

ANNUAL COMPREHENSIVE FINANCIAL REPORT

ORANGE COUNTY LIBRARY DISTRICT
(A COMPONENT UNIT OF ORANGE COUNTY, FLORIDA)

YEAR ENDED | 9.30.23



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YEAR ENDED SEPTEMBER 30, 2023**

Table of Contents

	Page
I. INTRODUCTORY SECTION	
Letter of Transmittal.....	i - iii
Organizational Chart.....	iv
List of Principal Officials.....	v
Certificate of Achievement.....	vi
 II. FINANCIAL SECTION	
Report of Independent Auditor.....	1 - 3
A. MANAGEMENT’S DISCUSSION AND ANALYSIS.....	4 - 14
 B. BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Governmental Net Position.....	15
Statement of Governmental Activities.....	16
 Fund Financial Statements	
Balance Sheet - Governmental Funds.....	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Governmental Activities.....	19
Statement of Net Position – Internal Service Fund.....	20
Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Fund.....	21
Statement of Cash Flows – Internal Service Fund.....	22
Statement of Fiduciary Net Position – Pension and Other Postemployment Benefit Trust Funds.....	23
Statement of Changes in Fiduciary Net Position – Pension and Other Postemployment Benefit Trust Funds.....	24
 Notes to Financial Statements.....	 25 - 53

C. REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	54
Schedule of Employer Contributions - Defined Benefit Pension Plan.....	55
Schedule of Changes in Net Pension Liability (Asset) - Defined Benefit Pension Plan.....	56
Schedule of Actuarial Methods and Assumptions - Defined Benefit Pension Plan.....	58
Schedule of Investment Returns - Defined Benefit Pension Plan.....	58
Schedule of Employer Contributions – Other Postemployment Benefit Plan.....	59
Schedule of Changes in Net OPEB Liability (Asset) – Other Postemployment Benefit Plan.....	60
Schedule of Actuarial Methods and Assumptions – Other Postemployment Benefit Plan.....	62
Schedule of Investment Returns - Other Postemployment Benefit Plan.....	62

D. OTHER SUPPLEMENTARY INFORMATION

Combining Statement of Fiduciary Net Position - Pension and Other Postemployment Benefit Trust Funds.....	63
Combining Statement of Changes in Fiduciary Net Position - Pension and Other Postemployment Benefit Trust Funds.....	64
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Projects Fund.....	65
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Projects Sinking Fund.....	66
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Permanent Fund.....	67

III. STATISTICAL SECTION

Statistical Section Contents.....	68
Net Position.....	69
Changes in Net Position.....	70
Fund Balances – Governmental Funds.....	71
Changes in Fund Balances – Governmental Funds.....	72
Taxable Assessed Value and Estimated Fair Value of Taxable Property.....	73
Property Tax Rates –Direct and Overlapping Governments.....	74
Principal Property Taxpayers.....	75
Property Tax Levies and Collections.....	76
Ratios of Outstanding Debt.....	77
Ratios of Net General Obligation Bonded Debt.....	78
Computation of Direct and Overlapping General Debt.....	79
Legal Debt Margin.....	80
Pledged Revenue Coverage.....	81
Demographic and Economic Information.....	82
Principal Employers.....	83
District Employees.....	84

Operating Indicators.....	85
Service Location Information.....	86

IV. 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 <i>Government Auditing Standards</i>	87
Independent Auditor's Management Letter.....	89
Independent Accountant's Report on Compliance With Local Government Investments Policies	92

INTRODUCTORY SECTION



STEVEN POWELL Library Director/Chief Executive Officer

February 29, 2024

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, 2023, 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 one year of fiscal year-end, presented in conformance with generally accepted accounting principles (GAAP) as applicable to governmental entities, and audited in accordance with generally accepted auditing standards 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 1,442,000 residents through a 290,000-square-foot Main 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, Orange County Public Schools, Orlando Health, University of Central Florida, Seminole County Public Schools, Lockheed Martin, the School District of Osceola County and Orange County Government. The two largest property taxpayers of the District are the Walt Disney Company and Marriott Resorts.

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, 2023, \$8,750,000 was transferred for this purpose and the subsequent year's budget allocated \$4,500,000 for this purpose. As of September 30, 2023, the District had accumulated \$39,774,216 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 (6.75% for pension and 6.5% for OPEB) and annually contributing the contribution required by actuaries, the District has appropriately funded plans. Each of the two plans 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, 2023, the District completed the North Orange Roof, the Melrose Theatrical Lighting Project, the Photo Studio Refresh, installed a lactation pod at the Main Library, and the completed Windermere expansion. The Horizon West branch design was 75% complete and the Lake Nona Design began. The District also began adding additional sound booths in the Melrose Center and upgrading the HVAC controls at the Main Library. New projects for fiscal year 2023-2024 include completing the Melrose Sound Booths Project, replacing the HVAC systems at the Southwest and West Oaks branches and beginning the replacement of the roof as well as refreshing the Palm, Magnolia and Cypress meeting rooms at the Main Library.

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, 2022. This was the twentieth 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,

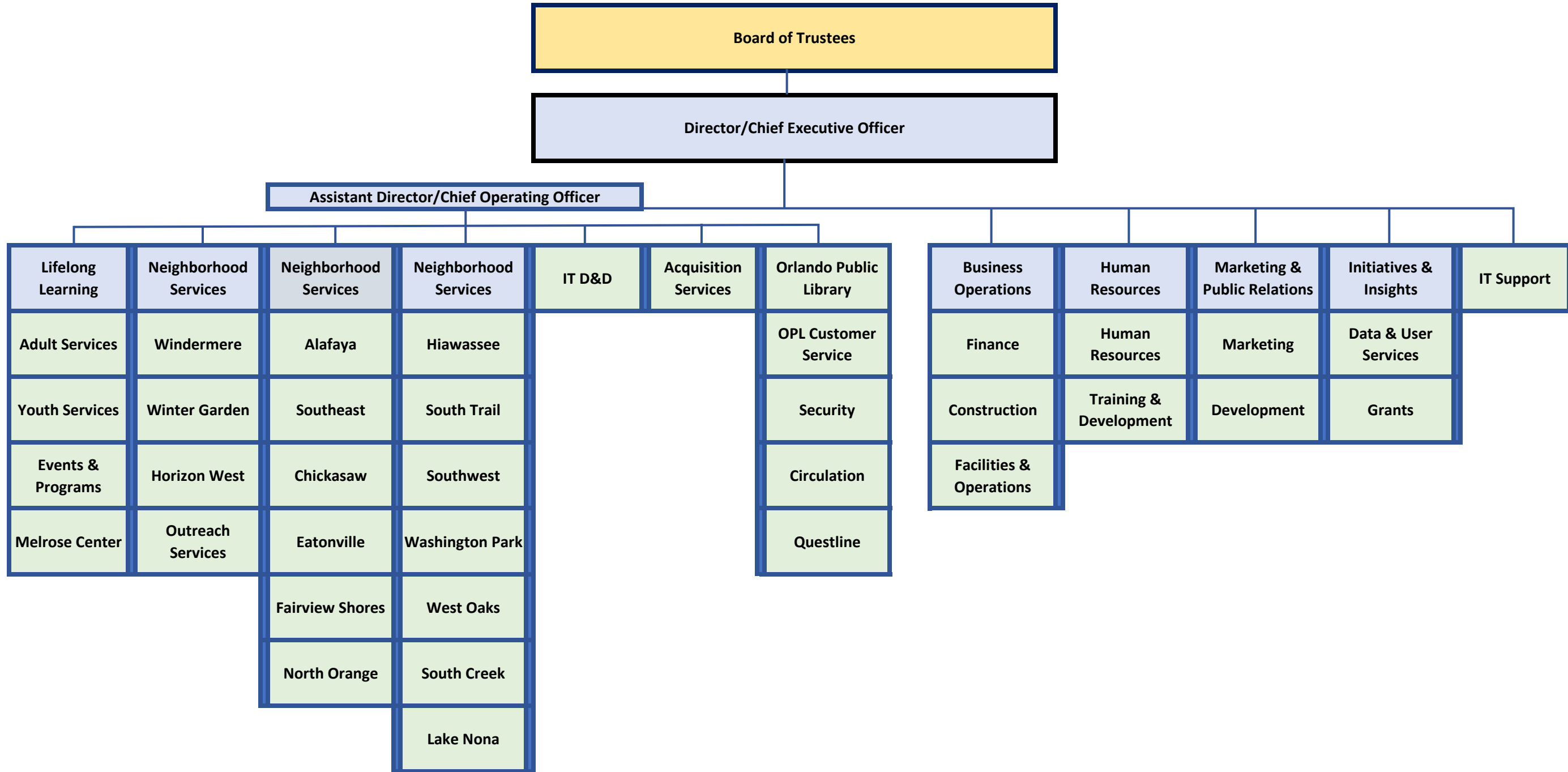


Kristopher S, Shoemaker, CMA, CGFO
Chief Financial Officer



Lovevia Williams, CPA
Finance Manager

Orange County Library System Organizational Chart



ORANGE COUNTY LIBRARY DISTRICT
List of Principal Officials
FY 2022-2023

Library Board of Trustees

Crockett Bohannon	President
Nicole Benjamin	Vice President
Lizannette Tam	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
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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, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

Report of Independent Auditor

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

Report on the 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of the internal service fund, presented in the District's basic financial statements, and each of the fiduciary funds of the District, presented as other supplementary information in the accompanying financial statements, as of and for the year ended September 30, 2023, and the related notes to the financial statements.

In our opinion, based on our audit, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the internal service fund and each fiduciary fund of the District as of September 30, 2023 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 budget and actual schedules in other supplementary information, as listed in the table of contents, are presented for additional analysis and are 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 by us. In our opinion, the budget and actual schedules are 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 February 29, 2024 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
February 29, 2024

Management's Discussion and Analysis

The following discussion and analysis of the Orange County Library District's (the "District") financial statements provides an overview of the District's financial activities for the fiscal year ended September 30, 2023. This analysis is designed to assist the reader of the financial statements in focusing on the significant financial issues and activities and to identify any significant changes in financial position. The information presented here should be considered in conjunction with the financial statements taken as a whole.

Overview of the Financial Statements

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

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

Government-wide financial statements

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

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

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

The government-wide financial statements are located on pages 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 method of accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund statements provide a short-term view of the District's financial operations.

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

The District's governmental funds consist of the General Fund, Capital Projects Fund, Capital Projects Sinking Fund, and Permanent Fund, all of which are reported as major funds. Information is presented separately in the governmental balance sheet and statement of revenues, expenditures, and changes in fund balances for each of these funds. The governmental fund financial statements can be found on pages 17 - 19 of this report.

The District adopted an annual budget for each of its governmental funds. Budgetary comparison schedules are located on page 54 for the General Fund and on pages 65 - 67 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 Post employment Benefit Plan. The combined activities for these plans are reported in the Statement of Fiduciary Net Position – Pension and Other Post employment Benefit Trust Funds, and Statement of Changes in Fiduciary Net Position – Pension and Other Post employment Benefit Trust Funds on pages 23 - 24 of this report. Combining financial statements for the plans can be found on pages 63 - 64. 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 - 53 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 54 - 62 of this report.

Government-wide Financial Analysis

The following summarizes the District's net position at September 30, 2023 and 2022.

	2023	2022
Current and other assets	\$103,448,058	\$80,532,741
Capital assets	40,042,235	39,674,820
Total assets	143,490,293	120,207,561
Deferred outflows of resources	6,695,908	10,578,706
Total assets and deferred outflows of resources	150,186,201	130,786,267
Current liabilities	5,252,223	4,879,770
Long term liabilities	7,464,112	8,086,801
Total liabilities	12,716,335	12,966,571
Deferred inflows of resources	3,695,841	4,492,354
Total liabilities and deferred inflows of resources	16,412,176	17,458,925
Net position:		
Net investment in capital assets	32,290,148	31,141,958
Restricted	12,533,223	9,058,887
Unrestricted	88,950,654	73,126,497
Total net position	\$133,774,025	\$113,327,342

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, 2023, the District increased its net position through operating results by \$20,446,683 and assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$133,774,025 as of the end of the fiscal year.

The largest portion of the District's net position is its net investment in capital assets (land, buildings, improvements, infrastructure, furniture and equipment, library books, intangible assets 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, as a result of the implementation of Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, the District does have long-term liabilities associated with right-to-use capital assets. Also with the implementation of GASB Statement No. 96, *Subscription-based information technology arrangements*, the District has long-term liabilities associated with right-to-use subscriptions assets.

