Debt Capacity | 78 - 82 |
| 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 | 83 - 84 |
| 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 | 85 - 87 |
| 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 annual comprehensive 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 (2) | UNRESTRICTED | TOTAL |
|----------------|-----|--|----------------|----------------|----------------|
| 2025 | (5) | \$ 48,644,817 | \$ 16,999,521 | \$ 115,489,209 | \$ 181,133,547 |
| 2024 | | 33,948,426 | 22,730,812 | 99,718,674 | 156,397,912 |
| 2023 | | 32,290,148 | 12,533,223 | 88,950,654 | 133,774,025 |
| 2022 | | 31,141,958 | 9,058,887 | 73,126,497 | 113,327,342 |
| 2021 | | 32,478,947 (4) | 26,058,685 | 38,825,866 | 97,363,498 |
| 2020 | | 32,866,257 (3) | 11,429,317 | 30,805,194 | 75,100,768 |
| 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 (1) | 886,358 | 16,684,484 | 50,783,920 |

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

(2) Includes net pension asset and net OPEB asset, nonexpendable endowments, new branch agreements.

(3) The net OPEB asset increased due to a change in assumptions in the 2020 Actuarial Report. This includes the incorporation of a new mortality table and removal of the load for excise tax.

(4) The net pension and OPEB assets increased due to higher net investment income earned during the year.

(5) The increase of \$14,696,391 from FY 24 is primarily due to the Horizon West construction and OPL Roof Replacement projects.

ORANGE COUNTY LIBRARY DISTRICT

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

| | Fiscal Year | | | | | | | | | |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Program Expenses | | | | | | | | | | |
| Salaries and benefits | \$ 34,261,458 | \$ 33,345,281 | \$ 27,719,873 | \$ 22,389,115 | \$ 17,503,948 | \$ 22,003,497 | \$ 24,910,999 | \$ 22,787,890 | \$ 22,900,705 | \$ 21,474,152 |
| Operating | 13,384,573 | 12,276,577 | 11,550,245 | 10,809,715 | 8,240,745 | 9,168,322 | 10,098,378 | 9,075,273 | 9,087,009 | 9,354,014 |
| Depreciation/amortization | 4,995,717 | 4,632,698 | 4,505,833 | 4,380,685 | 3,674,840 | 3,782,117 | 3,914,812 | 4,076,370 | 4,303,673 | 4,382,963 |
| Electronic Materials | 5,108,194 | 4,571,539 | 3,781,904 | 3,409,448 | 3,476,077 | 3,301,894 | 2,948,660 | 3,130,625 | 2,866,042 | 2,898,914 |
| Total Expenses | 57,749,942 | 54,826,095 | 47,557,855 | 40,988,963 | 32,895,610 | 38,255,830 | 41,872,849 | 39,070,158 | 39,157,429 | 38,110,043 |
| Program Revenues | | | | | | | | | | |
| Charges for services | 759,004 | 631,152 | 556,289 | 742,364 | 746,202 | 820,986 | 1,163,129 | 1,279,929 | 1,289,113 | 1,377,878 |
| Operating grants & contrib. | 1,322,197 | 955,233 | 1,565,831 | 1,525,277 | 1,302,423 | 1,182,531 | 1,518,081 | 1,268,671 | 1,237,111 | 1,151,860 |
| Capital grants & contrib. | - | - | - | - | - | - | - | - | - | 500,000 |
| Total Program Revenues | 2,081,201 | 1,586,385 | 2,122,120 | 2,267,641 | 2,048,625 | 2,003,517 | 2,681,210 | 2,548,600 | 2,526,224 | 3,029,738 |
| Total Net (Exp.) | (55,668,741) | (53,239,710) | (45,435,735) | (38,721,322) | (30,846,985) | (36,252,313) | (39,191,639) | (36,521,558) | (36,631,205) | (35,080,305) |
| General Expenses | | | | | | | | | | |
| Interest Expense | 211,501 | 234,221 (2) | 257,612 (1) | 229,691 | - | - | - | - | - | - |
| General Revenues | | | | | | | | | | |
| Property Taxes | 74,382,576 | 68,992,498 | 61,604,263 | 54,514,376 | 52,539,629 | 48,227,320 | 44,157,999 | 40,292,698 | 36,747,153 | 33,714,713 |
| Investment income | 5,948,232 | 6,487,213 (3) | 4,372,167 | 238,541 | 327,460 | 780,606 | 896,826 | 449,103 | 270,264 | 172,626 |
| Miscellaneous | 285,069 | 274,421 | 163,600 | 161,940 | 242,626 | 153,710 | 154,984 | 272,751 | 266,984 | 302,935 |
| Total General Revenues | 80,615,877 | 75,754,132 | 66,140,030 | 54,914,857 | 53,109,715 | 49,161,636 | 45,209,809 | 41,014,552 | 37,284,401 | 34,190,274 |
| Change in Net Position | \$ 24,735,635 | \$ 22,280,201 | \$ 20,446,683 | \$ 15,963,844 | \$ 22,262,730 | \$ 12,909,323 | \$ 6,018,170 | \$ 4,492,994 | \$ 653,196 | \$ (890,031) |

