



2015

ORANGE COUNTY LIBRARY DISTRICT
COMPREHENSIVE
FINANCIAL
ANNUAL REPORT

A COMPONENT UNIT OF ORANGE COUNTY, FLORIDA

YEAR ENDED SEPTEMBER 30

ORANGE
COUNTY
LIBRARY
DISTRICT

ORANGE COUNTY LIBRARY DISTRICT

(A Component Unit of Orange County, Florida)

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 2015



Prepared by:

FINANCE DEPARTMENT

**ORANGE COUNTY LIBRARY DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2015**

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INTRODUCTORY SECTION



101 East Central Boulevard
Orlando, Florida 32801-2471
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fax: 407.835.7649
website: www.ocls.info

Mary Anne Hodel,
Library Director, Chief Executive Officer

December 29, 2015

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

The Comprehensive Annual Financial Report (CAFR) of the Orange County Library District (District) for the fiscal year ended September 30, 2015 is hereby submitted.

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

The CAFR is presented in four sections:

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

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

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

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

GAAP require 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 MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of independent auditor.

District Profile

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

The District's Governing Board is comprised of the Board of County Commissioners of Orange County 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 1,206,000 residents through a 290,000 square foot Main Library building and 15 branch facilities, which range in size from 5,600 to 15,700 square feet.

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

Economic Condition

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

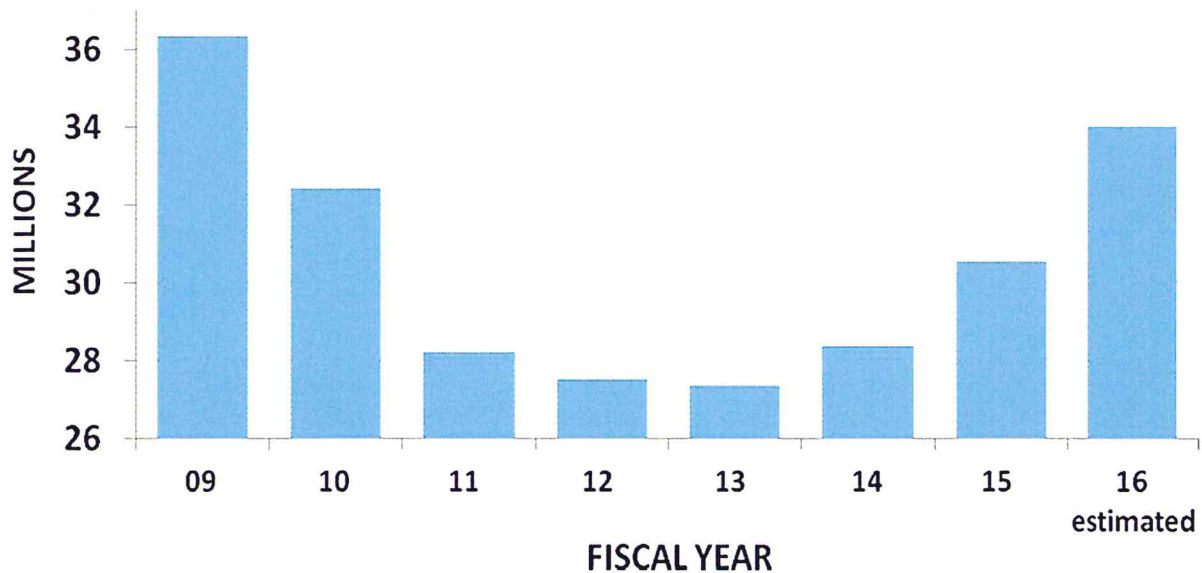
Local economy. The local economy is primarily driven by the tourism and travel industry. Major employers include the Walt Disney World, Orange County Public Schools, Universal Orlando Resort, Florida Hospital, Orlando International Airport, University of Central Florida, Orange County Government, Lockheed Martin, Darden Restaurants, and Consulate Health Care. The two largest property tax payers of the District are the Walt Disney World Company and Universal Studios.

Property taxes. The District is primarily funded through property tax revenues. In June 2007, the Florida Legislature passed legislation, which resulted in a 13% reduction in the District's millage rate for fiscal year 2008. The District's millage rate dropped from .4325 for fiscal 2007 to .3748 for fiscal 2008, and has remained at .3748. Despite the reduction in the District's millage rate, property tax revenues for fiscal year 2008 remained stable due to significant new construction added to the tax rolls.

The Florida Legislature approved further tax reform proposals which were approved by the voters on January 29, 2008. The net effect of this second wave of property tax reform was to remove 6 billion of property tax value from the District's tax rolls. However, due to new construction in the District, property tax revenues for fiscal year 2009 again remained stable.

While the District's property tax revenues had remained stable from fiscal year 2007 through 2009, the recession and bursting of the housing bubble had a dramatic effect on the property tax revenues of most local governments in Central Florida, including the District. As illustrated in the chart below, the District's property tax revenues dropped \$8,948,000 or 25%, from fiscal year 2009 to 2013. After dropping to the low point in fiscal year 2013, property values have rebounded since then and are projected to increase to \$34,000,000 in fiscal year 2016.

Property Tax Revenues



Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Orange County Library District for its comprehensive annual financial report for the fiscal year ended September 30, 2014. This was the twelfth consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated services of the 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.

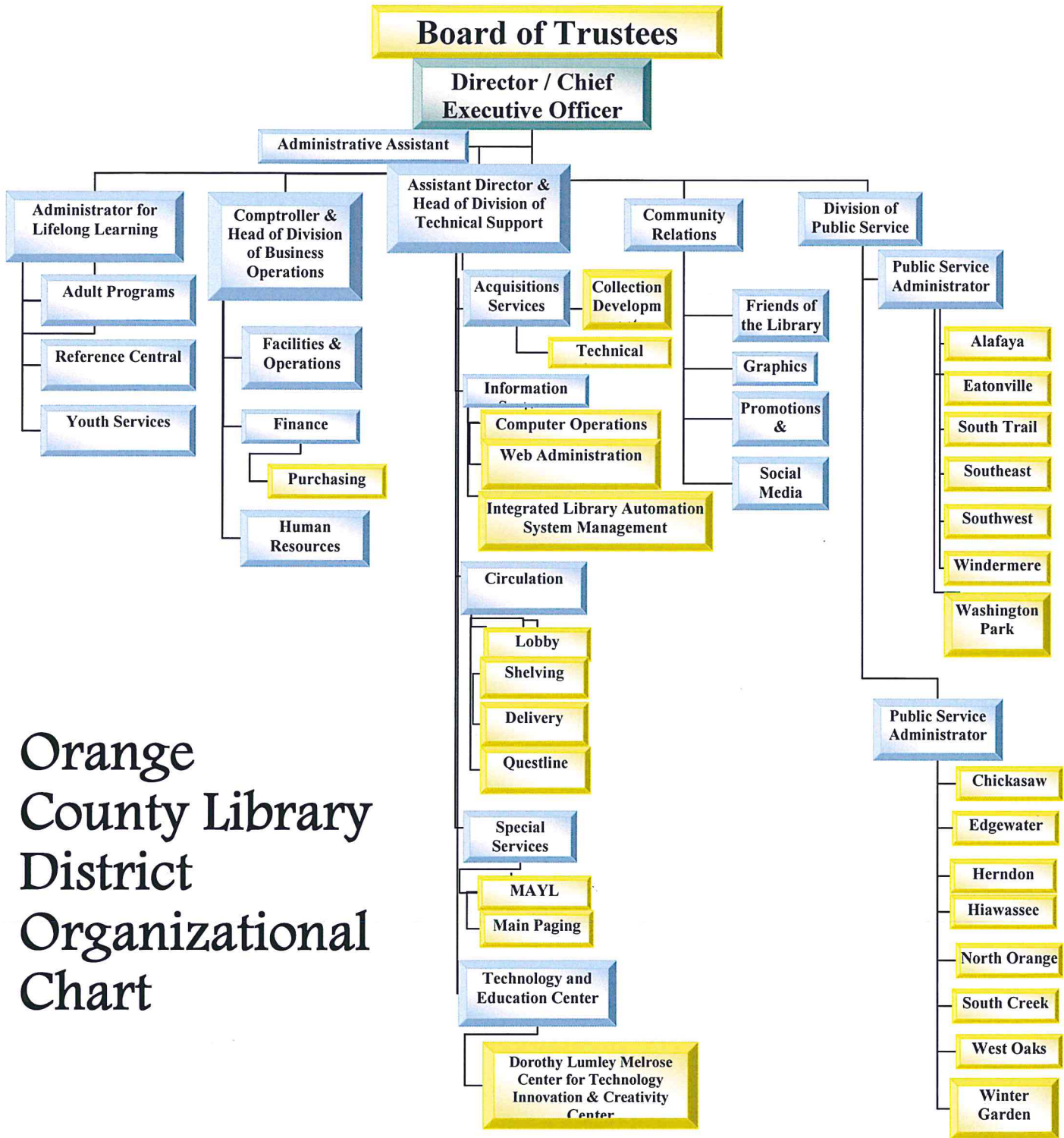
Sincerely,



Robert Tessier, CPA
Comptroller



Patricia Quinones
Finance Manager



Orange
County Library
District
Organizational
Chart

ORANGE COUNTY LIBRARY DISTRICT

List of Principal Officials

Library Board of Trustees

Ted Maines	President
Lisa Franchina	Vice President
Marucci Guzmán	Trustee
Hernan Tagliani	Trustee
Richard Maladecki	Trustee

Director/Chief Executive Officer

Mary Anne Hodel

Comptroller

Robert Tessier

Finance Manager

Patricia Quiñones



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Orange County Library District
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

FINANCIAL SECTION

Report on Independent Auditor

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Orange County Library District (the "District"), a component unit of Orange County, Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of the internal service fund, presented in the District's basic financial statements, and each of the fiduciary funds of the District, presented as other supplementary information in the accompanying combining financial statements, as of and for the year ended September 30, 2015.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of September 30, 2015, 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, 2015 and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pension*, effective October 1, 2014. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2015, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Orlando, Florida
December 29, 2015

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, 2015. 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 liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Assets, deferred outflows of resources, liabilities, and deferred inflows of resources are reported in this statement based on the accrual method of accounting, which is used by most businesses.