A second category of net position is referred to as restricted since the resources are related to net OPEB and/or net pension assets or are otherwise subject to external restrictions on how they can be used. This category 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, 2023 and 2022.

	2023	2022
Program Revenues		
Charges for services	\$556,289	\$742,364
Operating grants and contributions	1,565,831	1,525,277
General Revenues		
Property taxes	61,604,263	54,514,376
Investment income	4,372,167	238,541
Miscellaneous	163,600	161,940
Total revenues	68,262,150	57,182,498
General Expenses		
Interest expense	257,612	229,691
Program Expenses		
Salaries and benefits	27,719,873	22,389,115
Operating	11,550,245	10,809,715
Depreciation	4,505,833	4,380,685
Materials	3,781,904	3,409,448
Total expenses	47,815,467	41,218,654
Changes in net position	20,446,683	15,963,844
Net position-beginning of year	113,327,342	97,363,498
Net position - end of year	\$133,774,025	\$113,327,342

- There was a decrease of \$186,075 in charges for services revenue amounts from fiscal year 2022 to fiscal year 2023. This is due to waiving late fees in October 2022.
- Operating grants and contributions increased by \$40,554 mainly due to various grants and contributions including a \$50,000 contribution for the District's 100th year anniversary.
- While the tax rate did not change, property taxes increased \$7,089,887 due to higher property values and new construction.
- Investment income increased by \$4,133,626 due to a combination of additional funds available for investments and increase in rates. The District's investments are tied to the Fed Fund Rate. In fiscal year 2023 the Fed Fund Rate averaged over 4%, while in fiscal year 2021-2022 the rate averaged around 1%.
- Salaries and benefits increased by \$5,330,758 due to three (3) main reasons. First, there was an increase in the pay brackets by \$2.10 per hour to accommodate the mandated minimum wage and market conditions and all employees on-board in October 2022 were given a 4% wage increase or \$1.50 per hour whichever was greater. Secondly, there was a mid-year increase of 4% to all employees on-board in May of 2023 to accommodate for the cost of inflation. Thirdly, the Library had 29 additional staff on-board between October 2022 and September 2023.
- The \$740,530 increase in operating expenditures is due to the cost of security guards at the Main Library and the increase in off-duty Orlando Police Department and Orange County Sheriff's Office personnel at the branches. The increased cost for Tax Collector Fees and the Property Appraiser Fees are based on their calculations.

Fund Financial Analysis

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

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the District, which are not required to be accounted for in another fund. Unassigned fund balance increased by \$8,479,906. This is mainly due to fiscal year 2022-2023 revenues exceeding expenditures and being placed in unrestricted reserves. There was an increase in property taxes, offset with increases in salaries and benefits and other operating expenditures. The District budgeted for a \$4.125M increase in the Unassigned Fund Balance and the fiscal year 2022-2023 Revenues came in \$3.963M more than expected, mainly in Ad Valorem taxes and interest. All these variances are explained in the government-wide discussion above. The net result is a positive increase to the General Fund's fund.

The \$9,718,733 increase in the Capital Projects Fund was due to a \$8,750,000 transfer from the General Fund for future branch development and \$1,562,377 of investment earnings. The fund balance of \$40,464,970 includes 1) \$39,774,216, which is reserved for capital projects focused on future branch development, specifically the Horizon West and Lake Nona branches; 2) \$440,000 advance rent payment for the Lake Nona branch per

the Lake Nona Land Lease; and 3) a \$250,754 escrow payment to create a demolition fund for the Horizon West branch per the Horizon West Land Lease Agreement.

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 \$1,210,086 during the year due to a \$1,000,000 transfer from the General Fund and \$210,086 of investment earnings. The total fund balance of \$5,248,818 includes 1) \$4,248,818 which is reserved for capital maintenance projects such as roofs and emergency repairs while waiting for insurance proceeds; and 2) \$1,000,000 reserve for emergency repairs specifically for the Horizon West branch per the Horizon West land lease agreement.

Fund balance in the Permanent Fund increased by \$160,502 from investment earnings. Of the ending fund balance, \$1,000,000 is non-spendable and the remaining \$321,028 is restricted for upgrades to the Melrose Center.

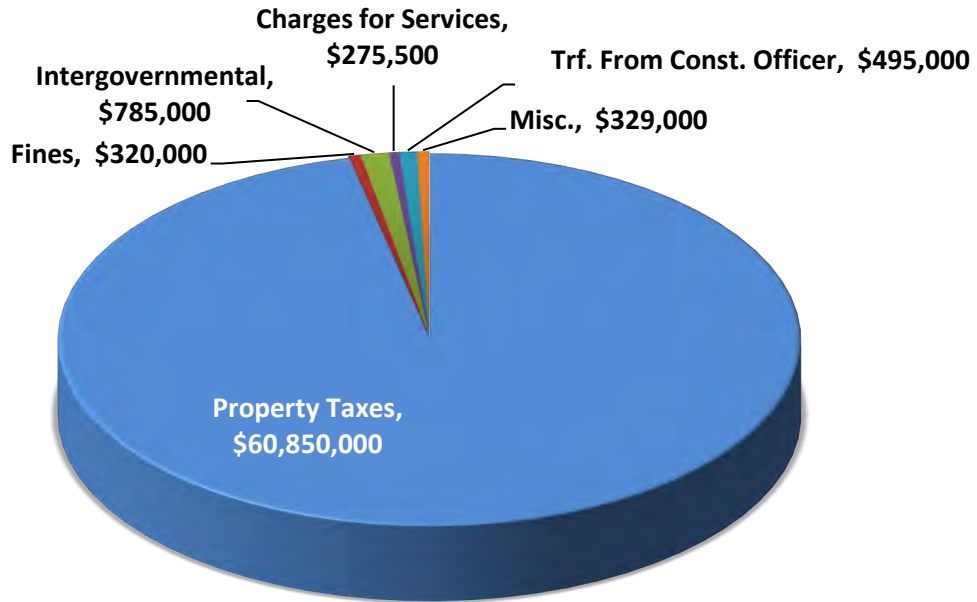
General Fund Budgetary Highlights

The District adopted a budget for its General Fund (see page 54) 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 accounting principles generally accepted in the United States of America, except for the following subject to GASB Statement No. 87 and 96, which are not budgeted: \$404,193 of capital outlay expenditures, \$404,193 of other financing sources-subscription liabilities issued.

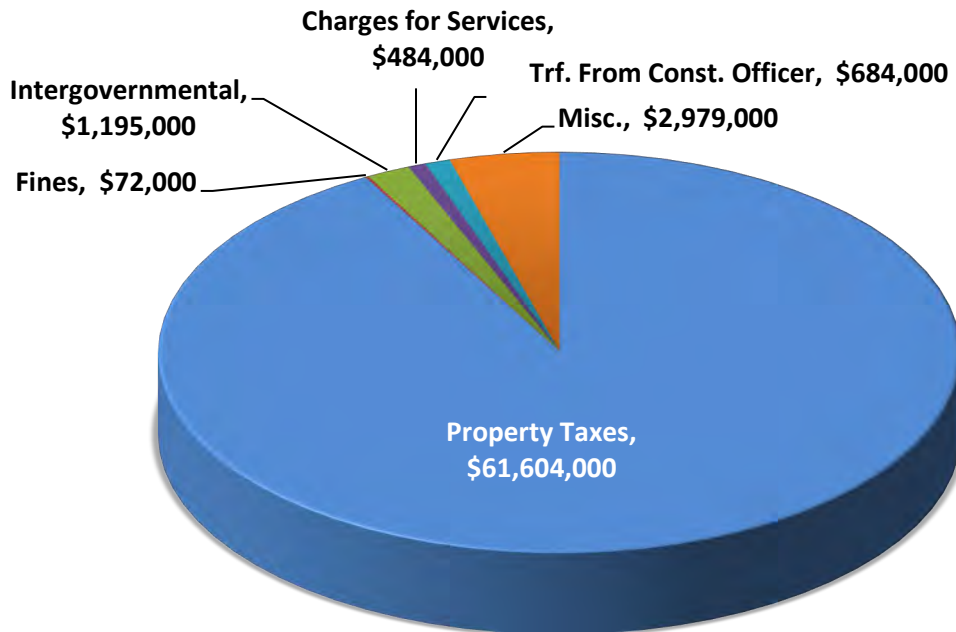
The following charts show the budget versus actual for revenues and expenditures (rounded to nearest one thousand).

GENERAL FUND

Budgeted Revenues and Transfers - \$63,054,500

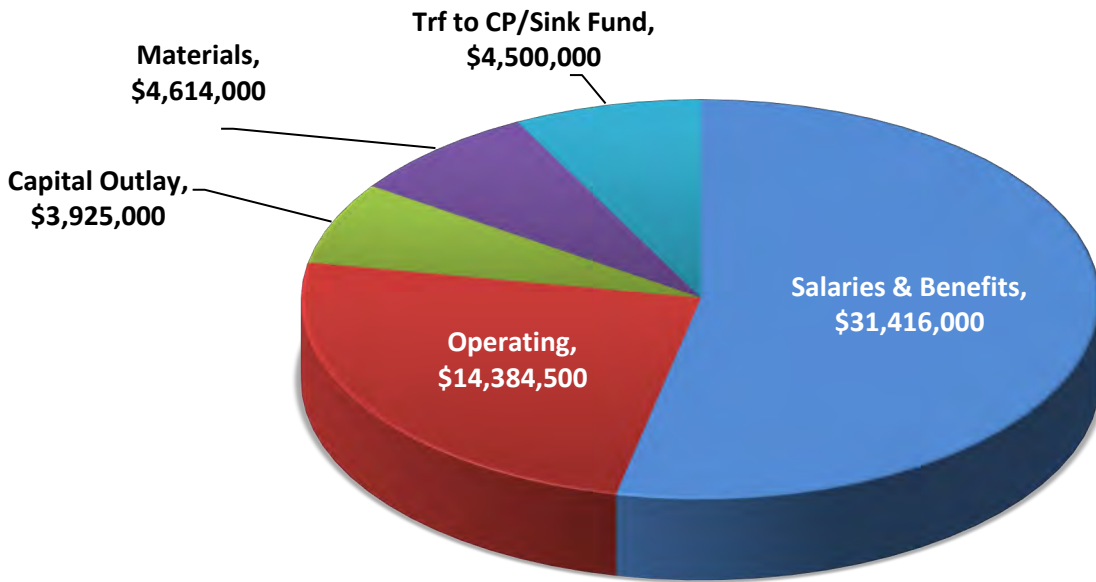


Actual Revenues and Transfers - \$67,018,000

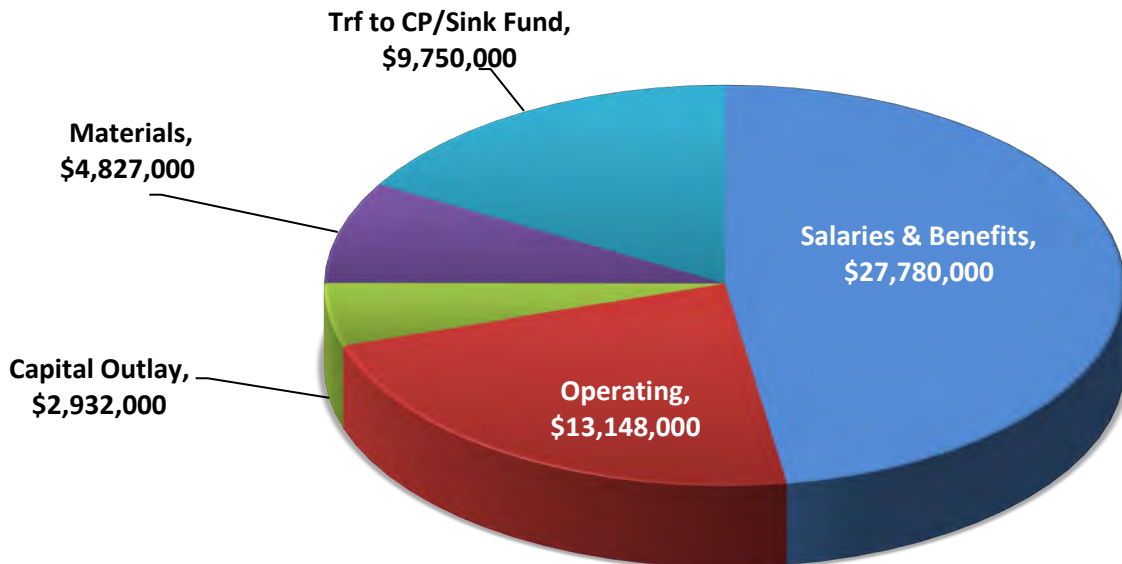


GENERAL FUND

Budgeted Expenditures and Transfers - \$58,839,500



Actual Expenditures and Transfers - \$58,437,000



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 \$409,588 more than budgeted due to increased funding from federal and state grants during the fiscal year.