(1) Effective in Fiscal Year 2022, the District had interest expense associated with the financing of the long-term lease liabilities.

(2) Starting in fiscal year 2023, the District reported interest expense related to subscription liabilities.

(3) The Fed Fund rates as well as other investment rates increased in Fiscal Year 2023.

ORANGE COUNTY LIBRARY DISTRICT

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

| | Fiscal Year | | | | | | | | | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| General Fund: | | | | | | | | | | |
| Nonspendable: | | | | | | | | | | |
| Inventory | \$ 177,366 | \$ 151,527 | \$ 104,877 | \$ 132,454 | \$ 149,944 | \$ 171,956 | \$ 123,866 | \$ 155,055 | \$ 176,092 | \$ 162,025 |
| Prepaid Items | 252,620 | 433,555 | 288,254 | 160,425 | 179,414 | 223,747 | 179,387 | 258,713 | 119,952 | 174,017 |
| 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 | | | | | | | | | | |
| 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: | | | | | | | | | | |
| Future Author Events | (5) 77,010 | (5) 41,204 | - | - | - | - | - | - | - | - |
| Future OCLS Foundation | (6) 697,831 | - | - | - | - | - | - | - | - | - |
| Subsequent Year's Budget | - | - | - | - | - | - | - | 323,000 | 1,000,877 | 2,080,087 |
| Unassigned: | <u>37,980,683</u> | <u>39,400,725</u> | <u>33,118,858</u> | <u>24,638,952</u> | <u>18,154,274</u> | <u>13,312,423</u> | <u>9,305,827</u> | <u>6,981,043</u> | <u>4,242,799</u> | <u>2,234,086</u> |
| Total General Fund | <u><u>\$ 44,151,855</u></u> | <u><u>\$ 44,993,356</u></u> | <u><u>\$ 38,478,334</u></u> | <u><u>\$ 29,898,176</u></u> | <u><u>\$ 23,449,977</u></u> | <u><u>\$ 18,674,471</u></u> | <u><u>\$ 14,575,425</u></u> | <u><u>\$ 12,684,156</u></u> | <u><u>\$ 10,506,065</u></u> | <u><u>\$ 9,616,560</u></u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable: | | | | | | | | | | |
| Kendrick B. Melrose Donation | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| Lake Nona - Advance Rent Payment | 440,000 | 440,000 | 440,000 | (4) 440,000 | - | - | - | - | - | - |
| Prepaid | 47,395 | - | - | - | - | - | - | - | - | - |
| Restricted for: | | | | | | | | | | |
| Melrose Center Operations | 786,504 | 612,632 | 321,028 | 160,526 | 572,687 | 309,654 | 213,782 | 183,632 | 133,020 | 59,693 |
| Horizon West-Emergency Repair Fund | 1,000,000 | 1,000,000 | 1,000,000 | (2) 1,000,000 | - | - | - | - | - | - |
| Horizon West-Demolition Fund | 276,691 | 250,754 | (3) 250,754 | (3) 250,000 | - | - | - | - | - | - |
| Assigned To: | | | | | | | | | | |
| Capital Projects | <u>65,557,121</u> | <u>58,946,036</u> | <u>44,023,034</u> | (1) <u>33,094,969</u> | <u>26,134,808</u> | <u>15,098,531</u> | <u>10,673,716</u> | <u>5,917,620</u> | <u>4,334,823</u> | <u>3,303,238</u> |
| Total All Other Governmental Funds | <u><u>\$ 69,107,711</u></u> | <u><u>\$ 62,249,422</u></u> | <u><u>\$ 47,034,816</u></u> | <u><u>\$ 35,945,495</u></u> | <u><u>\$ 27,707,495</u></u> | <u><u>\$ 16,408,185</u></u> | <u><u>\$ 11,887,498</u></u> | <u><u>\$ 6,601,252</u></u> | <u><u>\$ 4,967,843</u></u> | <u><u>\$ 3,862,931</u></u> |