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

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

Fund financial statements

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

Governmental funds. *Governmental funds* are used to account for the same library activities reported in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows in and out of the 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, and Capital Projects Sinking Fund, all of which are reported as major funds. Information is presented separately in the governmental balance sheet and statement of revenues, expenditures, and changes in fund balances for each of these funds. The governmental fund financial statements can be found on pages 16 - 18 of this report.

The District adopts an annual budget for each of its governmental funds. Budgetary comparison schedules are located on page 47 for the General Fund and on pages 54 - 55 for the other funds.

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

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the District. The District is the fiduciary for the Defined Benefit, Defined Contribution, and Money Purchase Pension Plans as well as the Other Postemployment Benefit Plan. The combined activities for these plans are reported in the Statement of Fiduciary Net Position - Pension and Other Postemployment Benefit Trust Funds, and Statement of Changes in Fiduciary Net Position - Pension and Other Postemployment Benefit Trust Funds on pages 22 - 23 of this report. Combining financial statements for the plans can be found on pages 52 - 53. The financial activities for these plans are excluded from the District's government-wide financial statements because the District cannot use the assets to finance its operations.

Notes to the financial statements

The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24 - 46 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 47 - 51 of this report.

Government-wide Financial Analysis

The following summarizes the District's net position at September 30, 2015 and 2014.

	2015	2014
Current and other assets	\$19,021,709	\$21,947,130
Capital assets	29,407,021	26,859,536
Total assets	48,428,730	48,806,666
Deferred outflows of resources	2,909,658	-
Total assets and deferred outflows of resources	51,338,388	48,806,666
Current liabilities	2,875,837	2,147,662
Long term liabilities	618,254	590,985
Total liabilities	3,494,091	2,738,647
Deferred inflows of resources	175,818	-
Total liabilities and deferred inflows of resources	3,669,909	2,738,647
Net position:		
Investment in capital assets	29,407,021	26,859,536
Restricted	157,517	157,517
Unrestricted	18,103,941	19,050,966
Total net position	\$47,668,479	\$46,068,019

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, 2015, the District decreased its net position through operating results by \$1,079,212 and assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$47,668,479 as of the end of the fiscal year.

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

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

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

The following summarizes the District's governmental activities for the years ended September 30, 2015 and 2014.

	<u>2015</u>	<u>2014</u>
Program Revenues		
Charges for services	\$1,511,583	\$1,559,911
Operating grants and contributions	1,501,688	1,226,815
Capital grants and contributions	446,227	53,773
General Revenues		
Property taxes	30,552,756	28,374,814
Investment income	95,449	65,964
Miscellaneous	642,595	323,727
Total revenues	<u>34,750,298</u>	<u>31,605,004</u>
Expenses		
Salaries and benefits	20,414,549	18,883,855
Operating	8,454,658	7,855,277
Materials	4,863,762	4,472,687
Depreciation	2,096,541	1,942,267
Total expenses	<u>35,829,510</u>	<u>33,154,086</u>
Changes in net position	(1,079,212)	(1,549,082)
Net position - beginning of year	46,068,019	47,617,101
Cumulative effect of change in accounting principle	<u>2,679,672</u>	<u>-</u>
Restated beginning net position	48,747,691	-
Net position - end of year	<u><u>\$47,668,479</u></u>	<u><u>\$46,068,019</u></u>

- Due primarily to an increase in State Aid to Libraries, operating grants and contributions increased \$274,873.
- Of the total \$500,000 State construction grant for a branch library, \$446,227 was earned in fiscal year 2015.
- While the tax rate did not change, property taxes increased \$2,177,942 due to the increase in property values.
- The \$29,485 increase in investment income was due to higher rates.
- The \$318,868 increase in miscellaneous revenue is due to the increased funding from the Universal Service Schools and Libraries Program, which provides rebates on qualified telecommunication and internet access charges.
- Salaries and benefits increased \$1,530,694 due to an increase in staffing levels and salary increases, as well as the pension cost associated with Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.
- Operating expenses increased \$599,381 due to the costs associated with opening a new branch location, as well as the increased spending for hardware and software supplies and maintenance agreements as the District continues to focus on technology.
- The purchase of an opening day collection for a new branch location was the reason for the \$391,075 increase in spending on materials.

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 slightly from \$2,695,807 to \$3,675,686.

Due to the construction of a branch library, there was a \$3,537,232 decrease in the Capital Projects Fund balance during the year. The entire fund balance of \$1,893,351 is assigned for capital projects.

The Capital Projects Sinking Fund was established to accumulate resources for future building improvements and major technology purchases. Fund balance increased by \$2,584 during the year due to investment income. The entire fund balance of \$494,382 is assigned for capital projects.

General Fund Budgetary Highlights

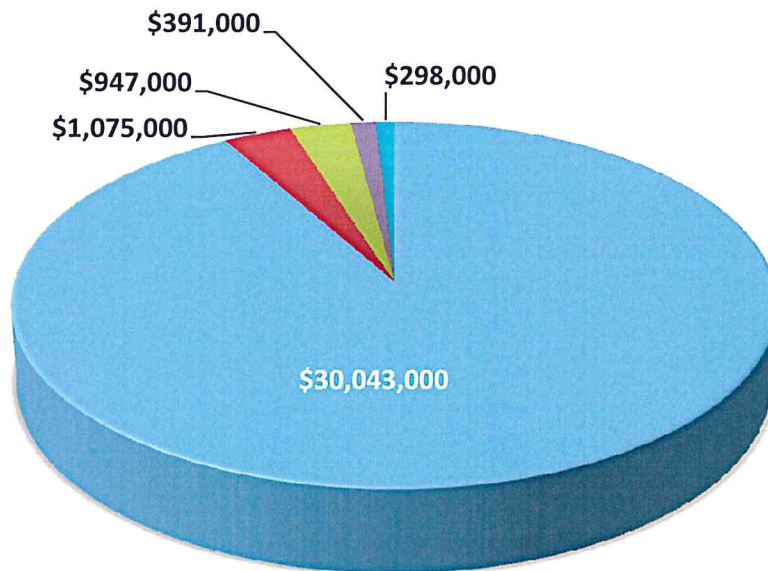
The District adopted a budget for its General Fund (see page 47) prior to the start of its fiscal year and did not amend it. Accordingly, the original and final budgets are the same.

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

GENERAL FUND

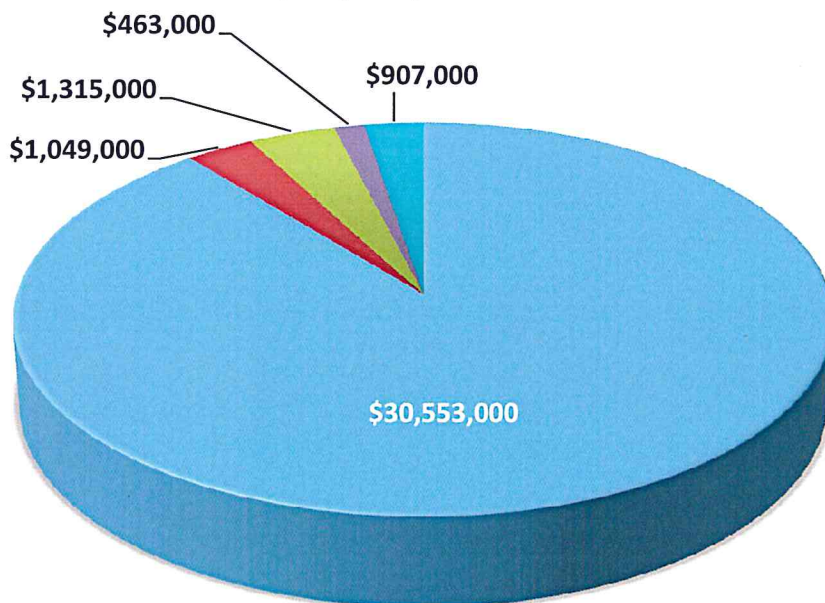
Budgeted Revenues

\$32,754,000



Actual Revenues

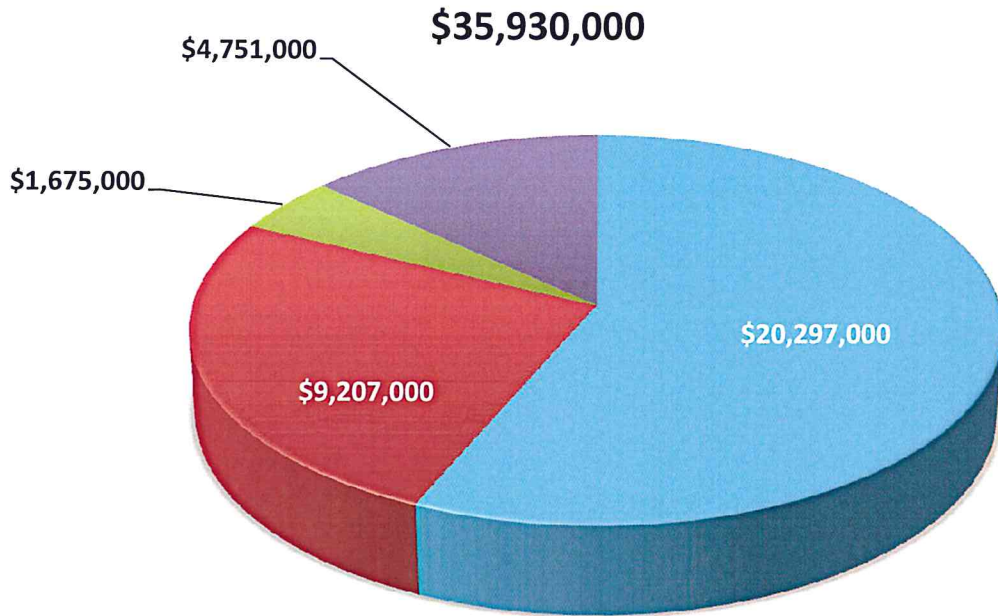
\$34,287,000



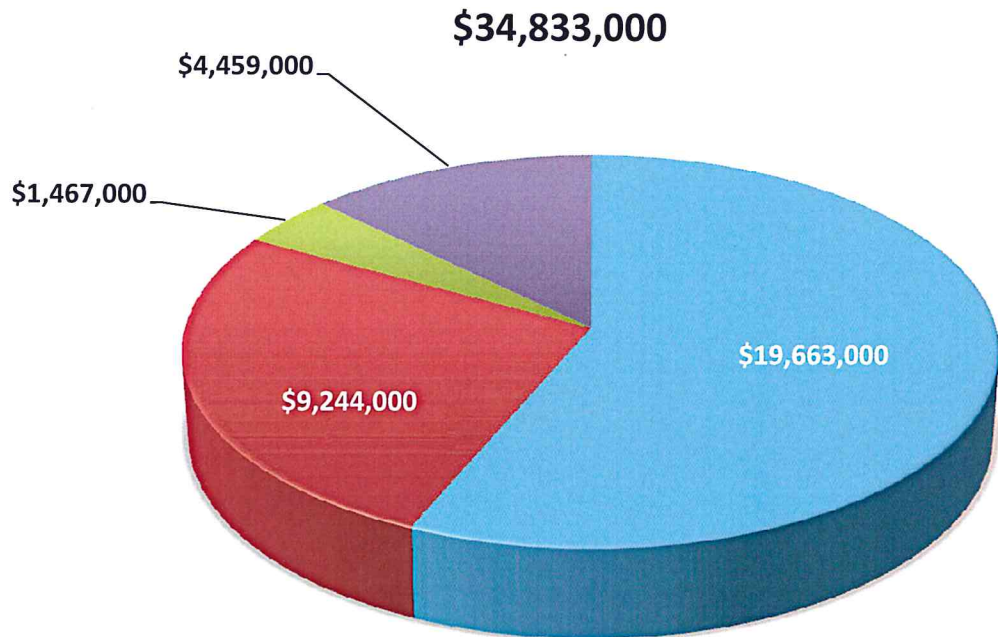
■ Property Taxes ■ Fines ■ Intergovernmental ■ Charges for Services ■ Misc.