Fines – Fine revenues came in lower than budget by \$247,765 because of the elimination of overdue fines in October 2022.

Investment Income - Investment income revenue was higher than budgeted by \$2,308,360 due to the District's conservative budgeting approach for investments combined with stronger than anticipated market conditions.

Miscellaneous - Included in miscellaneous revenues, the District recognized \$30,111 from the Supervisor of Elections for using our facilities for polling locations, and \$33,637 from Truist for the Commercial Card program rebate. These amounts came in higher than what was budgeted.

Salaries and Benefits – The salaries and benefits were under budget by \$3,635,615 mainly due to organizational restructuring and having budgeted positions vacant throughout the fiscal year.

Operating – The District expended \$13,147,687 of the \$14,384,500 operating budget. Supplies were underspent by \$282,453 due to a new classification of Supplies-Programming (combined, the District underspent this area by \$53,661). The IT Subscriptions/Maintenance account was underspent by \$363,618 due to not implementing the WISE software, which is on hold. The Hardware/Software Supplies account was also underspent by \$406,098 due to deferring purchases until fiscal year 2023-2024 with new product specifications. The Other Contractual Services account was underspent by \$125,065 due to overestimating the cost of design consultants for the year.

Capital Outlay – Of the total \$8,539,000 budget, this category was underspent by \$779,707 primarily due to several projects not being completed in fiscal year 2022-2023 and rolled into fiscal year 2023-2024.

Capital Assets

The District's capital assets, net of accumulated depreciation/amortization, consist of the following at September 30, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Land	\$3,349,802	\$3,349,802
Buildings and building improvements	23,345,173	22,690,894
Right-to-use leased buildings	6,416,064	7,226,731
Infrastructure	746,900	771,876
Furniture and equipment	1,976,092	1,892,681
Right-to-use leased equipment	458,174	572,718
Right-to-use subscription asset	288,615	-
Library books and audiovisual materials	2,215,242	2,303,261
Intangible assets-software & website development	184,639	14,456
Construction in progress	<u>1,061,534</u>	<u>852,401</u>
Total Capital Assets	<u><u>\$40,042,235</u></u>	<u><u>\$39,674,820</u></u>

Significant capital asset purchases included the following:

- The Windermere expansion project was completed at a total cost of \$1,176,298.
- The ceiling in the Melrose Center at the Main Library was removed and updated with theatrical lighting at a total cost of \$517,044.
- The North Orange branch roof was replaced at a total cost of \$277,980.
- One of the chillers for the air conditioning system at the Main Library was replaced at a total cost of \$137,377.

As a result of implementing GASB Statement No. 87, the District added the Right-to-use leased building and equipment category. The District also implemented GASB Statement No. 96 which added the Right-to-use subscription asset category.

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, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Accrued compensated absences	\$3,031,813	\$2,865,530
Lease liabilities	7,187,827	7,956,879
Subscription liabilities	210,115	-

Subscription liabilities in the amount of \$210,115 were included to comply with the GASB Statement No. 96 requirements.

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

Financial outlook

Based on 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 is scheduled to open in 2025, which will have a significant impact on property taxes. In fiscal year 2024-2025, we anticipate opening the Horizon West Branch and in fiscal year 2025-2026 we anticipate opening the Lake Nona Branch. The operating costs of these branches have been included in the long-range financial plan.

Requests for Financial Information

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

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

BASIC FINANCIAL STATEMENTS

ORANGE COUNTY LIBRARY DISTRICT

Statement of Governmental Net Position

September 30, 2023

Assets and Deferred Outflows of Resources

Cash and cash equivalents	\$ 8,593,474
Investments	83,725,172
Due from other governmental agencies	722,295
Due from OPEB Trust Fund	175,821
Other receivables	34,241
Inventory	104,877
Prepaid items	728,254
Net pension asset	3,285,486
Net OPEB asset	6,078,438
Nondepreciable capital assets	4,411,336
Depreciable/amortizable capital assets (net of accumulated depreciation/amortization)	<u>35,630,899</u>
Total assets	143,490,293
Deferred outflows of resources related to pension and OPEB	<u>6,695,908</u>
Total assets and deferred outflows of resources	<u>150,186,201</u>

Liabilities and Deferred Inflows of Resources

Accrued salaries payable	431,534
Other accrued liabilities	23,770
Accounts payable	1,018,318
Claims payable	812,958
Long-term liabilities:	
Due within one year: Compensated absences, lease and subscription liabilities	2,965,643
Due beyond one year: Compensated absences, lease and subscription liabilities	<u>7,464,112</u>
Total liabilities	12,716,335
Deferred inflows of resources related to pension and OPEB	<u>3,695,841</u>
Total liabilities and deferred inflows of resources	<u>16,412,176</u>

Net Position

Net investment in capital assets	32,290,148
Restricted for:	
Net pension and OPEB asset	9,363,924
Nonexpendable endowments	1,157,517
Melrose Center and Horizon West and Lake Nona Branch agreements	2,011,782
Unrestricted	<u>88,950,654</u>
Total net position	<u>\$ 133,774,025</u>

See notes to financial statements.

ORANGE COUNTY LIBRARY DISTRICT

Statement of Governmental Activities

Year Ended September 30, 2023

Program expenses:

Salaries and benefits	\$ 27,719,873
Operating	11,550,245
Depreciation/amortization	4,505,833
Electronic materials	3,781,904

Total program expenses

47,557,855

Program revenues:

Charges for services	556,289
Operating grants and contributions	1,565,831

Total program revenues

2,122,120

Net program revenues (expenses)

(45,435,735)

General expenses:

Interest expense	257,612
------------------	---------

General revenues:

Property taxes	61,604,263
Investment income	4,372,167
Miscellaneous	163,600

Total general revenues

66,140,030

Net general revenues

65,882,418

Change in net position

20,446,683

Net position - beginning

113,327,342

Net position - ending

\$ 133,774,025

ORANGE COUNTY LIBRARY DISTRICT

**Balance Sheet
Governmental Funds
September 30, 2023**

	General	Capital Projects	Capital Projects Sinking	Permanent	Total Governmental Funds
Assets					
Cash and cash equivalents	4,895,048	\$ 1,084,072	\$ 132,977	\$ 27,559	\$ 6,139,656
Investments	33,861,320	39,011,539	5,115,829	1,293,447	79,282,135
Due from other governmental agencies	722,295	-	-	-	722,295
Other receivables	6,669	77	12	22	6,780
Inventory	104,877	-	-	-	104,877
Prepaid items	288,254	440,000	-	-	728,254
Total assets	39,878,463	\$ 40,535,688	\$ 5,248,818	\$ 1,321,028	\$ 86,983,997
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	947,600	\$ 70,718	\$ -	\$ -	\$ 1,018,318
Accrued salaries payable	431,534	-	-	-	431,534
Other accrued liabilities	20,995	-	-	-	20,995
Total liabilities	1,400,129	70,718	-	-	1,470,847
Fund Balances:					
Nonspendable:					
Inventory	104,877	-	-	-	104,877
Prepaid items	288,254	-	-	-	288,254
Annetta O'B Walker Trust Fund	4,000	-	-	-	4,000
A.P. Phillips Jr. Memorial Fund	100,000	-	-	-	100,000
Perce C. and Mary M. Gullet Memorial Fund	19,805	-	-	-	19,805
Willis H. Warner Memorial Fund	33,712	-	-	-	33,712
Kendrick B. Melrose Donation	-	-	-	1,000,000	1,000,000
Restricted For:					
Melrose Center	-	-	-	321,028	321,028
Horizon West - Demolition Fund	-	250,754	-	-	250,754
Lake Nona - Advance Rent Payment	-	440,000	-	-	440,000
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:					
Capital Projects	-	39,774,216	4,248,818	-	44,023,034
Unassigned:	33,118,858	-	-	-	33,118,858
Total fund balances	38,478,334	40,464,970	5,248,818	1,321,028	85,513,150
Total liabilities and fund balances	39,878,463	\$ 40,535,688	\$ 5,248,818	\$ 1,321,028	\$ 86,983,997

Total fund balances	\$ 85,513,150
Capital assets reported in government-wide financial statements	40,042,235
Net pension asset reported in the government-wide financial statements	3,285,486
Net OPEB asset reported in the government-wide financial statements	6,078,438
Long-term liabilities reported in government-wide financial statements	(10,429,755)
Assets and liabilities of internal service fund included in government-wide financial statements	6,284,404
Deferred outflows of resources related to pensions and OPEB reported in government-wide financial statements	6,695,908
Deferred inflows of resources related to pensions and OPEB reported in government-wide financial statements	(3,695,841)
Net position of governmental activities	\$ 133,774,025

See notes to financial statements.

ORANGE COUNTY LIBRARY DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Capital Projects Sinking</u>	<u>Permanent</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes:					
Property	\$ 61,604,263	\$ -	\$ -	\$ -	\$ 61,604,263
Intergovernmental revenues:					
State aid to libraries	681,977	-	-	-	681,977
Federal grants	481,611	-	-	-	481,611
Other state grants	25,000	-	-	-	25,000
County grants	-	-	-	-	-
Municipal grants	6,000	-	-	-	6,000
Charges for services:					
Fines	72,235	-	-	-	72,235
Copiers and printers	195,206	-	-	-	195,206
Other fees	288,848	-	-	-	288,848
Miscellaneous revenue:					
Investment income	2,433,360	1,562,377	210,086	166,344	4,372,167
Contributions	315,367	-	-	-	315,367
Other	230,057	-	-	-	230,057
Total revenues	<u>66,333,924</u>	<u>1,562,377</u>	<u>210,086</u>	<u>166,344</u>	<u>68,272,731</u>
Expenditures:					
Current:					
Salaries and benefits	27,780,385	-	-	-	27,780,385
Operating	11,243,346	-	-	425	11,243,771
Capital Outlay:					
Owned	6,582,995	593,644	-	5,417	7,182,056
Leasehold Improvements	1,176,298	-	-	-	1,176,298
Right-to-use assets	404,193	-	-	-	404,193
Debt service:					
Principal - leases	769,052	-	-	-	769,052
Principal - subscriptions	194,078	-	-	-	194,078
Interest - leases	248,825	-	-	-	248,825
Interest - subscriptions	8,787	-	-	-	8,787
Total expenditures	<u>48,407,959</u>	<u>593,644</u>	<u>-</u>	<u>5,842</u>	<u>49,007,445</u>
Revenues over expenditures	17,925,965	968,733	210,086	160,502	19,265,286
Other financing sources (uses):					
Subscription liabilities issued	404,193	-	-	-	404,193
Transfers in (out)	(9,750,000)	8,750,000	1,000,000	-	-
Total other financing sources (uses)	<u>(9,345,807)</u>	<u>8,750,000</u>	<u>1,000,000</u>	<u>-</u>	<u>404,193</u>
Net change in fund balances	8,580,158	9,718,733	1,210,086	160,502	19,669,479
Fund balances at beginning of year	<u>29,898,176</u>	<u>30,746,237</u>	<u>4,038,732</u>	<u>1,160,526</u>	<u>65,843,671</u>
Fund balances at end of year	<u>\$ 38,478,334</u>	<u>\$ 40,464,970</u>	<u>\$ 5,248,818</u>	<u>\$ 1,321,028</u>	<u>\$ 85,513,150</u>

ORANGE COUNTY LIBRARY DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Governmental Activities
Year Ended September 30, 2023

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

Net change in fund balances - total governmental funds	\$ 19,669,479
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Governmental funds report all capital outlays as expenditures. However, in the statement of governmental activities the cost of capital outlay, other than electronic library books and other materials, is allocated over estimated useful lives and reported as depreciation expense. This is the amount of capital outlay not reported as electronic materials expense on the statement of governmental activities.	4,980,643
--	-----------