- (1) Additional funding was provided to the Capital Projects Fund to fully fund the Horizon West Branch and provide initial capital to start funding the Lake Nona Branch.
- (2) Additional funding was provided for the Horizon West Emergency Repair Fund per the land lease agreement with Orange County. The funds are to be used to repair the building while waiting on insurance proceeds.
- (3) Prepaid amount is the deposit for the interest bearing Demolition Fund to pay for the removal of the Horizon West facility after the lease expires. For fiscal year 2023, this includes the initial Demolition Fund deposit of \$250,000 plus accumulated interest.
- (4) Prepaid amount towards the first year land lease on the Lake Nona Branch per the land lease contract with the City of Orlando.
- (5) Net proceeds of \$41,204 are from the November 6, 2023 Neil Gaiman and Art Spiegelman event and net proceeds of \$35,806 are from the January 24, 2025 John Green event sponsored and hosted by the Library. These proceeds are being held in reserve to fund a future events of the same caliber.
- (6) The \$697,831 are non-restricted proceeds from the Doose and Cobble estates and will be combined with future non-restricted estate donations, such as the Tucheck estate in FY 2025-26 to establish initial funding of the OCLS Foundation. The OCLS Foundation will seek large dollar donations from corporations and individuals for use to expand services offered to OCLS customers.