GENERAL FUND

Budgeted Expenditures



Actual Expenditures



■ Salaries & Benefits ■ Operating ■ Capital Outlay ■ Library Materials

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

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

State Aid – The District's estimate of the State Aid Grant was too low. Actual revenue received in the current fiscal year was \$317,888 higher.

Federal Grants – Actual federal grant revenues received during the year were higher by \$49,760 than was estimated.

Other – Private grants and awards in the amount of \$86,690 were received, but were not reflected in the budget. Miscellaneous revenues were over budget by \$98,394 due to various rebates and refunds. The District also received \$369,201 more than budgeted from the Universal Service Schools and Libraries Program.

Salaries and Benefits - In accordance with one of the provisions of the Affordable Care Act ("ACA"), the District included funding in the budget to provide health care coverage to part time employees being paid on average 30 hours or more per week. However, the District was able to satisfy the eligibility requirements of ACA by providing coverage to full time employees only. Accordingly, the funding designated for part time coverage was not spent. As a result of this health insurance savings and a slight under spending on salaries, salaries and benefits in total were under budget by \$633,740.

Operating - Actual operating expenditures were exceedingly close to the budget, just \$36,696 above.

Capital Outlay - This category was under spent by \$499,679 as some budgeted projects were either abandoned or delayed to a subsequent year.

Capital Assets

The District's capital assets, net of accumulated depreciation, consist of the following at September 30, 2015 and 2014.

	<u>2015</u>	<u>2014</u>
Land	\$ 3,349,802	\$ 3,349,802
Buildings	13,541,600	14,286,468
Improvements	9,254,894	6,290,598
Furniture and equipment	1,642,745	1,275,384
Computer equipment	1,283,475	987,669
Construction in Progress	334,505	669,615
Total Capital Assets	<u>\$29,407,021</u>	<u>\$26,859,536</u>

Significant capital asset purchases included the following:

- Construction of a new branch library, Chickasaw, totaled \$2,972,536. The Chickasaw Branch opened in July 2015.
- New audio and video equipment in the amount of \$119,339 was purchased for the Chickasaw Branch.
- Replacement audio and video equipment in the amount of \$130,706 was purchased for a performance area, Library Central, in the Main Library.
- Compact shelving for the West Oaks Branch Genealogy Center was purchased at a cost of \$194,283.
- Computer equipment and software purchases equaled \$633,903.
- \$228,847 was spent to redesign the District's website. As the project was not completed by year's end, this amount is recorded in construction in progress.

Additional information on the District's capital assets can be found on page 34 of this report.

Long Term Debt

The District's long-term debt consists of the following at September 30, 2015 and 2014.

	<u>2015</u>	<u>2014</u>
Accrued Compensated Absences	\$1,621,482	\$1,394,532

Additional information on the District's long term debt can be found on page 35 of this report.

Requests for Financial Information

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

Patricia Quinones, 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, 2015

Assets and Deferred Outflows of Resources

Cash and cash equivalents	\$ 4,592,111
Investments	12,547,372
Due from other governmental agencies	734,628
Other receivables	544,884
Inventory	152,942
Prepaid items	199,582
Net OPEB Asset (contributions in excess of requirements)	250,190
Nondepreciable capital assets	3,684,307
Depreciable capital assets (net of accumulated depreciation)	<u>25,722,714</u>
Total assets	48,428,730
Deferred outflows of resources related to pensions	<u>2,909,658</u>
Total assets and deferred outflows of resources	<u>51,338,388</u>

Liabilities and Deferred Inflows of Resources

Accrued salaries payable	439,740
Other accrued liabilities	15,701
Accounts payable	746,185
Claims payable	120,313
Unearned revenue	3,560
Retainage payable	156
Net pension liability	546,954
Long term debt:	
Due within one year	1,003,228
Due beyond one year	<u>618,254</u>
Total liabilities	3,494,091
Deferred inflows of resources related to pensions	<u>175,818</u>
Total liabilities and deferred inflows of resources	<u>3,669,909</u>

Net Position

Investment in capital assets	29,407,021
Restricted for:	
Nonexpendable endowments	157,517
Unrestricted	<u>18,103,941</u>
Total net position	<u>\$ 47,668,479</u>

See notes to financial statements.

ORANGE COUNTY LIBRARY DISTRICT

Statement of Governmental Activities

Year Ended September 30, 2015

Program expenses:	
Salaries and benefits	\$ 20,414,549
Operating	8,454,658
Depreciation	2,096,541
Materials	<u>4,863,762</u>
Total program expenses	<u>35,829,510</u>
Program revenues:	
Charges for services	1,511,583
Operating grants and contributions	1,501,688
Capital grants & contributions	<u>446,227</u>
Total program revenues	<u>3,459,498</u>
Net program (expenses)	<u>(32,370,012)</u>
General revenues:	
Property taxes	30,552,756
Investment income	95,449
Miscellaneous	<u>642,595</u>
Total general revenues	<u>31,290,800</u>
Change in net position	(1,079,212)
Net position - beginning	46,068,019
Cumulative effect of change in accounting principle	<u>2,679,672</u>
Restated beginning net position	<u>48,747,691</u>
Net position - ending	<u><u>\$ 47,668,479</u></u>

ORANGE COUNTY LIBRARY DISTRICT

**Balance Sheet
Governmental Funds
September 30, 2015**

	<u>General</u>	<u>Capital Projects</u>	<u>Capital Projects Sinking</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 2,191,269	\$ 686,742	\$ 193,187	\$ 3,071,198
Investments	8,190,287	1,237,892	301,195	9,729,374
Due from other governmental agencies	534,628	200,000	-	734,628
Other receivables	542,877	2,007	-	544,884
Inventory	152,942	-	-	152,942
Prepaid items	199,582	-	-	199,582
Total assets	<u>\$ 11,811,585</u>	<u>\$ 2,126,641</u>	<u>\$ 494,382</u>	<u>\$ 14,432,608</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accrued salaries payable	\$ 439,740	\$ -	\$ -	\$ 439,740
Other accrued liabilities	15,701	-	-	15,701
Accounts payable	712,895	33,290	-	746,185
Unearned Revenue	3,560	-	-	3,560
Retainage payable	156	-	-	156
Total liabilities	<u>\$ 1,172,052</u>	<u>\$ 33,290</u>	<u>\$ -</u>	<u>\$ 1,205,342</u>
Deferred Inflows of Resources:				
Unavailable revenues	\$ -	\$ 200,000	\$ -	\$ 200,000
Fund Balances:				
Nonspendable:				
Inventory	152,942	-	-	152,942
Prepaid Items	199,582	-	-	199,582
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
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	-	1,893,351	494,382	2,387,733
Fiscal Year 2016 Budget	1,644,978	-	-	1,644,978
Unassigned:	3,675,686	-	-	3,675,686
Total fund balances	<u>10,639,533</u>	<u>1,893,351</u>	<u>494,382</u>	<u>13,027,266</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,811,585</u>	<u>\$ 2,126,641</u>	<u>\$ 494,382</u>	<u>\$ 14,432,608</u>
Total fund balances				\$ 13,027,266
Capital assets reported in government-wide financial statements				29,407,021
OPEB asset resulting from contributions in excess of the annual required contributions reported in the government-wide financial statements				250,190
Pension liability reported in the government-wide financial statements				(546,954)
Long-term liabilities reported in government-wide financial statements				(1,621,482)
Assets and liabilities of internal service fund included in government-wide financial statements				4,218,598
Deferred outflows of resources related to pensions reported in government-wide financial statements				2,909,658
Deferred inflows of resources related to long-term receivable reported as revenue in government-wide financial statements				200,000
Deferred inflows of resources related to pensions reported in government-wide financial statements				<u>(175,818)</u>
Net position of governmental activities				<u>\$ 47,668,479</u>

ORANGE COUNTY LIBRARY DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2015

	<u>General</u>	<u>Capital Projects</u>	<u>Capital Projects Sinking</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes:				
Property	\$ 30,552,756	\$ -	\$ -	\$ 30,552,756
Intergovernmental revenues:				
State Aid to Libraries	1,205,888	-	-	1,205,888
Other State Grants	-	246,227	-	246,227
Federal Grants	108,760	-	-	108,760
Charges for services:				
Fines	1,048,826	-	-	1,048,826
Copiers/vending machines	238,049	-	-	238,049
Other Fees	224,708	-	-	224,708
Miscellaneous revenue:				
Investment income	77,561	15,304	2,584	95,449
Contributions	100,350	-	-	100,350
Other	729,285	-	-	729,285
Total revenues	<u>34,286,183</u>	<u>261,531</u>	<u>2,584</u>	<u>34,550,298</u>
Expenditures:				
Current:				
Salaries and benefits	19,663,201	-	-	19,663,201
Operating	8,928,328	174,429	-	9,102,757
Capital outlay	5,926,571	3,624,334	-	9,550,905
Total expenditures	<u>34,518,100</u>	<u>3,798,763</u>	<u>-</u>	<u>38,316,863</u>
Net change in fund balances	(231,917)	(3,537,232)	2,584	(3,766,565)
Fund balances at beginning of year	<u>10,871,450</u>	<u>5,430,583</u>	<u>491,798</u>	<u>16,793,831</u>
Fund balances at end of year	<u>\$ 10,639,533</u>	<u>\$ 1,893,351</u>	<u>\$ 494,382</u>	<u>\$ 13,027,266</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, 2015