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.	(107,395)
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Depreciation/amortization of capital assets, not reported in governmental funds.	(4,505,833)
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Some items affecting expenses reported in the statement of governmental activities do not require the use of current financial resources and, therefore, are not reported in governmental funds, as follows:	
Increase in net pension asset	2,741,997
Increase in accrued compensated absences	(166,283)
Decrease in lease liabilities	769,052
Increase in subscription liabilities	(210,115)
Increase in net OPEB asset	571,083

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	
Decrease in deferred outflows of resources	(3,882,798)
Decrease in deferred inflows of resources	796,513

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The change in net position of internal service funds is reported with governmental activities.	(209,660)
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Change in net position of governmental activities	<u>\$ 20,446,683</u>
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ORANGE COUNTY LIBRARY DISTRICT
Statement of Net Position-
Internal Service Fund
September 30, 2023

Assets

Current Assets:

Cash and cash equivalents	\$ 2,453,818
Investments	4,443,037
Due from OPEB Trust Fund	175,821
Interest & dividend receivable	1,658
Accounts receivable	<u>25,803</u>

Total current assets 7,100,137

Liabilities

Current Liabilities:

Claims payable	812,958
Accounts payable	<u>2,775</u>

Total current liabilities 815,733

Unrestricted net position \$ 6,284,404

ORANGE COUNTY LIBRARY DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position-
Internal Service Fund
Year Ended September 30, 2023

Operating Revenues	
Charges for services	\$ 3,138,761
	<u>3,138,761</u>
Operating Expenses	
Claims expenses	3,304,140
Stop loss insurance	210,923
Contractual services	58,624
	<u>3,573,687</u>
Operating loss	(434,926)
Nonoperating Revenues	
Investment earnings	225,266
	<u>225,266</u>
Change in net position	(209,660)
Net position - beginning of year	<u>6,494,064</u>
Net position - end of year	<u><u>\$ 6,284,404</u></u>

ORANGE COUNTY LIBRARY DISTRICT
Statement of Cash Flows-
Internal Service Fund
Year Ended September 30, 2023

Cash flows from operating activities	\$ 3,093,623
Receipts from charges for services	
Cash payments for claims and expenses	<u>(3,062,300)</u>
Net cash provided by operating activities	<u>31,323</u>
 Cash flows from investing activities	
Purchase of investments	(114,915)
Sale of investments	100,546
Income from investments	<u>18,096</u>
Net cash provided by investing activities	<u>3,727</u>
 Net increase in cash and cash equivalents	 35,050
 Cash and cash equivalents, October 1, 2022	 <u>2,418,768</u>
 Cash and cash equivalents, September 30, 2023	 <u><u>\$ 2,453,818</u></u>
 Reconciliation of operating loss to cash flows from operating activities	
Operating loss	\$ (434,926)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Increase in receivables	(15,749)
Increase in due from OPEB Trust Fund	(75,297)
Increase in claims payable and accounts payable	<u>557,295</u>
Net cash provided by operating activities	<u><u>\$ 31,323</u></u>

ORANGE COUNTY LIBRARY DISTRICT
Statement of Fiduciary Net Position-
Pension and Other Postemployment Benefit Trust Funds
September 30, 2023

Assets

Cash and cash equivalents	\$ 1,293,259
Interest and dividend receivable	32
Notes receivable from plan participants	157,205
Investments:	
Commingled account:	
Fixed income	14,113,915
Mutual funds:	
Domestic equities	59,054,189
International equities	20,127,348
Stable value	4,799,720
Fixed income	11,656,802
Real estate	<u>2,745,473</u>
Total investments	<u>112,497,447</u>
Total assets	<u>113,947,943</u>

Liabilities

Accounts payable	25,893
Due to Internal Service Fund	<u>175,821</u>
Total liabilities	<u>201,714</u>

Net Position

Restricted for:	
Pensions	94,133,147
Other postemployment benefits	<u>19,613,082</u>
Total net position	<u><u>\$ 113,746,229</u></u>

ORANGE COUNTY LIBRARY DISTRICT
Statement of Changes in Fiduciary Net Position-
Pension and Other Postemployment Benefit Trust Funds
Year Ended September 30, 2023

Additions:

Employer contributions:	
General Fund	\$ 4,318,787
Employee contributions:	
Loan Interest	5,703
Investment gain	13,509,513
Investment expenses	(70,855)
Miscellaneous revenue	32
	32
Total additions	17,763,180

Deductions:

Benefits paid to participants	4,786,857
Administrative expenses	70,735
	70,735
Total deductions	4,857,592

Change in net position	12,905,588
Net position - beginning of year	100,840,641
Net position - end of year	\$ 113,746,229

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2023

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, 2023

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 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.

Budgetary requirements

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

ORANGE COUNTY LIBRARY DISTRICT

**Notes to Financial Statements
Year Ended September 30, 2023**

Note 1 - Summary of significant accounting policies (continued)

Budgets for the governmental fund types were adopted on a basis consistent with generally accepted accounting principles (GAAP), except for General Fund capital outlay expenditures, other financing sources-subscription liabilities issued and debt service principal and interest expenditures subject to Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases and* Statement No. 96, *Subscription-Based Information Technology Arrangements*, which are not budgeted.

Budgets are not adopted for the internal service, pension, and other postemployment benefit trust funds. Expenditures cannot exceed appropriations by fund level. Appropriations lapse at the close of the fiscal year to the extent that they have not been expended.

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.

Inventory and prepaid items

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

Capital assets

Capital assets consist of facilities and equipment used in the District's operations and 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 and an estimated useful life in excess of two years or more and leasehold improvements with a cost of at least \$100,000 and an estimated useful life in excess of two or more years. They are capitalized as assets in the government-wide financial statements. Except library books and right-to-use assets, these assets are capitalized at historical cost. Right-to-use assets are assets for leased facilities and equipment and IT-based subscriptions. They 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 certain initial direct costs. Right-to-use assets are subsequently amortized over the life of the related lease or subscription term.

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

Land and construction in progress are not depreciated. All other capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2023

Note 1 - Summary of significant accounting policies (continued)

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 - 4
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 when the benefits are earned in the government-wide financial statements. The General Fund liquidates accrued compensated absences.

For governmental funds, there is no legal requirement to accumulate expendable available financial resources to liquidate the obligation; thus expenditures are recognized in the governmental funds when payments are made to employees.

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.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2023

Note 1 - Summary of significant accounting policies (continued)

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

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. 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.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2023

Note 1 - Summary of significant accounting policies (continued)

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.

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.

Tax status

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

Use of estimates

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

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2023

Note 1 - Summary of significant accounting policies (continued)

Change in accounting principle

The District implemented GASB Statement No. 96 in fiscal year 2023. Under this standard, the District was required to recognize right-to-use subscription assets and a subscription liabilities equal to the present value of subscription payment obligations effective October 1, 2022, other than for subscriptions classified as short-term. Subscription additions are presented as capital outlay expenditures and other financing sources, and subscription payments are presented as debt service expenditures at the fund level.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2023

Note 2 - Deposits and investments

At September 30, 2023, the District had the following deposits and investments:

	Fair Value
General Governmental Deposits, Cash Equivalents and Investments:	
Deposits (demand accounts)	\$ 4,347,213
Internal Pooled Cash Equivalents (money market accounts)	1,764,884
	6,112,097
Internal Pooled Investments (FL Prime and FL Safe)	77,988,688
	84,100,785
Permanent Fund Deposits and Investments:	
Deposits (demand accounts)	27,559
Mutual Funds - Equity Securities	842,145
Mutual Funds - Fixed Income	451,302
	1,321,006
Internal Service Fund Deposits, Cash Equivalents and Investments:	
Deposits (demand account)	2,353,272
Internal Pooled Cash Equivalents (money market accounts)	100,546
	2,453,818
Internal Pooled Investments (FL Prime and FL Safe)	4,443,037
	6,896,855
Defined Contribution Pension Plan Investments:	
Mutual Funds - Equity Securities	21,490,060
Mutual Funds - Fixed Income	5,747,251
Mutual Funds - Stable Value	3,528,898
Mutual Funds - Real Estate	94,511
	30,860,720
Money Purchase Pension Plan Investments:	
Mutual Funds - Equity Securities	9,243,015
Mutual Funds - Fixed Income	1,366,249
Mutual Funds - Stable Value	1,270,822
Mutual Funds - Real Estate	38,030
	11,918,116
Defined Benefit Pension Plan Deposits, Cash Equivalents and Investments:	
Deposits (demand account)	991
Cash Equivalents (money market accounts)	1,252,417
Commingled Account - Fixed Income	14,113,915
Mutual Funds - Equity Securities	33,239,843
Mutual Funds - Real Estate	2,612,932
	51,220,098
OPEB Retirement Health Benefit Plan Deposits and Investments:	
Deposits (demand account)	39,851
Mutual Funds - Equity Securities	15,208,619
Mutual Funds - Fixed Income	4,543,302
	19,791,772
Total Deposits, Cash Equivalents and Investments	\$ 206,109,352

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2023

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.

At September 30, 2023, the District's fair value categorizations of investment fair value measurements were as follows:

	<u>Fair Value 9/30/2023</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Mutual funds:		
Domestic equities	59,638,337	59,638,337
International equities	20,385,345	20,385,345
Stable value	4,799,720	4,799,720
Fixed income	12,108,104	12,108,104
Real estate	2,745,473	2,745,473
	<u>99,676,979</u>	<u>\$ 99,676,979</u>
Investments reported at amortized cost:		
Florida Prime	41,288,109	
Florida Safe	41,143,616	
	<u>82,431,725</u>	
Investments measured at net asset value:		
Reams Columbus Core Plus Bond Fund (commingled account)	14,113,915	
Total investments	<u>\$ 196,222,619</u>	

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2023

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 net asset value 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 and interest rate risk, the limited nature of the authorized investments effectively minimizes any exposure. The District's pooled general governmental and Internal Service Fund cash equivalents and investments include the following at September 30, 2023:

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	27 days	\$ 1,087,975	\$ 61,982
Federated Treasury Obligations Fund	Money Market	AAAm	12 days	676,909	38,564
Florida SAFE		AAAm	44 days	38,925,992	2,217,624
Florida PRIME		AAAm	35 days	<u>39,062,696</u>	<u>2,225,413</u>
Total Pooled Investments				<u>79,753,572</u>	<u>4,543,583</u>
Bank Deposits				<u>4,347,213</u>	<u>2,353,272</u>
Total Bank Deposits and Investments				<u>\$ 84,100,785</u>	<u>\$ 6,896,855</u>

ORANGE COUNTY LIBRARY DISTRICT

**Notes to Financial Statements
Year Ended September 30, 2023**

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, 2023:

Fund/Investment	Type	Credit Quality	Weighted Average Maturity (years)	Fair Value
Vanguard High Yield Corporate Fund	Fixed Income	BB	4.80	\$ 257,708
Vanguard Total Bond Market Index Fund	Fixed Income	AA	8.70	193,594
				<u>\$ 451,302</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, 2023:

Fund/Investment	Type	Credit Quality	Weighted Average Maturity (years)	Fair Value
Fidelity US Bond Index Fund	Fixed Income	AA	8.50	\$ 221,940
Western Asset Core Plus Bond Fund	Fixed Income	BBB	14.01	165,520
Inflation Focused	Fixed Income	AAA	7.10	195,577
Various - Multi-Allocation Mutual Funds	Fixed Income	N/A	N/A	5,164,214
Total Fixed				<u>\$ 5,747,251</u>
Plus Fund	Stable Value	Aa3	5.05	\$ 1,556,536
Various - Multi-allocation Mutual Funds	Stable Value	N/A	N/A	1,972,362
Total Stable Value				<u>\$ 3,528,898</u>

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2023

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, 2023:

Fund/Investment	Type	Credit Quality	Weighted Average Maturity (years)	Fair Value
Fidelity US Bond Index Fund	Fixed Income	AA	8.50	\$ 96,345
Western Asset Core Plus Bond Fund	Fixed Income	BBB	14.01	73,557
Inflation Focused	Fixed Income	AAA	7.10	70,899
Various - Multi-Allocation Mutual Funds	Fixed Income	N/A	N/A	1,125,448
Total Fixed				<u>\$ 1,366,249</u>
Plus Fund	Stable Value	Aa3	5.05	\$ 490,432
Various - Multi-Allocation Mutual Funds	Stable Value	N/A	N/A	780,390
				<u>\$ 1,270,822</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, 2023:

Fund/Investment	Type	Average Credit Quality	Weighted Average Maturity (years)	Fair Value
Fidelity Institutional Government Portfolio	Money Market	AAA	0.07	<u>\$ 1,252,417</u>
Reams Columbus Core Plus Bond Fund	Fixed Income	A	8.69	<u>\$ 14,113,915</u>

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2023

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, 2023:

Fund/Investment	Type	Credit Quality	Weighted Average Maturity (years)	Fair Value
Low Duration Bond Fund	Fixed Income	A	2.79	<u>\$ 4,543,302</u>

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

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2023

Note 3 - Capital assets

Capital asset activity for the year ended September 30, 2023, was as follows:

	Balances			Balances
	Oct. 1, 2022	Increases	Decreases	Sept. 30, 2023
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 3,349,802	\$ -	\$ -	\$ 3,349,802
Construction in progress	852,401	2,723,805	(2,514,672)	1,061,534
Total capital assets not being depreciated	<u>4,202,203</u>	<u>2,723,805</u>	<u>(2,514,672)</u>	<u>4,411,336</u>
<i>Capital assets being depreciated/amortized:</i>				
Buildings and building/leasehold improvements	\$ 56,423,266	2,319,170	(2,128,622)	\$ 56,613,814
Right-to-use leased buildings	8,037,398	-	-	8,037,398
Infrastructure	949,661	36,368	-	986,029
Furniture and equipment	6,308,845	755,340	(474,098)	6,590,087
Right-to-use leased equipment	687,261	-	-	687,261
Right-to-use subscription asset	-	404,193	-	404,193
Library books and audiovisual materials	5,949,319	1,045,095	(1,316,852)	5,677,562
Intangible assets - software & website development	562,556	211,344	(10,077)	763,823
Total capital assets being depreciated/amortized	<u>78,918,306</u>	<u>4,771,510</u>	<u>(3,929,649)</u>	<u>79,760,167</u>
Less accumulated depreciation/amortization for:				
Buildings and building/leasehold improvements	\$ 33,732,372	1,588,142	(2,051,873)	\$ 33,268,641
Right-to-use leased buildings	810,667	810,667	-	1,621,334
Infrastructure	177,785	61,344	-	239,129
Furniture and equipment	4,416,164	641,283	(443,452)	4,613,995
Right-to-use leased equipment	114,543	114,544	-	229,087
Right-to-use subscription asset	-	115,578	-	115,578
Library books and audiovisual materials	3,646,058	1,133,114	(1,316,852)	3,462,320
Intangible assets - software & website development	548,100	41,161	(10,077)	579,184
Total accumulated depreciation/amortization	<u>43,445,689</u>	<u>4,505,833</u>	<u>(3,822,254)</u>	<u>44,129,268</u>
Total capital assets being depreciated/amortized, net	<u>35,472,617</u>	<u>265,677</u>	<u>(107,395)</u>	<u>35,630,899</u>
Governmental activities capital assets, net	<u>\$ 39,674,820</u>	<u>\$ 2,989,482</u>	<u>\$ (2,622,067)</u>	<u>\$ 40,042,235</u>

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2023

Note 4 - Long-term liabilities

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

	<u>Balance October 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2023</u>	<u>Due Within One Year</u>
Accrued compensated absences	\$ 2,865,530	\$ 2,662,296	\$ 2,496,013	\$ 3,031,813	\$ 2,026,017
Lease liabilities	7,956,879	-	769,052	7,187,827	810,596
Subscription liabilities	-	404,193	194,078	210,115	\$ 129,030
	<u>\$ 10,822,409</u>	<u>\$ 3,066,489</u>	<u>\$ 3,459,143</u>	<u>\$ 10,429,755</u>	<u>\$ 2,965,643</u>

The General Fund liquidates accrued compensated absences and lease 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, 2023, the value of the lease liability is \$355,866. The District is required to make monthly principal and interest payments of \$8,798 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, 2023 is \$335,460, net of accumulated amortization of \$211,868.

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, 2023, the value of the lease liability is \$2,087,307. The District is required to make monthly principal and interest payments of \$11,820 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, 2023 is \$1,987,308, net of accumulated amortization of \$253,699.

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, 2023, the value of the lease liability is \$1,007,253. The District is required to make monthly principal and interest payments of \$13,388 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, 2023 is \$958,752, net of accumulated amortization of \$306,801.

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, 2023, the value of the lease liability is \$1,628,700. The District is required to make monthly principal and interest payments of \$12,278 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, 2023 is \$1,550,620, net of accumulated amortization of \$271,642.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2023

Note 4 - 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, 2023, the value of the lease liability is \$1,312,898. The District is required to make monthly principal and interest payments of \$19,831 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, 2023 is \$1,255,401, net of accumulated amortization of \$470,776.

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. As of September 30, 2023, the value of the lease liability is \$338,019. The District is required to make monthly fixed principal and interest payments of \$5,047 through November 2029. The lease has an interest rate of 3.25%. The value of the right-to-use lease asset as of September 30, 2023 is \$328,523, net of accumulated amortization of \$106,548.

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, 2023, the value of the lease liability is \$457,784. 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, 2023 is \$458,174, net of accumulated amortization of \$229,087.

The future principal and interest lease payments as of September 30, 2023, were as follows:

Year Ending September 30,	<u>Principal</u>	<u>Interest</u>
2024	\$ 810,596	\$ 223,268
2025	853,773	196,337
2026	898,713	167,979
2027	839,102	139,426
2028	735,450	112,190
2029-2033	1,809,566	331,410
2034-2038	1,109,814	100,897
2039	<u>130,813</u>	<u>1,600</u>
TOTAL	<u>\$ 7,187,827</u>	<u>\$ 1,273,107</u>

During the fiscal year, the District entered into eleven subscription-based information technology arrangements (subscriptions) for the intangible right-to-use subscription software. The subscriptions have been recorded at the present value of the future contract payments as of the date of inception or, for subscriptions existing prior to the implementation year, as of October 1, 2022.

ORANGE COUNTY LIBRARY DISTRICT

**Notes to Financial Statements
Year Ended September 30, 2023**

Note 4 - Long-term liabilities (continued)

The initial subscription liabilities recorded was \$404,193. As of September 30, 2023, the value of the subscription liabilities is \$210,115. The subscriptions' terms range from 13 months to 45 months at an interest rate of 6%. The District is required to make fixed principal and interest payments through July 2025. The value of the right-to-use subscription asset as of September 30, 2023 is \$288,615, net of accumulated amortization of \$115,578.

For the year ended September 30, 2023, 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, 2023, were as follows:

Year Ending September 30,	Principal	Interest
2024	\$ 129,030	\$ 12,442
2025	81,085	4,865
TOTAL	\$ 210,115	\$ 17,307

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 22-23.

Note 5 - Interfund Balances and Transfers

The composition of interfund balances as of September 30, 2023 is as follows:

Due From:	Due To Internal Service Fund
OPEB Trust Fund	\$175,821

The \$175,821 balance represents the health insurance claims activities of retirees ages 55-64.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2023

Note 5 - Interfund Balances and Transfers (continued)

The table below details interfund transfers during the year ended September 30, 2023.

Transfers Out	Transfer In Capital Projects Fund	Transfer In Capital Projects Sinking Fund
General Fund	\$8,750,000	\$1,000,000

\$8,750,000 was transferred from the General Fund to the Capital Projects Fund to fund future branch expansion projects. \$1,000,000 was transferred from the General Fund to the Capital Projects Sinking Fund to fund future facilities repairs/replacements.

Note 6 - Pension plans

Defined Benefit Pension Plan

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

At January 1, 2023, the date of the latest actuarial valuation, Plan participation consisted of:

Retirees and beneficiaries receiving benefits	149
Terminated employees entitled to benefits but not yet receiving them	59
Active employees	61
Total Plan Participants	269

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, 2023

Note 6 - 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 \$305,517. However, the District contributed \$1,400,000 which was determined by management for the year ended September 30, 2023. 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, 2023:

Investment rate of return	6.75%
Projected salary increases	4.5%
Inflation rate	2.0%
Cost of living adjustments	2.0% per annum
Mortality table	PubG-2010, Below-Median, Amounts-Weighted Mortality Tables (by gender), with generational improvement scale MP2018

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%	8%
International equities	25%	5%
Fixed income	35%	0%
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 Total International Stock Index Mutual Fund, and Vanguard International Growth Mutual Fund.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2023

Note 6 - Pension plans (continued)

For the fiscal year ended September 30, 2023, the annual money-weighted rate of return on Plan investments was 11.76%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

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

Changes in net pension asset - The net pension asset at September 30, 2023 is based on a January 1, 2023 actuarial valuation rolled forward using actuarial methods to the September 30, 2023 measurement date. The components of changes during fiscal 2023 are as follows:

Changes in Net Pension Asset

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
	<u> </u>	<u> </u>	<u> </u>
Balances at 10/1/2022	\$46,619,387	\$47,162,876	(\$543,489)
Changes for the year:			
Service Cost	299,237	-	299,237
Interest	3,073,720	-	3,073,720
Differences between expected and actual experience	729,211	-	729,211
Contributions - employer	-	1,400,000	(1,400,000)
Net investment income (loss)	-	5,462,733	(5,462,733)
Benefits payments, including refunds of employee contributions	(2,809,935)	(2,809,935)	-
Administrative expense	-	(18,568)	18,568
Net changes	<u>1,292,233</u>	<u>4,034,230</u>	<u>(2,741,997)</u>
Balances at 9/30/2023	<u>\$47,911,620</u>	<u>\$51,197,106</u>	<u>(\$3,285,486)</u>

The plan fiduciary net position as a percentage of the total pension liability is 106.86%.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2023

Note 6 - Pension plans (continued)

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

	1% Decrease - 5.75%	Current Rate- 6.75%	1% Increase- 7.75%
Net pension liability (asset)	\$2,344,652	(\$3,285,486)	(\$8,046,035)

Pension benefit and deferred outflows and deferred inflows of resources related pensions - For the year ended September 30, 2023, the District recognized pension expense of \$1,890,666. At September 30, 2023, 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	\$ 396,238	\$ 23,947
Net difference between projected & actual earnings on pension plan investments	4,573,296	-
	\$ 4,969,534	\$ 23,947

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:	
2024	\$ 1,316,811
2025	1,269,059
2026	2,825,049
2027	(465,332)

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, 2023

Note 6 - Pension plans (continued)

All employees are eligible to participate in the Defined Contribution Plan from date of hire. At September 30, 2023, there were 754 participants and the fair value of the Defined Contribution Plan investments was \$30,860,720.

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, 2023, the District contributed \$1,479,634 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, 2023, there were 353 participants and the fair value of the Money Purchase Plan investments was \$11,918,116.

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, 2023, the District contributed \$1,166,382 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, 2023

Note 7 - 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, 2023, the date of the latest actuarial valuation, plan participation consisted of:

Retirees and beneficiaries receiving benefits	123
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>267</u>
Total Plan Participants	<u><u>390</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, 2023, the District contributed \$272,771, which was based on the actuarially determined amount per the January 1, 2022 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, 2023

Note 7 - 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 seven 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, 2023
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	6.5% Compounded annually
Inflation rate	2.25% general price inflation annual rate
Projected annual salaries increases	4.5%, including inflation

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2023

Note 7 - Other Postemployment Benefit Plan (continued)

Mortality tables Pub-2010 Headcount Weighted General Below Median Employee Tables for active members, using gender specific MP-2018 mortality improvement scale and the Pub-2010 Headcount Weighted General Below Median Healthy Retiree Tables for retired members. Rates have been adjusted to be set back one year for males.