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

| | Fiscal Year | | | | | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|----------------------|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Revenues | | | | | | | | | | | |
| Property Taxes | \$74,382,576 | \$68,992,498 | \$61,604,263 | \$54,514,376 | \$52,539,629 | \$48,227,320 | \$44,157,999 | \$40,292,698 | \$36,747,153 | \$33,714,713 | \$30,552,756 |
| Intergovernmental | 704,730 | 719,374 | 1,194,588 | 1,146,695 | 951,936 | 1,058,560 | 890,125 | 1,048,075 | 1,052,618 | 1,224,878 | 1,560,875 |
| Fees & Lost Materials | 83,145 | 77,415 | 72,235 | 415,440 | 453,995 | 487,223 | 669,617 | 756,003 | 786,065 | 886,427 | 1,048,826 |
| Charges for Services | 675,859 | 553,737 | 484,054 | 326,924 | 292,207 | 333,763 | 493,512 | 523,926 | 503,048 | 491,451 | 462,757 |
| Investment Income | (6) 5,948,232 | (5) 6,487,213 | (3) 4,372,167 | 238,541 | 327,460 | 780,606 | 896,826 | 449,103 | 270,264 | 172,626 | 95,449 |
| Miscellaneous | 907,871 | 511,659 | 545,424 | 546,103 | 610,123 | 279,671 | 790,742 | 500,191 | 646,804 | 739,518 | 829,635 |
| Total Revenues | 82,702,413 | 77,341,896 | 68,272,731 | 57,188,079 | 55,175,350 | 51,167,143 | 47,898,821 | 43,569,996 | 40,005,952 | 37,229,613 | 34,550,298 |
| Expenditures | | | | | | | | | | | |
| Salaries & Benefits | \$35,939,349 | \$32,533,744 | \$27,780,385 | \$24,424,844 | \$23,189,376 | \$24,908,885 | \$24,281,867 | \$22,706,126 | \$22,052,113 | \$20,620,002 | \$19,663,201 |
| Operating | 13,192,291 | 12,059,133 | 11,243,771 | 10,669,614 | 9,056,711 | 9,916,837 | 10,526,038 | 9,209,974 | 9,136,182 | 9,044,726 | 9,102,757 |
| Books & Other Materials | 6,262,564 | 5,530,672 | 4,826,999 | 4,632,514 | 4,494,634 | 4,367,937 | 4,193,777 | 4,447,476 | 4,573,355 | 4,736,787 | 4,863,762 |
| Capital Outlay | (7) 21,709,011 | 4,567,448 | 3,935,548 | (1) 10,502,096 | 2,359,813 | 3,353,751 | 1,719,624 | 3,394,920 | 2,249,885 | 2,375,873 | 1,467,012 |
| Capital Projects Outlay | - | - | - | - | - | - | - | - | - | - | 3,220,131 |
| Debt Service | | | | | | | | | | | |
| Principal | 1,488,770 | 982,729 | 963,130 | 767,780 | - | - | - | - | - | - | - |
| Interest | 211,501 | 234,221 | 257,612 | 229,691 | - | - | - | - | - | - | - |
| Total Expenditures | 78,803,486 | 55,907,947 | 49,007,445 | 51,226,539 | 39,100,534 | 42,547,410 | 40,721,306 | 39,758,496 | 38,011,535 | 36,777,388 | 38,316,863 |
| Excess of revenues over(under)expenditures | 3,898,927 | 21,433,949 | 19,265,286 | 5,961,540 | 16,074,816 | 8,619,733 | 7,177,515 | 3,811,500 | 1,994,417 | 452,225 | (3,766,565) |
| Other Financing Sources | 2,117,861 | 295,679 | (4) 404,193 | (1) 8,724,659 | - | - | - | - | - | - | - |
| Net Change in Fund Balances | \$ 6,016,788 | \$21,729,628 | \$19,669,479 | \$14,686,199 | \$16,074,816 | \$ 8,619,733 | \$ 7,177,515 | \$ 3,811,500 | \$ 1,994,417 | \$ 452,225 | \$(3,766,565) |
| Debt Service | \$ 1,700,271 | \$ 1,216,950 | \$ 1,220,742 | (2) \$ 997,471 | - | - | - | - | - | - | - |
| Government-wide Capital Outlay | (8) \$22,863,381 | \$ 5,526,581 | \$ 4,980,643 | \$11,725,162 | \$ 3,378,370 | \$ 4,419,794 | \$ 2,964,741 | \$ 4,711,771 | \$ 3,957,198 | \$ 4,213,746 | \$ 4,687,143 |
| Non Capital Expenditures | \$55,940,105 | \$50,381,366 | \$44,026,802 | \$39,501,377 | \$35,722,164 | \$38,127,616 | \$37,756,565 | \$35,046,725 | \$34,054,337 | \$32,563,642 | \$33,629,720 |
| Debt Service as percentage of noncapital expenditures | 3.04% | 2.42% | 2.77% | 2.53% | - | - | - | - | - | - | - |

(1) Includes \$8,724,659 in Fiscal Year 2022 for leased facilities and equipment as required by GASB Statement No. 87.

(2) Effective in Fiscal Year 2022, the District had Debt Service expenditures associated with the financing of the long-term lease liabilities.

(3) The Fed Fund rates as well as other investment rates increased in Fiscal Year 2023.

(4) Effective in Fiscal Year 2023, the District had Debt Service expenditures associated with the financing of subscription liabilities.

(5) The increase in investment income can be attributed to additional funds being invested, the market performance and the Fed Fund rates continued to stay high through most of the year.

(6) The decrease in investment income can be attributed to lower interest rates and expending \$21M on capital projects throughout the year.

(7) The increase in capital outlay can be attributed to the construction of the Horizon West and Lake Nona facilities, replacing the roof at OPL, exterior lighting upgrades at OPL, Winter Garden Refresh and West Oaks HVAC replacement.

(8) The increase in government-wide capital outlay is due to the construction, furniture, and physical materials of the new Horizons West branch, the Orlando Public Library roof replacement, new SBITAs and leases and other various projects and furniture and equipment.