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

Net change in fund balances - total governmental funds	\$ (3,766,565)
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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 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 materials expense on the statement of governmental activities.	4,687,143
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In the statement of activities, a gain or loss on the disposition of capital assets is reported, whereas in the governmental funds, the proceeds received from disposition of capital assets increases financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of capital assets disposed of.	(43,117)
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Depreciation of capital assets, not reported in governmental funds.	(2,096,541)
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Some items affecting expenses reported in the statement of governmental activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, as follows:

Increase in net pension liability	(546,954)
Decrease in net pension asset	(2,693,091)
Increase in accrued compensated absences	(226,950)
Decrease in net OPEB asset	(18,193)

Amounts to be collected under long term receivables are not available to pay for the current period's expenditures and, therefore, are reported as deferred inflows of governmental funds.	200,000
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources	2,909,658
Deferred inflows of resources	(175,818)

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.	<u>691,216</u>
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Change in net position of governmental activities	<u>\$ (1,079,212)</u>
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ORANGE COUNTY LIBRARY DISTRICT
Statement of Net Position-
Internal Service Fund
September 30, 2015

Assets

Current Assets:

Cash and cash equivalents

\$ 1,520,913

Investments

2,817,998

Total current assets

4,338,911

Liabilities

Current Liabilities:

Claims payable

120,313

Total current liabilities

120,313

Unrestricted net position

\$ 4,218,598

ORANGE COUNTY LIBRARY DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position-
Internal Service Fund
Year Ended September 30, 2015

Operating Revenues	
Charges for services	<u>\$ 2,611,899</u>
Total operating revenues	<u>2,611,899</u>
Operating Expenses	
Claims expenses	1,761,003
Stop loss insurance	<u>182,876</u>
Total operating expenses	<u>1,943,879</u>
Operating income	668,020
Nonoperating Revenues and Expenses	
Investment earnings	<u>23,196</u>
Total net operating revenues (expenses)	<u>23,196</u>
Change in net position	691,216
Net position - beginning of year	<u>3,527,382</u>
Net position - end of year	<u><u>\$ 4,218,598</u></u>

ORANGE COUNTY LIBRARY DISTRICT

**Statement of Cash Flows-
Internal Service Fund
Year Ended September 30, 2015**

Cash flows from operating activities	
Receipts from charges for services	\$ 2,611,899
Cash payments for claims and expenses	<u>(1,869,615)</u>
Net cash provided by operating activities	<u>742,284</u>
Cash flows from investing activities	
Purchase of investments	(2,435,649)
Sale of investments	2,252,814
Income from investments	<u>23,196</u>
Net cash used by investing activities	<u>(159,639)</u>
Net increase in cash and cash equivalents	582,645
Cash and cash equivalents, October 1, 2014	<u>938,268</u>
Cash and cash equivalents, September 30, 2015	<u><u>\$ 1,520,913</u></u>
Reconciliation of operating income to cash flows from operating activities	
Operating income	\$ 668,020
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in due from other fund	81,472
Decrease in claims payable	<u>(7,208)</u>
Net cash provided by operating activities	<u><u>\$ 742,284</u></u>

ORANGE COUNTY LIBRARY DISTRICT
Statement of Fiduciary Net Position-
Pension and Other Postemployment Benefit Trust Funds
September 30, 2015

Assets

Cash and cash equivalents	\$ 455,409
Investments:	
Individual securities:	
Corporate bonds	2,833,238
Government bonds	5,527,854
Asset backed securities	3,369,140
Commingled accounts:	
Domestic equities (small cap)	7,964,837
Mutual funds:	
Domestic equity	31,474,522
International equity	11,684,770
Stable value	1,839,140
Fixed income	7,487,329
Real Estate	2,328,454
Money market accounts	49,409
Total investments	74,558,693
Accrued income	37,575
Due from brokers (pending trades)	1,029,622
Total assets	76,081,299

Liabilities

Due to brokers (pending trades)	1,918,035
Accounts payable	50,296
Total liabilities	1,968,331
Net position restricted for pension and other postemployment benefits	\$ 74,112,968

ORANGE COUNTY LIBRARY DISTRICT
Statement of Changes in Fiduciary Net Position-
Pension and Other Postemployment Benefit Trust Funds
Year Ended September 30, 2015

Additions:

Employer contributions:

General Fund	\$ 2,822,802
Investment loss	(1,345,935)
Investment expenses	<u>(173,803)</u>

Total additions	<u>1,303,064</u>
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Deductions:

Benefits paid to participants	2,923,052
Administrative expenses	<u>17,327</u>

Total deductions	<u>2,940,379</u>
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Decrease in net position	(1,637,315)
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Net position - beginning of year	<u>75,750,283</u>
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Net position - end of year	<u><u>\$ 74,112,968</u></u>
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ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

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. The effect of interfund activity has been removed from these statements.

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

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

Measurement focus, basis of accounting, and financial statement presentation

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

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

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

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

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

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

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.

New Accounting Pronouncement

Effective October 1, 2014, the District adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pension ("GASB 68")*. GASB 68 changes the accounting and financial reporting of pensions that are provided through pension plans administered as trusts. The standards require local governments to recognize as a liability, for the first time, their long term obligation for these pension benefits. This liability is measured as the difference between the present value of projected benefits to be provided through the pension plan for past periods of service and the amount of the pension plan's net position.

The implementation of GASB 68 resulted in a restatement of beginning net position due to the recording of the District's net pension asset based on GASB 68 criteria as of October 1, 2014 on the Statement of Net Position. As a result of implementing GASB 68, the beginning net position of the District was increased by \$2,679,672, as follows:

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

Note 1 - Summary of significant accounting policies (continued)

Beginning Net Position as previously reported at September 30, 2014	\$46,068,019
Prior period restatement - implementation of GASB 68	
Elimination of Net Pension Asset previously reported	\$(13,419)
Recording of Net Pension Asset calculated in accordance with GASB 68	<u>2,693,091</u>
Beginning Net Position restatement	<u>2,679,672</u>
Net Position as restated October 1, 2014	<u>\$48,747,691</u>

Budgetary requirements

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

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

Cash and cash equivalents

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

Investments

Investments are stated at fair value. Investment income includes all realized and unrealized gains and losses. Interest and dividend income is recognized on the accrual basis.

Inventory and prepaid items

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

Capital assets

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

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

Note 1 - Summary of significant accounting policies (continued)

Assets	Years
Buildings	40
Improvements	15
Furniture and equipment	10
Computer equipment	4

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

Library books and materials

Library books and materials are recorded as expenditures when purchased and are not capitalized as assets of the District.

Pending Trades

Pending trade receivables (Due from Brokers) and obligations (Due to Brokers) in the Statement of Fiduciary Net Position-Pension and Other Postemployment Benefit Trust Funds, represent investment sales and purchases made with trade dates at fiscal year end and settlement dates after the fiscal year end.

Compensated absences

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

Long-term debt

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

Deferred outflows and inflows of resources

For purposes of measuring changes in the net pension liability for the District's Defined Benefit Pension Plan, differences between expected and actual experience that are not charged to pension expense in the current period are recorded as deferred outflows and inflows of resources in the statement of Governmental Net Position. In addition, a grant receivable was not deemed available under the modified accrual basis of accounting (collected within 60 days of fiscal year end) and thus, was recorded as a deferred inflow of resources in the Capital Projects Fund.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

Note 1 - Summary of significant accounting policies (continued)

Net Position

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

Fund Balance Reporting

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

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

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

- **Restricted** – Fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- **Committed** – Fund balances that contain self-imposed constraints of the government from its highest level of decision making authority. Committed fund balances are reported pursuant to resolutions approved by the District's Board of Trustees and can only be modified or rescinded through resolutions approved by the District's Board of Trustees.
- **Assigned** – Fund balances that contain self-imposed constraints of the government to be used for a particular purpose. Assignments may be made by the District's Board of Trustees, the Director, or the Comptroller. No formal policy exists for assigning fund balances.
- **Unassigned** – Fund balance of the general fund that is not constrained for any particular purpose.

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

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.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

Note 1 - Summary of significant accounting policies (continued)

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, 2015

Note 2 – Deposits and investments

At September 30, 2015, the District had the following deposits and investments:

	Fair Value
General Governmental Deposits and Investments:	
Deposits (demand accounts)	\$ 539,097
Internal Pooled Cash Equivalents (money market accounts)	2,532,101
	3,071,198
Internal Pooled Investments (US Treasuries, certificates of deposit and FL Safe)	9,729,374
	12,800,572
Internal Service Fund Deposits and Investments:	
Deposits (demand account)	787,520
Internal Pooled Cash Equivalents (money market accounts)	733,393
	1,520,913
Internal Pooled Investments (US Treasuries, certificates of deposit and FL Safe)	2,817,998
	4,338,911
Defined Contribution Pension Plan Investments:	
Mutual Funds - Equity Securities	12,659,223
Mutual Funds - Fixed Income	4,426,559
Mutual Funds - Stable Value	1,671,517
Mutual Funds - Money Market	28,269
	18,785,568
Money Purchase Pension Plan Investments:	
Mutual Funds - Equity Securities	2,899,311
Mutual Funds - Fixed Income	381,458
Mutual Funds - Stable Value	167,623
Mutual Funds - Money Market	21,140
	3,469,532
Defined Benefit Pension Plan Deposits and Investments:	
Deposits (money market account)	349,864
Individual Securities - Corporate Bonds	2,833,238
Individual Securities - Government Bonds	5,527,854
Individual Securities - Asset Backed Securities	3,369,140
Commingled Account - Domestic Equities (small cap)	7,964,837
Mutual Fund - Equity Securities	11,887,595
Mutual Fund - International Equities	7,063,001
Mutual Fund - Real Estate	2,328,454
	41,323,983
OPEB Retirement Health Benefit Plan Deposits and Investments:	
Deposits (demand account)	105,545
Mutual Funds - Equity Securities	8,650,162
Mutual Funds - Fixed Income	2,679,312
	11,435,019
Total Deposits and Investments	\$ 92,153,585