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

Annual Increase Rates

<u>Year</u>	<u>Medical/Rx</u>	<u>Gross Premium Contribution</u>
2024	6.50%	6.50%
2025	6.00%	6.00%
2026	5.84%	5.84%
2027	5.68%	5.68%
2028	5.52%	5.52%
2029	5.36%	5.36%
2030	5.20%	5.20%
2031	5.04%	5.04%
Thereafter	5.04% - 4.00%	5.04% - 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:

	<u>Allocation Guideline</u>	<u>Long Term Expected Rate of Return</u>
Domestic and International equities	70%	Domestic 8%, International 5%
Fixed income	30%	0%
Real estate investments trusts	N/A	7%

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

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2023

Note 7 - Other Postemployment Benefit Plan (continued)

For fiscal year ended September 30, 2023, the annual money-weighted rate of return on the Plan investments, net of investment expenses, was 15.83%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Discount Rate - The discount rate used to measure the total OPEB asset was 6.5%. The projection of cash flows used to determine this discount rate assumed that the District would continue to fund the actuarially determined contribution. Based on this assumption and investment long-term expected 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, 2023 is based on a January 1, 2023 actuarial valuation rolled forward using actuarial methods to the September 30, 2023 measurement date. The components of changes during fiscal 2023 are as follows:

Changes in Net OPEB Asset

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Asset (a) - (b)
Balances at 10/1/2022	\$11,654,432	\$17,161,787	(\$5,507,355)
Changes for the year:			
Service Cost	252,055	-	252,055
Interest on the Total OPEB Liability	756,400	-	756,400
Differences between expected and actual experience	(8,094)	-	(8,094)
Changes in assumptions	1,418,965	-	1,418,965
Contributions - employer	-	272,771	(272,771)
Net investment income	-	2,717,638	(2,717,638)
Benefits payments	(539,114)	(539,114)	-
Net changes	1,880,212	2,451,295	(571,083)
Balances at 9/30/2023	\$13,534,644	\$19,613,082	(\$6,078,438)

The plan fiduciary net position as a percentage of the total OPEB liability is 144.91%.

ORANGE COUNTY LIBRARY DISTRICT

**Notes to Financial Statements
Year Ended September 30, 2023**

Note 7 - Other Postemployment Benefit Plan (continued)

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

	<u>1% Decrease - 5.50%</u>	<u>Current Rate - 6.50%</u>	<u>1% Increase - 7.50%</u>
Net OPEB Asset	(\$4,395,481)	(\$6,078,438)	(\$7,494,763)

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	<u>(\$7,597,195)</u>	<u>(\$6,078,438)</u>	<u>(\$4,230,763)</u>

OPEB benefit and deferred outflows and deferred inflows of resources related pensions - For the year ended September 30, 2023, the District recognized OPEB benefit of \$444,690. At September 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Net Deferred Outflows of Resources</u>	<u>Net Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 64,478	\$ 836,724
Changes in assumptions	1,289,886	2,835,170
Net difference between projected & actual earnings on OPEB plan investments	372,010	-
	<u>\$ 1,726,374</u>	<u>\$ 3,671,894</u>

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2023

Note 7 - 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:

2024	\$	(511,267)
2025		(471,735)
2026		166,020
2027		(840,623)
2028		(327,492)
Thereafter		39,577

Updated procedures were applied to the Plan's January 1, 2023 actuarial valuation to roll forward the total OPEB asset to September 30, 2023.

Note 8 - 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 individual deductible of \$250,000.

The \$812,958 claims liability includes \$468,309 of actuarially determined claims incurred but not reported, with the remaining amount representing actual claims that have been submitted and shared service fee invoices. Changes to the claims liability since the year ended September 30, 2021 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>
9/30/2022	\$ 284,345	\$ 2,663,587	\$ (2,699,304)	\$ 248,628
9/30/2023	\$ 248,628	\$ 3,304,140	\$ (2,739,810)	\$ 812,958

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 2023, 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 and cyber 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, 2023

Note 9 - 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 2023 are for the purpose of financing the budget of the 2024 fiscal year. Property tax revenues recognized for the 2023 fiscal year were levied in September 2022.

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, 2023.

Key dates in the property tax cycle for revenues recognized in fiscal year 2023 include the following:

Assessment and valuation date	January 1, 2022
Property taxes levied	September 27, 2022
Beginning of fiscal year for which taxes have been levied	October 1, 2022
Tax bills rendered	November 1, 2022
Property taxes payable:	
Maximum discount (latest date)	November 30, 2022
Delinquent	April 1, 2023
Tax certificates sold on unpaid taxes	June 1, 2023

Note 10 – Commitments

As of September 30, 2023 the Orange County Library District had committed approximately \$1.675 million for design, engineering and pre-construction services for the Horizon West Branch, of which approximately \$1.0 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, 2023

	<u>Original and Final Budgeted Amounts</u>	<u>Budgetary Basis Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Taxes:			
Property	\$ 60,850,000	\$ 61,604,263	\$ 754,263
Intergovernmental revenues:			
State aid to libraries	150,000	681,977	531,977
Federal grants	535,000	481,611	(53,389)
Other state grants	100,000	25,000	(75,000)
Municipal grants	-	6,000	6,000
Charges for services:			
Fines and Lost Materials	320,000	72,235	(247,765)
Copies and Prints	150,000	195,206	45,206
Other fees	125,500	288,848	163,348
Miscellaneous revenue:			
Investment income	125,000	2,433,360	2,308,360
Contributions	49,000	315,367	266,367
Other	155,000	230,057	75,057
Total revenues	<u>62,559,500</u>	<u>66,333,924</u>	<u>3,774,424</u>
Expenditures:			
Current:			
Salaries and benefits	31,416,000	27,780,385	3,635,615
Operating	14,384,500	13,147,687	1,236,813
Capital outlay	8,539,000	7,759,293	779,707
Total expenditures	<u>54,339,500</u>	<u>48,687,365</u>	<u>5,652,135</u>
Revenues over expenditures	<u>8,220,000</u>	<u>17,646,559</u>	<u>9,426,559</u>
Other financing sources (uses):			
Transfers out	(4,500,000)	(9,750,000)	(5,250,000)
Transfers from constitutional officers	495,000	683,599	188,599
Total other financing sources (uses)	<u>(4,005,000)</u>	<u>(9,066,401)</u>	<u>(5,061,401)</u>
Net change in fund balance budgetary basis	<u>\$ 4,215,000</u>	8,580,158	<u>\$ 4,365,158</u>
Fund balance at beginning of year		<u>29,898,176</u>	
Fund balance at end of year		<u>\$ 38,478,334</u>	

Note 1: The above schedule presentation differs from the governmental fund financial statements in that the above transfers from constitutional officers are netted against operating expenditures in the governmental fund financial statements and the debt service expenditures 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 accounting principles generally accepted in the United States of America, except for the following subject to GASB Statement No. 96, which are not budgeted: \$404,193 of capital outlay expenditures and \$404,193 of other financing sources-subscription liabilities issued.

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
2014	\$ 627,395	\$ 690,719	\$ 63,324	\$ 5,226,257	13.2%
2015	\$ 614,847	\$ 614,847	\$ -	\$ 5,169,894	11.9%
2016	\$ 806,723	\$ 806,723	\$ -	\$ 4,807,950	16.8%
2017	\$ 809,614	\$ 809,614	\$ -	\$ 4,775,367	17.0%
2018	\$ 570,718	\$ 570,718	\$ -	\$ 4,314,180	13.2%
2019	\$ 970,762	\$ 970,762	\$ -	\$ 4,134,169	23.5%
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%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total pension liability					
Service cost	\$ 299,237	\$ 395,546	\$ 424,009	\$ 459,840	\$ 482,196
Interest	3,073,720	3,038,449	2,999,934	3,277,367	3,124,416
Differences between expected and actual experience	729,211	(87,805)	(269,474)	(605,583)	923,811
Changes in assumptions	-	-	-	(4,827,703)	-
Benefit payments, including refunds of employee contributions	(2,809,935)	(2,647,399)	(2,466,398)	(2,292,852)	(2,193,025)
Net change in total pension liability	1,292,233	698,791	688,071	(3,988,931)	2,337,398
Total pension liability - beginning	46,619,387	45,920,596	45,232,525	49,221,456	46,884,058
Total pension liability - ending (A)	<u>\$ 47,911,620</u>	<u>\$ 46,619,387</u>	<u>\$ 45,920,596</u>	<u>\$ 45,232,525</u>	<u>\$ 49,221,456</u>
Plan fiduciary net position					
Employer contributions	\$ 1,400,000	\$ 900,000	\$ 629,000	\$ 850,002	\$ 970,762
Net investment income (loss)	5,462,733	(12,372,666)	11,520,251	4,239,562	1,182,684
Benefit payments, including refunds of employee contributions	(2,809,935)	(2,647,399)	(2,466,398)	(2,292,852)	(2,193,025)
Administrative expense	(18,568)	(19,289)	(19,208)	(17,503)	(17,449)
Net change in plan fiduciary net position	4,034,230	(14,139,354)	9,663,645	2,779,209	(57,028)
Plan fiduciary net position - beginning	47,162,876	61,302,230	51,638,585	48,859,376	48,916,404
Plan fiduciary net position - ending (B)	<u>\$ 51,197,106</u>	<u>\$ 47,162,876</u>	<u>\$ 61,302,230</u>	<u>\$ 51,638,585</u>	<u>\$ 48,859,376</u>
Plan net pension liability (asset) - ending (A-B)	\$ (3,285,486)	\$ (543,489)	\$ (15,381,634)	\$ (6,406,060)	\$ 362,080
Plan fiduciary net position as a percentage of total pension liability (asset)	106.9%	101.2%	133.5%	114.2%	99.3%
Covered payroll	\$ 3,327,406	\$ 3,498,061	\$ 4,125,334	\$ 3,880,611	\$ 4,134,169
Net pension liability (asset) as a percentage of covered payroll	(98.74%)	(15.54%)	(372.9%)	(165.1%)	8.8%

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

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

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

**Actuarial Methods and Assumptions
Last fiscal year**

Valuation date	January 1, 2023
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	6.75%
Projected salary increases	4.5%
Inflation rate	2.0%
Cost of living adjustments	2.0% per annum
Mortality table	PubG-2010, Below-Median, Amounts-Weighted Mortality Tables, (by gender), with generational improvement scale MP2018

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

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

2014	8.7%
2015	-1.6%
2016	9.5%
2017	11.7%
2018	6.9%
2019	2.5%
2020	8.8%
2021	22.8%
2022	-20.6%
2023	11.8%

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%

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability					
Service cost	\$ 252,055	\$ 274,764	\$ 311,672	\$ 416,326	\$ 352,302
Interest on the total OPEB liability	756,400	786,238	870,097	1,026,949	961,109
Changes in benefit terms	-	-	-	-	642,850
Difference between expected and actual experience	(8,094)	(310,125)	(433,918)	(519,356)	(48,127)
Changes in assumptions	1,418,965	(716,746)	(1,358,311)	(2,369,485)	(253,545)
Benefit payments	(539,114)	(401,819)	(883,721)	(842,046)	(569,322)
Net change in total OPEB liability	<u>1,880,212</u>	<u>(367,688)</u>	<u>(1,494,181)</u>	<u>(2,287,612)</u>	<u>1,085,267</u>
Total OPEB liability - beginning	<u>11,654,432</u>	<u>12,022,120</u>	<u>13,516,301</u>	<u>15,803,913</u>	<u>14,718,646</u>
Total OPEB liability - ending (A)	<u><u>\$ 13,534,644</u></u>	<u><u>\$ 11,654,432</u></u>	<u><u>\$ 12,022,120</u></u>	<u><u>\$ 13,516,301</u></u>	<u><u>\$ 15,803,913</u></u>
Plan Fiduciary net position					
Employer contributions	\$ 272,771	\$ 299,125	\$ 342,403	\$ 723,271	\$ 700,000
Net investment income (loss)	2,717,638	(3,704,486)	4,437,898	1,231,205	195,514
Benefit payments	(539,114)	(401,819)	(883,721)	(842,046)	(569,322)
Administrative expense	-	-	-	-	-
Net change in plan fiduciary net position	<u>2,451,295</u>	<u>(3,807,180)</u>	<u>3,896,580</u>	<u>1,112,430</u>	<u>326,192</u>
Plan fiduciary net position - beginning	<u>17,161,787</u>	<u>20,968,967</u>	<u>17,072,387</u>	<u>15,959,957</u>	<u>15,633,765</u>
Plan fiduciary net position - ending (B)	<u><u>\$ 19,613,082</u></u>	<u><u>\$ 17,161,787</u></u>	<u><u>\$ 20,968,967</u></u>	<u><u>\$ 17,072,387</u></u>	<u><u>\$ 15,959,957</u></u>
Net OPEB asset - ending (A) - (B)	\$ (6,078,438)	\$ (5,507,355)	\$ (8,946,847)	\$ (3,556,086)	\$ (156,044)
Plan fiduciary net position as a percentage of total OPEB liability	144.9%	147.3%	174.4%	126.3%	101.0%
Covered employee payroll	\$ 14,661,609	\$ 13,007,411	\$ 12,879,530	\$ 13,352,808	\$ 12,866,962
Net OPEB asset as a percentage of covered employee payroll	(41.5%)	(42.3%)	(69.5%)	(26.6%)	(1.2%)