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 | Total Direct |
|-------------|------------------------|----------------------|------------------------|----------------------|--------------------------------|----------------------|------------------------|----------------------|---|--------------|
| | 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 Taxable Assessed Value to Total Est. Fair Value | |
| 2025 | \$207,287,164,049 | \$310,294,637,349 | \$13,964,700,986 | \$18,966,271,962 | \$ 55,448,030 | \$ 56,682,268 | \$ 221,307,313,065 | \$329,317,591,579 | 67.20% | 0.3748 |
| 2024 | 192,201,674,459 | 292,956,820,676 | 13,586,672,244 | 18,727,316,860 | 54,953,699 | 56,233,001 | 205,843,300,402 | 311,740,370,537 | 66.03 | 0.3748 |
| 2023 | 158,883,292,398 | 242,434,146,155 | 11,671,363,244 | 16,116,615,330 | 41,207,380 | 42,366,508 | 170,595,863,022 | 258,593,127,993 | 65.97 | 0.3748 |
| 2022 | 139,010,101,850 | 197,283,785,566 | 11,797,989,340 | 16,164,406,177 | 49,749,362 | 50,932,744 | 150,857,840,552 | 213,499,124,487 | 70.66 | 0.3748 |
| 2021 | 134,235,736,799 | 192,437,422,184 | 11,706,763,404 | 15,910,836,806 | 26,768,661 | 31,062,923 | 145,969,268,864 | 208,379,321,913 | 70.05 | 0.3748 |
| 2020 | 123,338,615,836 | 180,148,078,257 | 11,035,076,899 | 15,299,256,874 | 24,960,733 | 28,182,016 | 134,398,653,468 | 195,475,517,147 | 68.75 | 0.3748 |
| 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 |

(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 2024 tax roll data is reported here for Fiscal Year 2025, as that is the period of collection and revenue recognition.

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) |
|--|---------------------------------|--------------------------|-------------------------|---|
| 2025 | 0.3748 | 4.4347 | 6.4640 | 11.2735 |
| 2024 | 0.3748 | 4.4347 | 6.4210 | 11.2305 |
| 2023 | 0.3748 | 4.4347 | 6.4620 | 11.2715 |
| 2022 | 0.3748 | 4.4347 | 6.7370 | 11.5465 |
| 2021 | 0.3748 | 4.4347 | 6.8570 | 11.6665 |
| 2020 | 0.3748 | 4.4347 | 6.8570 | 11.6665 |
| 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 |

(1) Information is reported based on the fiscal year in which associated tax revenue is recognized- e.g., the 2024 tax roll data is reported here for Fiscal Year 2025, 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 2025 ⁽¹⁾ | | FISCAL YEAR 2016 | |
|---|------------------|---------------------------------|------------------------------------|-------------------|------------------------------------|
| | | ASSESSED VALUE | PERCENTAGE OF TOTAL ASSESSED VALUE | ASSESSED VALUE | PERCENTAGE OF TOTAL ASSESSED VALUE |
| Walt Disney Company | Tourism | \$ 11,900,000,000 | 5.38% | \$ 8,200,000,000 | 8.75% |
| Universal City Development | Tourism | 2,900,000,000 | 1.31 | 2,100,000,000 | 2.24 |
| Holiday Inn Club Vacations | Hotels | 1,200,000,000 | 0.54 | - | - |
| Marriott Ownership Resorts | Hotels | 1,040,000,000 | 0.47 | 1,600,000,000 | 1.71 |
| Flamingo Crossings | Hotels | 836,000,000 | 0.38 | - | - |
| Wyndham Vacation Resorts | Hotels | 733,000,000 | 0.33 | 574,400,000 | 0.61 |
| Hilton Resorts | Hotels | 515,000,000 | 0.23 | 1,200,000,000 | 1.28 |
| Glo Hotel Owner LLC | Hotels | 510,000,000 | 0.23 | - | - |
| Florida Mall Associates Ltd. | Retail | 450,000,000 | 0.20 | - | - |
| Westgate Lakes Ltd. | Hotels | 431,000,000 | 0.19 | 560,900,000 | 0.60 |
| Hyatt | Hotels | - | - | 947,200,000 | 1.01 |
| Orange Lake Country Club | Hotels | - | - | 778,200,000 | 0.83 |
| Duke Energy | Utilities | - | - | 735,500,000 | 0.78 |
| Vistana/SVO Village | Timeshare | - | - | 508,400,000 | 0.54 |
| Total Top Ten Principal Taxpayers | | \$ 20,515,000,000 | 9.26% | \$ 17,204,600,000 | 18.35% |
| Taxable Assessed Value of all other taxpayers | | \$ 200,792,313,065 | 90.74% | \$ 76,539,093,760 | 81.65% |
| Total Taxable Assessed Value of all taxpayers | | \$ 221,307,313,065 | 100.00% | \$ 93,743,693,760 | 100.00% |