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

Note 2 – Deposits and investments (continued)

Investment Policies and Risks

General Governmental and Internal Service Fund Investments

The District pools its general governmental and Internal Service Fund surplus funds for investment purposes and these investments are managed in accordance with an Investment Policy Statement (Statement). The Statement authorizes investments in Florida intergovernmental investment pools, such as Florida Safe, Securities and Exchange Commission registered money market funds, interest bearing time deposits, and direct obligations of the U.S. Treasury. Although the District's Statement does not address credit and interest rate risk, the limited nature of the authorized investments effectively minimizes any exposure. The District's pooled general governmental and Internal Service Fund cash equivalents and investments include the following at September 30, 2015:

Fund/Investment	Type	Credit Quality	Weighted Average Maturity (years)	General Governmental	Internal Service Fund
Federated Government Obligations Fund	Money Market	AAAM	31 days	\$ 996,913	\$ 288,744
Federated Treasury Obligations Fund	Money Market	AAAM	42 days	769,894	222,991
Aim Invesco Treasury Fund	Money Market	AAAM	47.52 days	765,295	221,659
Florida Safe		AAAM	60 days	1,949,388	564,617
Florida PRIME		AAAM	34 days	21,130	6,120
US Treasuries		N/A	18 to 33 months	7,758,855	2,247,260
Total Pooled Investments				<u>12,261,475</u>	<u>3,551,391</u>
Bank Deposits				539,097	787,520
Total Bank Deposits and Investments				<u>\$ 12,800,572</u>	<u>\$ 4,338,911</u>

Defined Contribution Pension Plan Investments

Participants in this Plan, including all District employees, self-direct investments from a variety of mutual funds offered through the ICMA Retirement Corporation. Accordingly, the District has not adopted an investment policy for this Plan. Defined Contribution Pension Plan investments, other than mutual funds in equity securities, were as follows at September 30, 2015:

Fund/Investment	Type	Credit Quality	Weighted Average Maturity (years)	Fair Value
PIMCO High Yield Fund	Fixed Income	B	5.90	\$ 42,534
Core Bond Index Fund	Fixed Income	AA	7.20	3,231,506
Low Duration Bond Fund	Fixed Income	A	2.22	1,152,519
Total Fixed				<u>\$ 4,426,559</u>
Plus Fund	Stable Value	Aa3	3.07	<u>\$ 1,671,517</u>
Cash Management Fund	Money Market	AAAm	33 days	<u>\$ 28,269</u>

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

Note 2 – Deposits and investments (continued)

Money Purchase Pension Plan Investments

Participants in this Plan self-direct investments from a variety of mutual funds offered through the ICMA Retirement Corporation. Accordingly, the District has not adopted an investment policy for this Plan. Money Purchase Pension Plan investments, other than mutual funds in equity securities, were as follows at September 30, 2015:

Fund/Investment	Type	Credit Quality	Weighted Average Maturity (years)	Fair Value
PIMCO High Yield Fund	Fixed Income	B	5.90	\$ 4,410
Core Bond Index Fund	Fixed Income	AA	7.20	352,939
Low Duration Bond Fund	Fixed Income	A	2.22	24,109
Total Fixed				<u>\$ 381,458</u>
Plus Fund	Stable Value	Aa3	3.07	<u>\$ 167,623</u>
Cash Management Fund	Money Market	AAAm	33 Days	<u>\$ 21,140</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 deposits and investments, other than mutual funds in equity securities, were as follows at September 30, 2015:

Fund/Investment	Type	Average Credit Quality	Weighted Average Maturity (years)	Fair Value
Fidelity Institutional Domestic	Money Market	AAAm	19 days	<u>\$ 349,864</u>
Reams Individual Securities	Corporate Bonds	A2	0.91	<u>\$ 2,833,238</u>
Reams Individual Securities	Government Bonds	Aaa	1.32	<u>\$ 5,527,854</u>
Reams Individual Securities	Asset Backed Securities	Aaa	0.70	<u>\$ 3,369,140</u>

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

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 investments, other than mutual funds in equity securities, were as follows at September 30, 2015:

<u>Fund/Investment</u>	<u>Type</u>	<u>Credit Quality</u>	<u>Weighted Average Maturity (years)</u>	<u>Fair Value</u>
Low Duration Bond Fund	Fixed Income	A	2.22	<u>\$ 2,679,312</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, 2015

Note 3 – Capital assets

Capital asset activity for the year ended September 30, 2015, was as follows:

	<u>Balances</u> <u>October 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u> <u>Sept. 30, 2015</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 3,349,802	\$ -	\$ -	\$ 3,349,802
Construction in progress	669,615	3,288,141	(3,623,251)	334,505
Total capital assets not being depreciated	<u>4,019,417</u>	<u>3,288,141</u>	<u>(3,623,251)</u>	<u>3,684,307</u>
<i>Capital assets being depreciated:</i>				
Buildings	29,794,734	-	-	29,794,734
Improvements	12,292,473	3,692,737	-	15,985,210
Furniture and equipment	3,776,812	673,282	(60,418)	4,389,676
Computer equipment	4,001,885	633,903	(141,365)	4,494,423
Total capital assets being depreciated	<u>49,865,904</u>	<u>4,999,922</u>	<u>(201,783)</u>	<u>54,664,043</u>
Less accumulated depreciation for:				
Buildings	15,508,266	744,868	-	16,253,134
Improvements	6,001,875	728,441	-	6,730,316
Furniture and equipment	2,501,428	285,216	(39,713)	2,746,931
Computer equipment	3,014,216	338,016	(141,284)	3,210,948
Total accumulated depreciation	<u>27,025,785</u>	<u>2,096,541</u>	<u>(180,997)</u>	<u>28,941,329</u>
Total capital assets being depreciated, net	<u>22,840,119</u>	<u>2,903,381</u>	<u>(20,786)</u>	<u>25,722,714</u>
Governmental activities capital assets, net	<u>\$ 26,859,536</u>	<u>\$ 6,191,522</u>	<u>\$ (3,644,037)</u>	<u>\$ 29,407,021</u>

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

Note 4 - Long-term debt

Long-term debt consists of the following at September 30, 2015:

Accrued compensated absences- due within one year	\$ 1,003,228
Accrued compensated absences- due beyond one year	<u>618,254</u>
Total long-term debt	<u>\$ 1,621,482</u>

A summary of changes in long-term debt, other than changes related to the net pension obligation discussed in Note 6, is as follows:

	<u>Balance October 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2015</u>	<u>Due Within One Year</u>
Accrued compensated absences	<u>\$ 1,394,532</u>	<u>\$ 1,385,267</u>	<u>\$ 1,158,317</u>	<u>\$ 1,621,482</u>	<u>\$ 1,003,228</u>

The General Fund liquidates accrued compensated absences.

Note 5 – Commitments

Leasing arrangements

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

The following is a schedule by year of minimum future rentals on noncancellable operating lease agreements as of September 30, 2015:

2016	\$ 1,084,120
2017	718,463
2018	699,543
2019	552,778
2020	<u>134,299</u>
Total minimum future rentals	<u>\$ 3,189,203</u>

Total lease expenditures for the year ended September 30, 2015 were \$1,679,130, of which \$1,054,266 was for facilities and \$624,864 was for books and other materials leased.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

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, 2015, the date of the latest actuarial valuation, Plan participation consisted of:

Retirees and beneficiaries receiving benefits	118
Terminated employees entitled to benefits but not yet receiving them	65
Active employees	114
Total Plan Participants	297

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

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

The actuarial determined contribution under the entry age normal method is calculated as the normal cost, amounting to \$614,847, which was the amount contributed by the District for the year ended September 30, 2015. 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.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

Note 6 - Pension plans (continued)

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, 2015:

Investment rate of return	7.0%
Projected salary increases	5.0%
Inflation rate	0.0%
Cost of living adjustments	2.0% per annum
Mortality table	RP-2000 Combined Healthy Generational table

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

	Allocation Guideline	Long Term Expected Rate of Return
Domestic equities	40%	10%
International equities	25%	6%
Fixed income	35%	6%
Real estate investments trusts	N/A	8%

Specific investments exceeding 5% of the Plan's net position consisted of the following; Vanguard REIT Index Mutual Fund, Vanguard Russell 3000 Index Mutual Fund, and Vanguard Total International Stock Index Mutual Fund.

For the fiscal year ended September 30, 2015, the annual money-weighted rate of return on Plan investments, was -1.6%. 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 7%. 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.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

Note 6 - Pension plans (continued)

Changes in net pension liability - The net pension asset at October 1, 2014 and net pension liability at September 30, 2015 are based on a January 1, 2015 actuarial valuation rolled forward using actuarial methods to the September 30, 2015 measurement date. The components of changes during fiscal 2015 are as follows:

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 10/1/2014	\$39,474,346	\$42,167,437	(\$2,693,091)
Changes for the year:			
Service Cost	608,203		608,203
Interest	2,749,937		2,749,937
Differences between expected and actual experience	(239,752)		(239,752)
Contributions - employer		614,847	(614,847)
Net investment income		(720,586)	720,586
Benefits payments, including refunds of employee contributions	(1,622,931)	(1,622,931)	-
Administrative expense		(15,918)	15,918
Net changes	1,495,457	(1,744,588)	3,240,045
Balances at 9/30/2015	<u>\$40,969,803</u>	<u>\$40,422,849</u>	<u>\$546,954</u>

The following presents the net pension liability (asset), using the discount rate of 7%, as well as what it would be if it were calculated using a discount rate that is 1% lower (6%) and 1% higher (8%) than the current rate:

	1% Decrease -6%	Current Rate-7%	1% Increase-8%
Net pension liability (asset)	\$6,002,489	\$546,954	(\$4,021,029)

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

Note 6 - Pension plans (continued)

Pension expense and deferred outflows and deferred inflows of resources related pensions - For the year ended September 30, 2015, the District recognized pension expense of \$1,121,052. At September 30, 2015, 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	\$ -	\$ 175,818
Net difference between projected & actual earnings on pension plan investments	2,909,658	-
	\$ 2,909,658	\$ 175,818

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:

2016	\$	663,481
2017		663,481
2018		679,465
2019		727,413

Defined Contribution Pension Plan

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

All employees are eligible to participate in the Defined Contribution Plan from date of hire. At September 30, 2015, there were 398 participants and the fair value of the Defined Contribution Plan investments was \$18,785,568.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

Note 6 - Pension plans (continued)

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, 2015, the District contributed \$1,053,291 to the Defined Contribution Plan. Such contributions from the District are recognized as revenue by the Defined Contribution Plan when due and the employer has made a final commitment to provide the contributions. The amounts credited to the accounts of employees shall be 100% vested at all times.