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>2018</u>	<u>2017</u>
Total OPEB liability		
Service cost	\$ 351,322	\$ 368,597
Interest on the total OPEB liability	907,225	879,525
Changes in benefit terms	-	-
Difference between expected and actual experience	240,326	-
Changes in assumptions	81,538	-
Benefit payments	(935,514)	(673,847)
	<u>644,897</u>	<u>574,275</u>
Net change in total OPEB liability		
Total OPEB liability - beginning	14,073,749	13,499,474
Total OPEB liability - ending (A)	<u>\$ 14,718,646</u>	<u>\$ 14,073,749</u>
Plan Fiduciary net position		
Employer contributions	\$ 539,459	\$ 690,843
Net investment income	1,521,630	1,813,966
Benefit payments	(935,514)	(673,847)
Administrative expense	(8,054)	(10,047)
	<u>1,117,521</u>	<u>1,820,915</u>
Net change in plan fiduciary net position		
Plan fiduciary net position - beginning	14,516,244	12,695,329
Plan fiduciary net position - ending (B)	<u>\$ 15,633,765</u>	<u>\$ 14,516,244</u>
Net OPEB asset - ending (A) - (B)	\$ (915,119)	\$ (442,495)
Plan fiduciary net position as a percentage of total OPEB liability	106.2%	103.1%
Covered employee payroll	\$ 11,789,254	\$ 11,939,326
Net OPEB asset as a percentage of covered employee payroll	(7.8%)	(3.7%)

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

**Actuarial Methods and Assumptions
Last fiscal year**

Valuation date	January 1, 2023
Actuarial cost method	Entry age normal cost method
Amortization method	Level dollar, closed period
Amortization period	5 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	6.5%
Projected salary increases	4.5%
Inflation rate	2.25%
Healthcare cost trend rate	6.50% for 2024 decreasing to an ultimate rate of 4.00% by 2040 and thereafter.

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

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

2014	9.3%
2015	-1.8%
2016	10.1%
2017	14.3%
2018	10.4%
2019	1.4%
2020	7.8%
2021	26.0%
2022	-17.7%
2023	15.8%

OTHER SUPPLEMENTARY INFORMATION

ORANGE COUNTY LIBRARY DISTRICT
Combining Statement of Fiduciary Net Position-
Pension and Other Postemployment Benefit Trust Funds
September 30, 2023

	Defined Benefit	Defined Contribution	Money Purchase	OPEB	Total
Assets					
Cash and cash equivalents	\$ 1,253,408	\$ -	\$ -	\$ 39,851	\$ 1,293,259
Interest and dividend receivable	1	-	-	31	32
Notes receivable from plan participants	-	-	157,205	-	157,205
Investments:					
Commingled account:					
Fixed income	14,113,915	-	-	-	14,113,915
Mutual funds:					
Domestic equities	24,290,662	16,306,162	6,588,127	11,869,238	59,054,189
International equities	8,949,181	5,183,898	2,654,888	3,339,381	20,127,348
Stable value	-	3,528,898	1,270,822	-	4,799,720
Fixed income	-	5,747,251	1,366,249	4,543,302	11,656,802
Real estate	2,612,932	94,511	38,030	-	2,745,473
Total Investments	49,966,690	30,860,720	11,918,116	19,751,921	112,497,447
Total assets	\$ 51,220,099	\$ 30,860,720	\$ 12,075,321	\$ 19,791,803	\$ 113,947,943
Liabilities					
Accounts payable	22,993	-	-	2,900	25,893
Due to Internal Service Fund	-	-	-	175,821	175,821
Total liabilities	\$ 22,993	\$ -	\$ -	\$ 178,721	\$ 201,714
Net position restricted for pension and other postemployment benefits	<u>\$ 51,197,106</u>	<u>\$ 30,860,720</u>	<u>\$ 12,075,321</u>	<u>\$ 19,613,082</u>	<u>\$ 113,746,229</u>

ORANGE COUNTY LIBRARY DISTRICT
Combining Statement of Changes in Fiduciary Net Position-
Pension and Other Postemployment Benefit Trust Funds
Year Ended September 30, 2023

	<u>Defined Benefit</u>	<u>Defined Contribution</u>	<u>Money Purchase</u>	<u>OPEB</u>	<u>Total</u>
Additions:					
Employer contributions:					
General Fund	\$ 1,400,000	\$ 1,479,634	\$ 1,166,382	\$ 272,771	\$ 4,318,787
Employee contributions:					
Loan interest	-	-	5,703	-	5,703
Investment gain	5,533,556	3,741,230	1,517,089	2,717,638	13,509,513
Investment expenses	(70,855)	-	-	-	(70,855)
Miscellaneous revenue	32	-	-	-	32
Total additions	<u>6,862,733</u>	<u>5,220,864</u>	<u>2,689,174</u>	<u>2,990,409</u>	<u>17,763,180</u>
Deductions:					
Benefits paid to participants	2,809,935	1,169,263	274,671	532,988	4,786,857
Administrative expenses	18,568	32,623	13,418	6,126	70,735
Total deductions	<u>2,828,503</u>	<u>1,201,886</u>	<u>288,089</u>	<u>539,114</u>	<u>4,857,592</u>
Change in net position	4,034,230	4,018,978	2,401,085	2,451,295	12,905,588
Net position - beginning of year	<u>47,162,876</u>	<u>26,841,742</u>	<u>9,674,236</u>	<u>17,161,787</u>	<u>100,840,641</u>
Net position - end of year	<u>\$ 51,197,106</u>	<u>\$ 30,860,720</u>	<u>\$ 12,075,321</u>	<u>\$ 19,613,082</u>	<u>\$ 113,746,229</u>

ORANGE COUNTY LIBRARY DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Capital Projects Fund
Year Ended September 30, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Miscellaneous revenue:			
Investment income	\$ 58,000	\$ 1,562,377	\$ 1,504,377
Total revenues	58,000	1,562,377	1,504,377
Expenditures:			
Capital outlay	6,145,000	593,644	5,551,356
Total expenditures	6,145,000	593,644	5,551,356
Revenues over (under) expenditures	(6,087,000)	968,733	7,055,733
Other Financing Sources:			
Transfers in	4,000,000	8,750,000	4,750,000
Net change in fund balance	\$ (2,087,000)	9,718,733	\$ 11,805,733
Fund balance at beginning of year		30,746,237	
Fund balance at end of year		\$ 40,464,970	

ORANGE COUNTY LIBRARY DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Capital Projects Sinking Fund
Year Ended September 30, 2023

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Miscellaneous revenue:			
Investment income	\$ 10,000	\$ 210,086	\$ 200,086
Total revenues	<u>10,000</u>	<u>210,086</u>	<u>200,086</u>
Revenues over expenditures	<u>10,000</u>	<u>210,086</u>	<u>200,086</u>
Other Financing Sources:			
Transfers in	<u>500,000</u>	<u>1,000,000</u>	<u>500,000</u>
Net change in fund balance	<u>\$ 510,000</u>	<u>1,210,086</u>	<u>\$ 700,086</u>
Fund balance at beginning of year		<u>4,038,732</u>	
Fund balance at end of year		<u>\$ 5,248,818</u>	

ORANGE COUNTY LIBRARY DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Permanent Fund
Year Ended September 30, 2023

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Miscellaneous revenue:			
Investment income	\$ 20,000	\$ 166,344	\$ 146,344
Total revenues	<u>20,000</u>	<u>166,344</u>	<u>146,344</u>
Expenditures:			
Capital outlay	<u>125,000</u>	<u>5,842</u>	<u>119,158</u>
Total expenditures	<u>125,000</u>	<u>5,842</u>	<u>119,158</u>
Revenues over (under) expenditures	<u>(105,000)</u>	<u>160,502</u>	<u>265,502</u>
Net change in fund balance	<u>\$ (105,000)</u>	<u>160,502</u>	<u>\$ 265,502</u>
Fund balance at beginning of year		<u>1,160,526</u>	
Fund balance at end of year		<u>\$ 1,321,028</u>	

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	69 - 72
These schedules contain trend information to help the reader understand how the District's financial performance and position have changed over time.	
Revenue Capacity	73 - 76
These schedules contain information to help the reader assess the factors affecting the District's ability to generate property taxes.	
Debt Capacity	77 - 81
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	82 - 83
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	84 - 86
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
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	26,058,685 (4)	38,825,866	97,363,498
2020	32,866,257	11,429,317 (3)	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	886,358 (1)	16,684,484	50,783,920
2015	29,407,021	407,707	17,853,751	47,668,479
2014	26,859,536	439,319	18,769,164	46,068,019

(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.

ORANGE COUNTY LIBRARY DISTRICT

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Program Expenses										
Salaries and benefits	\$ 27,719,873	\$ 22,389,115	\$ 17,503,948	\$ 22,003,497	\$ 24,910,999	\$ 22,787,890	\$ 22,900,705	\$ 21,474,152	\$ 20,414,549	\$ 18,883,855
Operating	11,550,245	10,809,715	8,240,745	9,168,322	10,098,378	9,075,273	9,087,009	9,354,014	8,454,658	7,855,277
Depreciation	4,505,833	4,380,685	3,674,840	3,782,117	3,914,812	4,076,370	4,303,673	4,382,963	2,096,541	1,942,267
Materials	3,781,904	3,409,448	3,476,077	3,301,894	2,948,660	3,130,625	2,866,042	2,898,914	4,863,762	4,472,687
Total Expenses	\$ 47,557,855	\$ 40,988,963	\$ 32,895,610	\$ 38,255,830	\$ 41,872,849	\$ 39,070,158	\$ 39,157,429	\$ 38,110,043	\$ 35,829,510	\$ 33,154,086
Program Revenues										
Charges for services	\$ 556,289	\$ 742,364	\$ 746,202	\$ 820,986	\$ 1,163,129	\$ 1,279,929	\$ 1,289,113	\$ 1,377,878	\$ 1,511,583	\$ 1,559,911
Operating grants & contrib.	1,565,831	1,525,277	1,302,423	1,182,531	1,518,081	1,268,671	1,237,111	1,151,860	1,501,688	1,226,815
Capital grants & contrib.	-	-	-	-	-	-	-	500,000	446,227	53,773
Total Program Revenues	\$ 2,122,120	\$ 2,267,641	\$ 2,048,625	\$ 2,003,517	\$ 2,681,210	\$ 2,548,600	\$ 2,526,224	\$ 3,029,738	\$ 3,459,498	\$ 2,840,499
Total Net (Exp.)	\$ (45,435,735)	\$ (38,721,322)	\$ (30,846,985)	\$ (36,252,313)	\$ (39,191,639)	\$ (36,521,558)	\$ (36,631,205)	\$ (35,080,305)	\$ (32,370,012)	\$ (30,313,587)
General Expenses										
Interest Expense (2)	\$ 257,612 (1)	\$ 229,691	-	-	-	-	-	-	-	-
General Revenues										
Property Taxes	\$ 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	\$ 28,374,814
Investment income (3)	4,372,167	238,541	327,460	780,606	896,826	449,103	270,264	172,626	95,449	65,964
Miscellaneous	163,600	161,940	242,626	153,710	154,984	272,751	266,984	302,935	642,595	323,727
Total General Revenues	\$ 66,140,030	\$ 54,914,857	\$ 53,109,715	\$ 49,161,636	\$ 45,209,809	\$ 41,014,552	\$ 37,284,401	\$ 34,190,274	\$ 31,290,800	\$ 28,764,505
Change in Net Position	\$ 20,446,683	\$ 15,963,844	\$ 22,262,730	\$ 12,909,323	\$ 6,018,170	\$ 4,492,994	\$ 653,196	\$ (890,031)	\$ (1,079,212)	\$ (1,549,082)