(1) Information is reported based on the fiscal year in which associated tax revenue is recognized- e.g., the 2024 tax roll data is reported here for Fiscal Year 2025, 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 2025 is not available so 2024 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 |
| 2025 | \$77,195,825 | \$72,849,373 | 94.37% | \$95,150 | \$72,944,523 | 94.49% |
| 2024 | 71,799,932 | 67,697,620 | 94.29 | 51,313 | 67,748,933 | 94.36 |
| 2023 | 63,974,218 | 60,278,083 | 94.22 | 112,615 | 60,390,698 | 94.40 |
| 2022 | 56,667,402 | 53,598,173 | 94.58 | 166,435 | 53,764,608 | 94.88 |
| 2021 | 54,888,121 | 52,149,328 | 95.01 | 227,126 | 52,376,454 | 95.42 |
| 2020 | 50,517,071 | 48,139,779 | 95.29 | 87,492 | 48,227,271 | 95.47 |
| 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 |

(1) Information is reported based on the fiscal year in which associated tax revenue is recognized- e.g., the 2024 tax roll data is reported here for Fiscal Year 2025, as that is the period of collection and revenue recognition.

Source: Orange County Tax Collector

ORANGE COUNTY LIBRARY DISTRICT

RATIOS OF OUTSTANDING DEBT LAST TEN FISCAL YEARS

| Governmental Activities | | | | | | | | | |
|-------------------------|-----------------------|-------------------------------|-------------------------------------|---------------|--------------------------------|------------------------------|---|--|--|
| FISCAL YEAR | LEASE LIABILITY(1) | SUBSCRIPTION LIABILITY (2) | TOTAL GOVERNMENTAL ACTIVITIES | POPULATION(3) | TOTAL DEBT PER CAPITA | TAXABLE ASSESSED VALUE | TOTAL DEBT AS A PERCENTAGE OF TAXABLE ASSESSED VALUE | | |
| 2025 | \$5,898,276 | (4) \$ 1,416,896 | \$ 7,315,172 | (3) 1,485,304 | \$ 4.93 | \$221,307,313,065 | 0.003% | | |
| 2024 | 6,377,231 | 308,850 | 6,686,081 | 1,460,961 | 4.58 | 205,843,300,402 | 0.003 | | |
| 2023 | 7,187,827 | (2) 210,115 | 7,397,942 | 1,442,281 | 5.13 | 170,595,863,022 | 0.004 | | |
| 2022 | (1) 7,956,879 | - | 7,956,879 | 1,427,218 | 5.58 | 150,857,840,552 | 0.005 | | |

(1) In Fiscal Year 2022, GASB Statement No. 87 *Leases* was implemented. This standard changed the reporting of obligations for leased assets.

(2) In Fiscal Year 2023, GASB Statement No. 96 *Subscription-Based Information Technology Arrangements* was implemented. This standard changed the reporting of right-to-use capital assets and subscription liabilities.

(3) Population for 2025 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

(4) The increase in Subscription Liability in Fiscal Year 2025 is due to the implementation of the new financial software system and HR information system.

Source: University of Florida, Bureau of Economics and Business Research
Orange County Property Appraiser

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, 2025

| <u>JURISDICTION</u> | <u>GROSS DEBT OUTSTANDING</u> | <u>PERCENTAGE APPLICABLE TO ORANGE COUNTY LIBRARY DISTRICT(5)</u> | <u>AMOUNT APPLICABLE TO ORANGE COUNTY LIBRARY DISTRICT</u> | <u>DEBT PER CAPITA (6)</u> |
|--|-----------------------------------|---|--|--------------------------------|
| Direct: | | | | |
| Orange County Library District (1) | | | | |
| Obligation for Leased Assets (2) | \$5,898,276 | 100.0% | \$5,898,276 | \$3.97 |
| Obligation for Subscriptions (3) | 1,416,896 | 100.0% | 1,416,896 | 0.95 |
| Subtotal Direct Debt | <u>7,315,172</u> | | <u>7,315,172</u> | |
| Overlapping: | | | | |
| Central Florida Tourism Oversight District (4) | 673,950,000 | 95.0% | 640,252,500 | 431.06 |
| Subtotal Overlapping Debt | <u>673,950,000</u> | | <u>640,252,500</u> | |
| Total Direct and Overlapping Debt | <u><u>\$681,265,172</u></u> | | <u><u>\$647,567,672</u></u> | <u><u>\$435.98</u></u> |