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

Administrative costs – Administrative costs are financed through investment earnings.

Money Purchase Pension Plan

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

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

Employees are eligible to participate in the Money Purchase Plan from date of hire. At September 30, 2015, there were 143 participants and the fair value of the Money Purchase Plan investments was \$3,469,532.

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, 2015, the District contributed \$522,228 to the Money Purchase Plan. Such contributions from the District are recognized as revenue by the Money Purchase Plan when due and when the employer has made a final commitment to provide contributions. Participants become fully vested in the District's contributions after one year from date of hire.

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

Administrative costs- Administrative costs are financed through investment earnings.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

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 Agreement (CBA), 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 pay the full cost of the coverage should they elect this benefit. For CBA retirees hired prior to December 10, 2004, 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 before October 10, 2008 also have the option of obtaining independent health coverage and receiving the fixed reimbursement. Dependents of retirees may be covered at the retirees' option the same as dependents of active employees (retirees pay the full cost).

Retirees are eligible to participate in the District's dental plan just like current employees.

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

As of the January 1, 2015 Actuarial Report, which is the most recent actuarial valuation, 221 employees were participants in the OPEB Plan and 106 retirees were receiving benefits.

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.

Funding Policy - The District has the authority to establish and amend the funding policy for its OPEB Plan. For the year ended September 30, 2015, the District contributed \$632,436, which was the annual required contribution per the January 1, 2015 Actuarial Report for the OPEB. It is the District's intent to base future contributions on the ARC in subsequent annual actuarial reports.

Contributions - OPEB Plan member contributions are recognized in the period that they are due. Employer contributions to the OPEB Plan are recognized as revenue when due and the employer has made a final commitment to provide the contributions. The 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 six 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 (\$750 per month) and the fixed reimbursement, which varies depending on the retirement date. All retirees are responsible for contributing the entire cost of any dependent coverage.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

Note 7 – Other Postemployment Benefit Plan (continued)

Annual OPEB Plan Cost and Net OPEB Asset - The cost of the District's OPEB Plan is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board Statement Number 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB Plan cost for the year, the amount actually contributed, and the changes in the District's net OPEB Plan position as of September 30, 2015.

Annual required contribution	\$	632,436
Interest on net OPEB asset		(18,787)
Adjustment to annual required contribution		36,980
Annual OPEB Cost (expense)		650,629
Contributions Made		632,436
Decrease in net OPEB asset		(18,193)
Net OPEB asset - Beginning of year		268,383
Net OPEB asset - End of year	\$	250,190

The General Fund liquidates any Net OPEB Obligation.

The Net OPEB Asset of \$250,190 is presented as an asset on the District's entity wide financial statement.

Fiscal Year Ended	OPEB Cost	Amount Contributed	Percentage of OPEB Cost Contributed	Net OPEB Asset
9/30/2013	\$1,301,508	\$1,285,259	98%	\$283,751
9/30/2014	\$873,753	\$858,385	98%	\$268,383
9/30/2015	\$650,629	\$632,436	97%	\$250,190

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.

Funded status and funding progress - The most recent actuarial report for the District's OPEB Plan was prepared as of January 1, 2015. As of this point in time, the actuarial accrued liability for benefits was \$12,736,488 and the actuarial value of investments was \$11,799,197, resulting in an unfunded actuarial accrued liability of \$937,291 and a funded ratio of 93%. The annual covered payroll was \$10,459,377 and the ratio of the unfunded actuarial accrued liability to covered payroll was 9%.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

Note 7 – Other Postemployment Benefit Plan (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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, 2015
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll, closed period
Amortization period	Closed 7 year period
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	7% Compounded annually
Inflation rate	3% general price inflation annual rate
Projected annual salaries increases	5%
Healthcare cost trend rate	Monthly medical and prescription benefits are assumed to increase each year according to the rates in the following table

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

Note 7 – Other Postemployment Benefit Plan (continued)

Annual Increase Rates

<u>Year</u>	<u>Medical/Rx</u>	<u>Gross Premium Contribution</u>
2016	7.00%	7.00%
2017	6.50%	6.50%
2018	6.00%	6.00%
2019	6.10%	6.10%
2020	6.03%	6.03%
2021	5.97%	5.97%
2022	5.92%	5.92%
2023	5.86%	5.86%
Thereafter	5.81% - 4.34%	5.81% - 4.34%

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

Note 8 – Risk Management

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

The District's health internal service fund covered claims up to \$175,000 per individual. The District purchased excess stop loss coverage on an individual basis where individual claims exceeded the \$175,000 limit.

The claims liability of \$120,313 reported in the Internal Service Fund is the actuarially determined undiscounted amount. The estimated liability is based upon actual claims that have been submitted as well as actuarially determined claims incurred but not reported. Changes to the claims liability since the year ended September 30, 2013 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>
9/30/2014	\$ 158,061	\$ 1,615,538	\$ (1,646,078)	\$ 127,521
9/30/2015	\$ 127,521	\$ 1,743,266	\$ (1,750,474)	\$ 120,313

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 2015, the District contracted with various companies for insurance coverage. The companies provided coverage for workers compensation, property, liability, flood, public officials, fiduciary (pension), and employment practices. Settlements have not exceeded insurance coverage for each of the past three years.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2015

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 2015 are for the purpose of financing the budget of the 2016 fiscal year. Property tax revenues recognized for the 2015 fiscal year were levied in September 2014.

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, 2015.

Key dates in the property tax cycle for revenues recognized in fiscal year 2015 include the following:

Lien date	January 1, 2014
Property taxes levied	September 24, 2014
Beginning of fiscal year for which taxes have been levied	October 1, 2014
Tax bills rendered	November 1, 2014
Property taxes payable:	
Maximum discount (latest date)	November 30, 2014
Delinquent	April 1, 2015
Tax certificates sold on unpaid taxes	May 31, 2015

REQUIRED SUPPLEMENTARY INFORMATION

ORANGE COUNTY LIBRARY DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended September 30, 2015

	<u>Original and Final Budgeted Amounts</u>	<u>Budgetary Basis Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Taxes:			
Property	\$ 30,043,007	\$ 30,552,756	\$ 509,749
Intergovernmental revenues:			
State Aid to Libraries	888,000	1,205,888	317,888
Federal Grants	59,000	108,760	49,760
Charges for services:			
Fines	1,075,000	1,048,826	(26,174)
Copiers/vending machines	206,000	238,049	32,049
Other fees	185,200	224,708	39,508
Miscellaneous revenue:			
Investment income	40,000	77,561	37,561
Contributions	83,000	100,350	17,350
Other	175,000	729,285	554,285
Total revenues	<u>32,754,207</u>	<u>34,286,183</u>	<u>1,531,976</u>
Expenditures:			
Current:			
Salaries and benefits	20,296,941	19,663,201	633,740
Operating	9,207,000	9,243,696	(36,696)
Capital outlay	6,426,250	5,926,571	499,679
Total expenditures	<u>35,930,191</u>	<u>34,833,468</u>	<u>1,096,723</u>
Revenues over (under) expenditures	<u>(3,175,984)</u>	<u>(547,285)</u>	<u>2,628,699</u>
Other financing sources:			
Transfers from constitutional officers	315,000	315,368	368
Total other financing sources	<u>315,000</u>	<u>315,368</u>	<u>368</u>
Net change in fund balance	<u>\$ (2,860,984)</u>	<u>(231,917)</u>	<u>\$ 2,629,067</u>
Fund balance at beginning of year		<u>10,871,450</u>	
Fund balance at end of year		<u>\$ 10,639,533</u>	

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

ORANGE COUNTY LIBRARY DISTRICT
Defined Benefit Pension Plan
Year Ended September 30, 2015

Schedule of Employer Contributions

Year Ended September 30	Actuarially Determined Contribution	Contribution in Relation to Actuarially Determined	Contribution Excess (Deficiency)	Covered Payroll	Percentage of Covered Payroll Contributed
2006	\$ 514,803	\$ 600,000	\$ 85,197	\$ 8,736,262	6.9%
2007	\$ 1,217,763	\$ 1,063,321	\$ (154,442)	\$ 9,331,114	11.4%
2008	\$ 931,296	\$ 1,002,912	\$ 71,616	\$ 7,595,557	13.2%
2009	\$ 1,844,299	\$ 1,200,648	\$ (643,651)	\$ 7,612,281	15.8%
2010	\$ 1,226,649	\$ 1,432,399	\$ 205,750	\$ 6,445,574	22.2%
2011	\$ 891,426	\$ 1,056,751	\$ 165,325	\$ 6,104,311	17.3%
2012	\$ 1,141,821	\$ 1,106,367	\$ (35,454)	\$ 5,634,242	19.6%
2013	\$ 880,688	\$ 945,971	\$ 65,283	\$ 5,401,961	17.5%
2014	\$ 627,395	\$ 690,719	\$ 63,324	\$ 5,226,257	13.2%
2015	\$ 614,847	\$ 614,847	\$ -	\$ 5,169,894	11.9%

ORANGE COUNTY LIBRARY DISTRICT
Defined Benefit Pension Plan
Schedule of Changes in Net Pension Liability (Asset)
Year Ended September 30, 2015

	2015	2014
Total pension liability		
Service cost	\$ 608,203	\$ 643,083
Interest	2,749,937	2,674,586
Differences between expected and actual experience	(239,752)	(619,604)
Benefit payments, including refunds of employee contributions	(1,622,931)	(1,551,781)
Net change in total pension liability	1,495,457	1,146,284
Total pension liability - beginning	39,474,346	38,328,062
Total pension liability - ending (A)	\$ 40,969,803	\$ 39,474,346
 Plan fiduciary net position		
Employer contributions	\$ 614,847	\$ 690,719
Net investment income	(720,586)	3,381,106
Benefit payments, including refunds of employee contributions	(1,622,931)	(1,551,781)
Administrative expense	(15,918)	(15,511)
Net change in plan fiduciary net position	(1,744,588)	2,504,533
Plan fiduciary net position - beginning	42,167,437	39,662,904
Plan fiduciary net position - ending (B)	\$ 40,422,849	\$ 42,167,437
 Plan net pension liability (asset) - ending (A-B)	\$ 546,954	\$ (2,693,091)
 Plan fiduciary net position as a percentage of total pension liability (asset)	98.7%	106.8%
 Covered employee payroll	\$ 5,169,894	\$ 5,226,257
 Net pension liability (asset) as a percentage of covered employee payroll	10.6%	51.5%