(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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Nonspendable:										
Inventory	\$ 104,877	\$ 132,454	\$ 149,944	\$ 171,956	\$ 123,866	\$ 155,055	\$ 176,092	\$ 162,025	\$ 152,942	\$ 194,661
Prepaid Items	288,254	160,425	179,414	223,747	179,387	258,713	119,952	174,017	199,582	153,653
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:										
Subsequent Year's Budget	-	-	-	-	-	323,000	1,000,877	2,080,087	1,644,978	2,860,984
Unassigned:	33,118,858	24,638,952	18,154,274	13,312,423	9,305,827	6,981,043	4,242,799	2,234,086	3,675,686	2,695,807
Total General Fund	<u>\$38,478,334</u>	<u>\$29,898,176</u>	<u>\$23,449,977</u>	<u>\$ 18,674,471</u>	<u>\$14,575,425</u>	<u>\$ 12,684,156</u>	<u>\$ 10,506,065</u>	<u>\$ 9,616,560</u>	<u>\$10,639,533</u>	<u>\$10,871,450</u>
All Other Governmental Funds										
Nonspendable:										
Melrose Donation	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 500,000	\$ 500,000	\$ 500,000	-	-
Restricted for:										
Melrose Center	321,028	160,526	572,687	309,654	213,782	183,632	133,020	59,693	-	-
Lake Nona - Advance Rent Payment (4)	440,000	440,000	-	-	-	-	-	-	-	-
Horizon West-Emergency Repair Fund (2)	1,000,000	1,000,000	-	-	-	-	-	-	-	-
Horizon West-Demolition Fund (3)	250,754	250,000	-	-	-	-	-	-	-	-
Assigned To:										
Capital Projects	44,023,034 (1)	33,094,969	26,134,808	15,098,531	10,673,716	5,917,620	4,334,823	3,303,238	2,387,733	5,922,381
Total All Other Governmental Funds	<u>\$47,034,816</u>	<u>\$35,945,495</u>	<u>\$27,707,495</u>	<u>\$ 16,408,185</u>	<u>\$11,887,498</u>	<u>\$ 6,601,252</u>	<u>\$ 4,967,843</u>	<u>\$ 3,862,931</u>	<u>\$ 2,387,733</u>	<u>\$ 5,922,381</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.

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Property Taxes	\$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	\$28,374,814
Intergovernmental	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	1,120,090
Fines	72,235	415,440	453,995	487,223	669,617	756,003	786,065	886,427	1,048,826	1,119,034
Charges for Services	484,054	326,924	292,207	333,763	493,512	523,926	503,048	491,451	462,757	440,877
Investment Income (4)	4,372,167	238,541	327,460	780,606	896,826	449,103	270,264	172,626	95,449	65,964
Miscellaneous	545,424	546,103	610,123	279,671	790,742	500,191	646,804	739,518	829,635	484,225
Total Revenues	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	31,605,004
Expenditures										
Salaries & Benefits	\$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	\$18,817,390
Operating	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	8,535,706
Books & Other Materials	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	4,472,687
Capital Outlay	3,935,548 (2)	10,502,096	2,359,813	3,353,751	1,719,624	3,394,920	2,249,885	2,375,873	1,467,012	2,247,100
Capital Projects Outlay	-	-	-	-	-	-	-	-	3,220,131	596,384
Debt Service (3)										
Principal	963,130	767,780	-	-	-	-	-	-	-	-
Interest	257,612	229,691	-	-	-	-	-	-	-	-
Total Expenditures	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	34,669,267
Excess of revenues over (under) expenditures	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)	(3,064,263)
Other Financing Sources (5)	404,193 (2)	8,724,659	-	-	-	-	-	-	-	-
Net Change in Fund Balances										
	\$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)	\$ (3,064,263)
Debt Service (3)	\$ 1,220,742	\$ 997,471	-	-	-	-	-	-	-	-
Government-wide Capital Outlay (1)	\$ 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	\$ 2,843,484
Non Capital Expenditures	\$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	\$31,825,783
Debt Service as percentage of noncapital expenditures	2.77%	2.53%	-	-	-	-	-	-	-	-

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

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

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

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

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

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	
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
2015	75,841,561,597	105,529,994,182	8,279,549,811	12,250,845,165	21,765,161	23,119,905	84,142,876,569	117,803,959,252	71.43	0.3748
2014	70,747,635,067	95,744,666,369	7,941,397,415	11,917,111,545	21,561,331	22,959,315	78,710,593,813	107,684,737,229	73.09	0.3748

(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 2022 tax roll data is reported here for Fiscal Year 2023, as that is the period of collection and revenue recognition.

Source: Orange County Property Appraiser

ORANGE COUNTY LIBRARY DISTRICT

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

FISCAL YEAR ENDING SEPTEMBER 30 (1)	LIBRARY DISTRICT (2)	ORANGE COUNTY	SCHOOL BOARD	TOTAL DIRECT AND OVERLAPPING TAX RATES (3)
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
2015	0.3748	4.4347	8.2180	13.0275
2014	0.3748	4.4347	8.4740	13.2835

(1) Information is reported based on the fiscal year in which associated tax revenue is recognized- e.g., the 2022 tax roll data is reported here for Fiscal Year 2023, 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 2023 (1)		FISCAL YEAR 2014 (1)	
		ASSESSED VALUE	PERCENTAGE OF TOTAL ASSESSED VALUE	ASSESSED VALUE	PERCENTAGE OF TOTAL ASSESSED VALUE
Walt Disney Company	Tourism	\$ 9,800,000,000	5.74%	\$ 7,450,000,000	9.47%
Marriott Resorts	Hotels	3,003,000,000	1.76	1,140,000,000	1.45
Universal Orlando Resort	Tourism	2,400,000,000	1.41	1,490,000,000	1.89
Hilton Resorts	Hotels	2,200,000,000	1.29	822,700,000	1.05
Holiday Inn	Hotels	1,300,000,000	0.76	-	-
Wyndham Resorts	Hotels	962,000,000	0.56	525,700,000	0.67
Hyatt	Hotels	660,000,000	0.39	-	-
Flamingo Crossings	Hotels	580,000,000	0.34	-	-
Westgate Resorts	Hotels	545,000,000	0.32	522,900,000	0.66
Rosen	Hotels	542,000,000	0.32	433,500,000	0.55
Orange Lake Country Club	Hotels	-	-	705,800,000	0.90
Duke Energy	Utilities	-	-	668,300,000	0.85
Vistana Resorts	Timeshare	-	-	463,300,000	0.59
Total Top Ten Principal Taxpayers		\$ 21,992,000,000	12.89%	\$ 14,222,200,000	18.07%
Taxable Assessed Value of all other taxpayers		\$ 148,603,863,022	87.11%	\$ 64,488,393,813	81.92%
Total Taxable Assessed Value of all taxpayers		\$ 170,595,863,022	100.00%	\$ 78,710,593,813	100.00%

(1) Information is reported based on the fiscal year in which associated tax revenue is recognized- e.g., the 2022 tax roll data is reported here for Fiscal Year 2023, 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 2023 is not available so 2022 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
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
2015	31,619,914	30,384,231	96.09	70,441	30,454,672	96.31
2014	29,514,918	28,304,731	95.90	92,638	28,397,369	96.21

(1) Information is reported based on the fiscal year in which associated tax revenue is recognized- e.g., the 2022 tax roll data is reported here for Fiscal Year 2023, 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
2023	\$7,187,827	\$ 210,115	\$ 7,397,942	1,442,281	\$ 5.13	\$170,595,863,022	0.004%
2022	7,956,879	-	7,956,879	1,427,218	5.58	150,857,840,552	0.005

(1) In Fiscal Year 2023, 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 2023 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

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, 2023

<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)	\$7,187,827	100.0%	\$7,187,827	\$4.98
Obligation for Subscriptions (3)	210,115	100.0%	210,115	0.15
Overlapping:				
Central Florida Tourism Oversight District (4)	652,170,000	95.0%	<u>619,561,500</u>	<u>429.57</u>
Total Direct and Overlapping Debt			<u><u>\$626,959,442</u></u>	<u><u>\$434.70</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 2015A, 2016A, 2017A, 2020A (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 2023 District population estimate of 1,442,281

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
2023	(1)	1,442,281	(2)	80,442,532,000	\$ 55,775		3.0%
2022		1,427,218	(3)	80,442,532,000	56,363		2.6
2021		1,405,373		78,220,929,000	55,658	(5)	4.5
2020		1,360,252		69,363,482,000	50,993	(4)	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
2015		1,206,422		50,998,452,000	42,272		4.7
2014		1,182,511		47,623,300,000	40,273		5.6

(1) Population for 2023 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 2023 not available so 2022 personal income used as an estimate. Includes all of Orange County.

(3) Information for Fiscal Year 2022 has been updated from that previously reported.

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

(5) 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	2023		2014	
	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
Walt Disney World Resort	70,000	8.63%	66,000	10.27%
AdventHealth System	39,374	4.85	17,600	2.74
Orange County Public Schools	24,576	3.03	21,984	3.42
Universal Orlando Resort	24,000	2.96	16,500	2.57
Orlando Health	23,252	2.87	15,867	2.47
University of Central Florida	10,614	1.31	-	-
Seminole County Public Schools	10,000	1.23	7,687	1.20
Lockheed Martin	8,099	1.00	-	-
The School District of Osceola County	7,903	0.97	-	-
Orlando International Airport	-	-	18,000	2.80
Orange County Government	7,601	0.93	7,553	1.18
Westgate Resorts	-	-	6,002	0.93
Darden Restaurants Inc.	-	-	6,277	0.98
Total	<u><u>225,419</u></u>	27.78	<u><u>183,470</u></u>	28.56
Total Employment in Orange County	<u><u>811,326</u></u>		<u><u>642,750</u></u>	

Source: Top 10 Employers from Orlando Business Journal Book of Lists dated 2022/2023
 2023/2024 not published as of January 2024
 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
2023	359
2022	330
2021	308
2020	325
2019	336
2018	335
2017	328
2016	328
2015	321
2014	298

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
2023	9,404,892	3,603,947	446,334	238,704
2022	8,768,928	3,399,015	338,351	192,288
2021	(4) 7,582,572	3,148,278	395,713	(4) 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	(3) 3,929,820	462,956	976,489
2017	11,993,719	4,045,818	560,713	974,512
2016	12,912,258	(2) 4,272,999	413,571	1,098,833
2015	12,787,970	5,029,455	369,805	1,154,547
2014	13,026,964	(1) 4,754,155	299,715	1,166,073

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

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

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

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

Source: Orange County Library District

ORANGE COUNTY LIBRARY DISTRICT
SERVICE LOCATION INFORMATION
LAST TEN FISCAL YEARS

Location	Status	Square Footage									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	-
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	12,740	12,740	12,740	12,740	12,740
Herndon Branch	Lease (2)	-	-	-	-	13,160	13,160	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>461,284</u>	<u>465,228</u>	<u>465,228</u>	<u>465,228</u>	<u>465,228</u>	<u>449,568</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.

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, 2023, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated February 29, 2024. We also have audited the financial statements of the internal service fund, presented in the District's basic financial statements, and each of the fiduciary funds of the District, presented as supplementary information in the accompanying financial statements, as of and for the year ended September 30, 2023, and the related notes to the financial statements.

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 have not been 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
February 29, 2024

Independent Auditor's Management Letter

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

Report of the Financial Statements

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Orange County Library District (the "District"), a component unit of Orange County, Florida as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 29, 2024. We also have audited the financial statements of the internal service fund, presented in the District's basic financial statements, and each of the fiduciary funds of the District, presented as supplementary information in the accompanying combining financial statements, as of and for the year ended September 30, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on Compliance with Local Government Investment Policies regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 29, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6., Rules of the Auditor General, the District provided the following information (unaudited):

- a. The total number of District employees compensated in the last pay period of the District's fiscal year as 423.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as 2.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$28,153,954.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$198,834.
- 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:

Project	Expenditures
Horizon West	\$ 593,644
Melrose Ceiling Removal	249,909
North Orange Roof	67,165
Windermere Expansion	1,020,027
Washington Park Refresh	146,339
Main Roof Replacement	147,582
Photo Studio Ceiling Removal	105,216
Server Room HVAC Replacement	85,616
Melrose Center Sound Booth	69,574
TOTAL	\$2,485,072

- 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)7, Rules of the Auditor General, the District provided the following information (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 \$61,604,263.
- 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 have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

Cherry Bekaert LLP

Orlando, Florida
February 29, 2024

Independent Accountant’s Report on Compliance with Local Government Investment Policies

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

We have examined the Orange County Library District’s (the “District”) compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2023. 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, 2023.

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

Cherry Bekaert LLP

Orlando, Florida
February 29, 2024