- (1) Bank Line of Credit was paid off in FY 2010
General Obligation Bonds were paid off in FY 2006
- (2) In Fiscal Year 2022, GASB Statement No. 87, Leases was implemented. This standard changed the reporting of obligations for leased assets.
- (3) In Fiscal Year 2023, GASB Statement No. 96, Subscription Based Information Technology Arrangements was implemented. This standard changed the reporting of subscription liabilities.
- (4) Bond issues of 2016A, 2017A, 2020A, 2024A (Central Florida Oversight District)
- (5) 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.
- (6) Based on 2025 District population estimate of \$1,485,304

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 |
|----------------|-----|---------------|-----|--------------------|----------------------------------|-----|----------------------|
| 2025 | (1) | 1,485,304 | (2) | 96,397,948,000 | \$ 64,901 | | 4.0% |
| 2024 | | 1,460,961 | | 96,397,948,000 | 65,983 | | 3.3 |
| 2023 | | 1,442,281 | | 87,942,773,000 | 60,975 | | 3.0 |
| 2022 | | 1,427,218 | | 80,442,532,000 | 56,363 | | 2.6 |
| 2021 | | 1,405,373 | | 78,220,929,000 | 55,658 | (4) | 4.5 |
| 2020 | | 1,360,252 | | 69,363,482,000 | 50,993 | (3) | 9.8 |
| 2019 | | 1,330,868 | | 64,447,389,000 | 48,425 | | 2.7 |
| 2018 | | 1,297,459 | | 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 |

(1) Population for 2025 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 2025 not available so 2024 personal income used as an estimate. Includes all of Orange County.

(3) Higher unemployment rates due to the effects of the COVID19 pandemic on businesses.

(4) Lower unemployment rates as more people are getting back to the work force after the pandemic.

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 | 2025 | | 2016 | |
|--|----------------|--------------------------------------|----------------|--------------------------------------|
| | EMPLOYEES | PERCENTAGE OF TOTAL EMPLOYMENT | EMPLOYEES | PERCENTAGE OF TOTAL EMPLOYMENT |
| Walt Disney World | 75,000 | 9.37% | 74,000 | 10.76% |
| AdventHealth | 37,672 | 4.71 | 19,304 | 2.81 |
| Universal Orlando Resort | 26,800 | 3.35 | 20,000 | 2.91 |
| Orlando Health | 24,978 | 3.12 | 15,174 | 2.21 |
| Orange County Public Schools | 24,685 | 3.08 | - | - |
| Walmart | 24,290 | 3.04 | - | - |
| Publix | 20,000 | 2.50 | - | - |
| Lockheed Martin | 14,000 | 1.75 | 7,000 | 1.02 |
| University of Central Florida | 13,004 | 1.63 | 6,564 | 0.95 |
| Seminole County Public Schools | 10,356 | 1.29 | - | - |
| Westgate Resorts | - | - | 6,156 | 0.90 |
| Orange County Government | - | - | 6,768 | 0.98 |
| Darden Restaurants, Inc. | - | - | 5,211 | 0.76 |
| Rosen Hotels & Restaurants | - | - | 4,322 | 0.63 |
| Total | 270,785 | 33.84 | 164,499 | 23.93 |
| Total Employment in Orange County | 800,193 | | 687,794 | |

Source: Top 10 Employers from Orlando Business Journal Book of Lists dated 2024/2025
 2025/2026 not published as of December 2025
 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

| FISCAL YEAR | FULL TIME EQUIVALENTS |
|------------------------|----------------------------------|
| 2025 | 411 |
| 2024 | 403 |
| 2023 | 359 |
| 2022 | 330 |
| 2021 | 308 |
| 2020 | 325 |
| 2019 | 336 |
| 2018 | 335 |
| 2017 | 328 |
| 2016 | 328 |