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

ORANGE COUNTY LIBRARY DISTRICT
Defined Benefit Pension Plan
Year Ended September 30, 2015

Actuarial Methods and Assumptions
Last fiscal year

Valuation date	January 1, 2015
Actuarial cost method	Entry age normal actuarial funding
Amortization method	Level percent of payroll, closed period
Amortization period	10 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.0%
Projected salary increases	5.0%
Inflation rate	0.0%
Cost of living adjustments	2.0% per annum
Mortality table	RP-2000 Combined Healthy Generational table

Schedule of Investment Returns
Last two fiscal years

Annual money-weighted rate of return, net of investment expenses		
	2014	8.7%
	2015	-1.6%

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

**ORANGE COUNTY LIBRARY DISTRICT
Other Postemployment Benefits (OPEB)
Year Ended September 30, 2015**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL)- Entry Age <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
1/1/2013	\$8,261,673	\$11,711,906	\$3,450,233	71%	\$8,715,422	40%
1/1/2014	\$10,905,137	\$12,404,789	\$1,499,652	88%	\$9,468,408	16%
1/1/2015	\$11,799,197	\$12,736,488	\$937,291	93%	\$10,459,377	9%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution (ARC)	Amount Contributed	Percentage of ARC Contributed
9/30/2013	\$1,285,259	\$1,285,259	100%
9/30/2014	\$858,385	\$858,385	100%
9/30/2015	\$632,436	\$632,436	100%

The District started funding OPEB in fiscal year 2007.

OTHER SUPPLEMENTARY INFORMATION

ORANGE COUNTY LIBRARY DISTRICT
Combining Statement of Fiduciary Net Position-
Pension and Other Postemployment Benefit Trust Funds
September 30, 2015

	<u>Defined Benefit</u>	<u>Defined Contribution</u>	<u>Money Purchase</u>	<u>OPEB</u>	<u>Total</u>
Assets					
Cash and cash equivalents	\$ 349,864	\$ -	\$ -	\$ 105,545	\$ 455,409
Investments:					
Individual securities:					
Corporate bonds	2,833,238	-	-	-	2,833,238
Government bonds	5,527,854	-	-	-	5,527,854
Asset backed securities	3,369,140	-	-	-	3,369,140
Commingled accounts:					
Domestic equities (small cap)	7,964,837	-	-	-	7,964,837
Mutual funds:					
Domestic equity	11,887,595	10,578,103	2,423,169	6,585,655	31,474,522
International equity	7,063,001	2,081,120	476,142	2,064,507	11,684,770
Stable value	-	1,671,517	167,623	-	1,839,140
Fixed income	-	4,426,559	381,458	2,679,312	7,487,329
Real Estate	2,328,454	-	-	-	2,328,454
Money market accounts	-	28,269	21,140	-	49,409
Total Investments	<u>40,974,119</u>	<u>18,785,568</u>	<u>3,469,532</u>	<u>11,329,474</u>	<u>74,558,693</u>
Accrued income	37,575	-	-	-	37,575
Due from Brokers (pending trades)	1,029,622	-	-	-	1,029,622
Total assets	<u><u>\$ 42,391,180</u></u>	<u><u>\$ 18,785,568</u></u>	<u><u>\$ 3,469,532</u></u>	<u><u>\$ 11,435,019</u></u>	<u><u>\$ 76,081,299</u></u>
Liabilities					
Due to Brokers (pending trades)	\$ 1,918,035	\$ -	\$ -	\$ -	\$ 1,918,035
Accounts Payable	50,296	-	-	-	50,296
Total liabilities	<u><u>\$ 1,968,331</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,968,331</u></u>
Net position restricted for pension and other postemployment benefits	<u><u>\$ 40,422,849</u></u>	<u><u>\$ 18,785,568</u></u>	<u><u>\$ 3,469,532</u></u>	<u><u>\$ 11,435,019</u></u>	<u><u>\$ 74,112,968</u></u>

ORANGE COUNTY LIBRARY DISTRICT
Combining Statement of Changes in Fiduciary Net Position-
Pension and Other Postemployment Benefit Trust Funds
Year Ended September 30, 2015

	<u>Defined Benefit</u>	<u>Defined Contribution</u>	<u>Money Purchase</u>	<u>OPEB</u>	<u>Total</u>
Additions:					
Employer contributions	\$ 614,847	\$ 1,053,291	\$ 522,228	\$ 632,436	\$ 2,822,802
Investment loss	(546,783)	(460,816)	(132,685)	(205,651)	(1,345,935)
Investment expenses	(173,803)	-	-	-	(173,803)
Total additions	<u>(105,739)</u>	<u>592,475</u>	<u>389,543</u>	<u>426,785</u>	<u>1,303,064</u>
Deductions:					
Benefits paid to participants	1,622,931	643,545	178,844	477,732	2,923,052
Administrative expenses	15,918	1,060	349	-	17,327
Total deductions	<u>1,638,849</u>	<u>644,605</u>	<u>179,193</u>	<u>477,732</u>	<u>2,940,379</u>
Change in net position	(1,744,588)	(52,130)	210,350	(50,947)	(1,637,315)
Net position - beginning of year	<u>42,167,437</u>	<u>18,837,698</u>	<u>3,259,182</u>	<u>11,485,966</u>	<u>75,750,283</u>
Net position - end of year	<u>\$ 40,422,849</u>	<u>\$ 18,785,568</u>	<u>\$ 3,469,532</u>	<u>\$ 11,435,019</u>	<u>\$ 74,112,968</u>

ORANGE COUNTY LIBRARY DISTRICT
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Capital Projects Fund
Year Ended September 30, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental revenues:			
State Grants	\$ 500,000	\$ 246,227	\$ (253,773)
Miscellaneous revenue:			
Investment income	1,000	15,304	14,304
Total revenues	501,000	261,531	(239,469)
 Expenditures:			
Current:			
Operating	-	174,429	(174,429)
Capital outlay	6,200,000	3,624,334	2,575,666
Total expenditures	6,200,000	3,798,763	2,401,237
Revenues over (under) expenditures	(5,699,000)	(3,537,232)	2,161,768
Net change in fund balance	\$ (5,699,000)	(3,537,232)	\$ 2,161,768
Fund balance at beginning of year		5,430,583	
Fund balance at end of year		\$ 1,893,351	

ORANGE COUNTY LIBRARY DISTRICT
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Capital Projects Sinking Fund
Year Ended September 30, 2015

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Miscellaneous revenue:			
Investment Income	\$ 1,200	\$ 2,584	\$ 1,384
Total revenues	<u>1,200</u>	<u>2,584</u>	<u>1,384</u>
Revenues over (under) expenditures	<u>1,200</u>	<u>2,584</u>	<u>1,384</u>
Net change in fund balance	<u>\$ 1,200</u>	<u>2,584</u>	<u>\$ 1,384</u>
Fund balance at beginning of year		<u>491,798</u>	
Fund balance at end of year		<u>\$ 494,382</u>	

STATISTICAL SECTION

ORANGE COUNTY LIBRARY DISTRICT

STATISTICAL SECTION

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

Contents

Pages

Financial Trends

57 - 61

These schedules contain trend information to help the reader understand how the District's financial performance and position have changed over time.

Revenue Capacity

62 - 65

These schedules contain information to help the reader assess the factors affecting the District's ability to generate property taxes.

Debt Capacity

66 - 70

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

71 - 72

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

73 - 75

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

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

ORANGE COUNTY LIBRARY DISTRICT

NET POSITION GOVERNMENTAL ACTIVITIES LAST TEN FISCAL YEARS

(accrual basis of accounting)

FISCAL YEAR	NET INVESTMENT IN CAPITAL ASSETS	RESTRICTED	UNRESTRICTED	TOTAL
2015	\$ 29,407,021	\$ 157,517	\$ 18,103,941	\$ 47,668,479
2014	26,859,536	157,517	19,050,966	46,068,019
2013	25,962,992	568,546	21,085,563	47,617,101
2012	26,552,839	1,157,517 (1)	22,373,543	50,083,899
2011	27,978,659	157,517	22,212,296	50,348,472
2010	29,547,695	157,517	20,860,243	50,565,455
2009	30,063,585	568,658	18,693,943	49,326,186
2008	29,497,270	678,837	16,595,591	46,771,698
2007	30,426,045	659,791	10,848,598	41,934,434
2006	27,391,537	635,473	8,132,833	36,159,843

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

ORANGE COUNTY LIBRARY DISTRICT

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Program Expenses										
Salaries and benefits	\$20,414,549	\$18,883,855	\$18,140,914	\$17,859,087	\$18,137,533	\$19,985,436	\$22,350,593	\$20,758,381	\$19,890,891	\$16,079,495
Operating	8,454,658	7,855,277	8,645,249	7,904,571	7,456,834	8,003,829	8,548,878	8,469,378	8,869,389	8,145,640
Materials	4,863,762	4,472,687	4,533,827	4,653,884	4,458,761	4,790,414	5,043,870	4,980,166	4,503,630	4,298,390
Depreciation	2,096,541	1,942,267	1,816,789	1,847,548	1,888,744	1,905,805	1,820,151	1,862,506	1,839,337	1,689,409
Interest	-	-	-	-	-	2,197	22,781	35,233	47,283	112,945
Total Expenses	\$35,829,510	\$33,154,086	\$33,136,779	\$32,265,090	\$31,941,872	\$34,687,681	\$37,786,273	\$36,105,664	\$35,150,530	\$30,325,879
Program Revenues										
Charges for services	\$1,511,583	\$1,559,911	\$1,554,924	\$1,740,844	\$1,921,219	\$1,927,773	\$2,086,207	\$1,984,315	\$1,957,301	\$1,945,748
Operating grants & contrib.	1,501,688	1,226,815	1,289,380	1,343,216	1,299,721	1,205,780	1,316,954	1,414,164	1,922,030	1,612,926
Capital grants & contrib.	446,227	53,773	-	1,000,000	-	-	-	-	-	73,500
Total Program Revenues	\$3,459,498	\$2,840,499	\$2,844,304	\$4,084,060	\$3,220,940	\$3,133,553	\$3,403,161	\$3,398,479	\$3,879,331	\$3,632,174
Total Net (Exp.)/Rev.	(\$32,370,012)	(\$30,313,587)	(\$30,292,475)	(\$28,181,030)	(\$28,720,932)	(\$31,554,128)	(\$34,383,112)	(\$32,707,185)	(\$31,271,199)	(\$26,693,705)
General Revenues										
Property Taxes	\$30,552,756	\$28,374,814	\$27,375,629	\$27,515,072	\$28,223,502	\$32,417,864	\$36,323,657	\$36,525,939	\$35,884,567	\$29,256,495
Investment income	95,449	65,964	49,125	30,448	38,982	90,929	308,846	814,950	1,043,794	832,359
Operating Lease	-	-	146,045	107,458	-	-	-	-	-	-
Miscellaneous	642,595	323,727	254,878	263,479	241,465	284,604	305,097	203,560	117,429	186,492
Total General Revenues	\$31,290,800	\$28,764,505	\$27,825,677	\$27,916,457	\$28,503,949	\$32,793,397	\$36,937,600	\$37,544,449	\$37,045,790	\$30,275,346
Change in Net Position	(\$1,079,212)	(\$1,549,082)	(\$2,466,798)	(\$264,573)	(\$216,983)	\$1,239,269	\$2,554,488	\$4,837,264	\$5,774,591	\$3,581,641