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 |
|----------------|-----|-------------|--------------------------------|------------------------------------|-----|----------------------|
| 2025 | (3) | 7,807,539 | 3,524,536 | 483,121 | | 262,385 |
| 2024 | | 10,432,843 | 3,560,768 | 550,776 | | 264,878 |
| 2023 | | 9,404,892 | 3,603,947 | 446,334 | | 238,704 |
| 2022 | | 8,768,928 | 3,399,015 | 338,351 | | 192,288 |
| 2021 | (2) | 7,582,572 | 3,148,278 | 395,713 | (2) | 168,708 |
| 2020 | | 8,812,904 | 3,583,662 | 352,358 | | 236,951 |
| 2019 | | 10,369,336 | 4,095,285 | 596,269 | | 998,483 |
| 2018 | | 10,127,116 | (1) | 3,929,820 | | 462,956 |
| 2017 | | 11,993,719 | 4,045,818 | 560,713 | | 976,489 |
| 2016 | | 12,912,258 | 4,272,999 | 413,571 | | 974,512 |
| | | | | 413,571 | | 1,098,833 |

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

(2) Declined due to decreased services during COVID19 pandemic.

(3) Change in reporting by the Library.

Source: Orange County Library District

ORANGE COUNTY LIBRARY DISTRICT
SERVICE LOCATION INFORMATION
LAST TEN FISCAL YEARS

| Location | Status | Square Footage | | | | | | | | | |
|-------------------------------|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| 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 | 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 | 8,796 | 8,796 | 8,796 | 8,796 | 8,796 | 8,796 | 12,740 | 12,740 | 12,740 |
| Herndon Branch | Lease (2) | - | - | - | - | - | - | 13,160 | 13,160 | 13,160 | 13,160 |
| Hiawasse 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 | | <u>448,124</u> | <u>448,124</u> | <u>448,124</u> | <u>448,124</u> | <u>448,124</u> | <u>448,124</u> | <u>461,284</u> | <u>465,228</u> | <u>465,228</u> | <u>465,228</u> |

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

(2) In 2020, the Herndon branch lease was not renewed and terminated. The branch is closed.

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, 2025, and the related notes to the financial statements, which collectively comprise District’s basic financial statements, and have issued our report thereon dated March 20, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Orlando, Florida
March 20, 2026

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 the financial statements of the Orange County Library District (the "District"), a component unit of Orange County, Florida, as of and for the year ended September 30, 2025, and have issued our report thereon dated March 20, 2026.

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 the 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* and our Report of Independent Accountant on Compliance with Local Government Investment Policies conducted in accordance with *AICPA Professional Standards*, ATC-315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 20, 2026, 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.

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, we determined that the District did not meet any of the conditions described in Section 218.503(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.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the District reported (unaudited):

- a. The total number of District employees compensated in the last pay period of the District’s fiscal year as 473.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District’s fiscal year as 1.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$36,769,539.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$98,280.
- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as listed below:

| <u>Project</u> | <u>Expenditures</u> |
|----------------------------|-------------------------|
| Horizons West | \$ 12,501,293.00 |
| Main HVAC Controls Upgrade | 90,233.78 |
| Main Ext Lighting Updgrade | 618,685.78 |
| Main Roof Replacement | 2,969,629.43 |
| Lake Nona | 458,029.44 |
| OPL 1st Floor Renovation | 528,170.85 |
| West Oaks HVAC | 249,507.00 |
| Winter Garden Restrooms | 361,456.41 |
| Winter Garden Refresh | 200,237.93 |
| N. O. Water Remediation | 405,198.61 |
| SW Public Area Lighting | 122,639.60 |
| Eatonville RR Refresh | 122,341.00 |
| Chickasaw Light Upgrade | 76,409.00 |
| | <u>\$ 18,703,831.83</u> |

- f. No budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported, since the District did not amend a final adopted budget under Section 189.016(6), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8 Rules of the Auditor General, the District reported (unaudited):

- a. The mileage rate or rates imposed by the District as 0.3748.
- b. The total amount of ad valorem taxes collected by or on behalf of the District as \$74,382,576.
- c. No outstanding bonds issued by the District.

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 has 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

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, Board of Trustees members, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

Cherry Bekaert LLP

Orlando, Florida
March 20, 2026

Report of Independent Accountant 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, 2025. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2025.

This report is intended solely for the information and use of the Florida Auditor General, the District Board members, and applicable management and is not intended to be, and should not be, used by anyone other than the specified parties.

Cherry Bekaert LLP

Orlando, Florida
March 20, 2026