ORANGE COUNTY LIBRARY DISTRICT

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Nonspendable:										
Inventory	\$ 152,942	\$ 194,661	\$ 258,245	\$ 295,003	\$ 299,161	\$ 310,269	\$ 337,437	\$ 267,592	\$ 278,122	\$ 224,512
Prepaid Items	199,582	153,653	163,175	141,907	132,375	153,717	161,841	496,427	133,720	386,135
Annetta O' B Walker Trust Fund	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
A.P. Phillips Jr. Memorial Fund	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Perce C.& Mary M.Gullet Mem Fund	19,805	19,805	19,805	19,805	19,805	19,805	19,805	19,805	19,805	19,805
Willis H. Warner Memorial Fund	33,712	33,712	33,712	33,712	33,712	33,712	33,712	33,712	33,712	33,712
Restricted For:										
Kendrick Melrose Family Foundation	-	-	411,029	1,000,000	-	-	-	-	-	-
Committed To:										
Strategic Plan	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Edmund L.Murray Estate Fund	724,689	724,689	724,689	724,689	724,689	724,689	724,689	724,689	724,689	537,268
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	-	-	-	-
Assigned To:										
Subsequent Year's Budget	1,644,978	2,860,984	4,125,670	4,330,982	-	-	-	-	-	-
Unassigned:	3,675,686	2,695,807	3,454,600	4,308,266	8,738,773	8,081,586	6,723,869	4,629,989	4,289,697	3,483,932
Total General Fund	\$10,639,533	\$10,871,450	\$13,379,064	\$15,043,503	\$14,136,654	\$13,511,917	\$12,145,294	\$10,316,155	\$ 9,623,686	\$ 8,829,305
All Other Governmental Funds										
Restricted for:										
Debt Service	-	-	-	-	-	\$ 9,602	\$ 411,141	\$ 521,320	\$ 502,274	\$ 477,956
Assigned To:										
Capital Projects	2,387,733	5,922,381	6,479,030	6,466,464	6,460,757	6,452,086	6,428,745	6,119,527	2,048,445	314,946
Total All Other Governmental Funds	\$ 2,387,733	\$ 5,922,381	\$ 6,479,030	\$ 6,466,464	\$ 6,460,757	\$ 6,461,688	\$ 6,839,886	\$ 6,640,847	\$ 2,550,719	\$ 792,902

ORANGE COUNTY LIBRARY DISTRICT

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Property Taxes	\$30,552,756	\$28,374,814	\$27,375,629	\$27,515,072	\$28,223,502	\$32,417,864	\$36,323,657	\$36,525,939	\$35,884,567	\$29,256,495
Intergovernmental	1,560,875	1,120,090	993,051	1,149,985	1,133,872	1,039,037	1,117,010	1,155,691	1,502,103	1,433,398
Fines	1,048,826	1,119,034	1,150,472	1,357,960	1,537,099	1,604,515	1,753,926	1,745,004	1,713,960	1,702,462
Charges for Services	462,757	440,877	404,452	382,884	384,120	323,258	332,281	239,311	243,341	243,286
Investment Income	95,449	65,964	49,125	30,448	38,982	90,929	308,846	814,950	1,043,795	832,359
Miscellaneous	829,635	484,225	697,252	1,564,168	407,314	451,347	505,041	462,033	537,356	439,520
Total Revenues	34,550,298	31,605,004	30,669,981	32,000,517	31,724,889	35,926,950	40,340,761	40,942,928	40,925,122	33,907,520
Expenditures										
Salaries & Benefits	\$19,663,201	\$18,817,390	\$18,123,357	\$17,867,066	\$18,288,479	\$20,267,661	\$21,599,561	\$20,849,519	\$19,634,826	\$16,098,868
Operating	9,102,757	8,535,706	8,366,153	8,133,042	8,024,290	8,467,782	9,235,317	9,335,934	9,235,377	8,164,894
Books & Other Materials	4,863,762	4,472,687	4,533,827	4,653,884	4,458,761	4,790,414	5,043,870	4,980,166	4,503,630	4,298,390
Capital Outlay	1,467,012	2,247,100	1,298,517	433,969	329,553	1,010,928	2,024,377	570,038	2,011,235	2,112,489
Capital Projects Outlay	3,220,131	596,384	-	-	-	-	-	15,215	2,578,398	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	399,543	386,677	374,226	362,175	1,550,513
Interest	-	-	-	-	-	2,197	22,781	35,233	47,283	112,945
Total Expenditures	38,316,863	34,669,267	32,321,854	31,087,961	31,101,083	34,938,525	38,312,563	36,160,331	38,372,924	32,338,099
Excess of revenues over (under) expenditures	(3,766,565)	(3,064,263)	(1,651,873)	912,556	623,806	988,425	2,028,178	4,782,597	2,552,198	1,569,421

ORANGE COUNTY LIBRARY DISTRICT

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS , Continued
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Other Financing Sources (Uses)										
Proceeds from Sale of Capital Asset	-	-	-	-	-	-	-	-	-	350,000
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	350,000
Net Change in Fund Balances	<u>\$ (3,766,565)</u>	<u>\$ (3,064,263)</u>	<u>\$ (1,651,873)</u>	<u>\$ 912,556</u>	<u>\$ 623,806</u>	<u>\$ 988,425</u>	<u>\$ 2,028,178</u>	<u>\$ 4,782,597</u>	<u>\$ 2,552,198</u>	<u>\$ 1,919,421</u>
Government-wide Capital Outlay	\$ 4,687,143	\$ 2,843,484	\$ 1,298,517	\$ 433,969	\$ 329,553	\$ 1,010,928	\$ 2,003,519	\$ 583,002	\$ 4,517,043	\$ 2,112,489
Non Capital Expenditures	\$33,629,720	\$31,825,783	\$31,023,337	\$30,653,992	\$30,771,530	\$33,927,597	\$36,309,064	\$35,577,329	\$33,855,881	\$30,225,610
Debt Service as percentage of noncapital expenditures	-	-	-	-	-	1.18%	1.13%	1.15%	1.21%	5.50%

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 Taxable Assessed		
	Taxable Assessed Value	Estimated Fair Value	Taxable Assessed Value	Taxable Assessed Value	Estimated Fair Value	Taxable Assessed Value	Taxable Assessed Value	Estimated Fair Value	Taxable Assessed Value	Taxable Assessed Value	Estimated Fair Value	Estimated Fair Value	Value to Total	Est. Fair Value	Total Direct Tax Rate
2015	\$75,841,561,597	\$105,529,994,182	\$8,279,549,811	\$12,250,845,165	\$21,765,161	\$23,119,905	\$84,142,876,569	\$117,803,959,252					71.43%		0.3748
2014	70,747,635,067	95,744,666,369	7,941,397,415	11,917,111,545	21,561,331	22,959,315	78,710,593,813	107,684,737,229					73.09		0.3748
2013	68,084,636,506	92,132,990,490	7,711,741,964	11,624,305,924	19,920,941	21,182,712	75,816,299,411	103,778,479,126					73.06		0.3748
2012	68,251,144,114	92,183,305,123	7,674,028,456	11,436,287,666	20,447,140	22,333,097	75,945,619,710	103,641,925,886					73.28		0.3748
2011	75,880,631,329	102,514,330,536	8,128,539,297	11,760,765,118	12,538,415	14,049,385	84,021,709,041	114,289,145,039					73.52		0.3748
2010	87,984,627,849	118,873,313,104	8,196,399,075	11,623,461,158	17,078,383	19,436,909	96,178,105,307	130,516,211,171					73.69		0.3748
2009	99,393,842,302	138,188,312,094	8,187,176,637	11,585,136,082	15,826,598	17,362,074	107,596,845,537	149,790,810,250					71.83		0.3748
2008	99,331,743,328	137,455,006,761	8,294,355,966	11,008,493,071	22,440,350	22,440,350	107,648,539,644	148,485,940,182					72.50		0.4325
2007	84,455,418,451	117,214,168,280	7,804,541,783	10,537,383,100	20,180,399	20,180,399	92,280,140,633	127,771,731,779					72.22		0.4325
2006	68,137,772,133	91,830,794,159	7,370,875,225	10,082,671,037	20,226,805	20,226,805	75,528,874,163	101,933,692,001					74.10		0.4352

(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 2014 tax roll data is reported here for Fiscal Year 2015, 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)
2015	0.3748	4.4347	8.2180	13.0275
2014	0.3748	4.4347	8.4740	13.2835
2013	0.3748	4.4347	8.4780	13.2875
2012	0.3748	4.4347	8.4780	13.2875
2011	0.3748	4.4347	7.8940	12.7035
2010	0.3748	4.4347	7.8940	12.7035
2009	0.3748	4.4347	7.6780	12.4875
2008	0.3748	4.4347	7.1210	11.9305
2007	0.4325	4.4347	7.1210	11.9882
2006	0.4325	5.1639	7.7610	13.3574

(1) Information is reported based on the fiscal year in which associated tax revenue is recognized- e.g., the 2014 tax roll data is reported here for Fiscal Year 2015, 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 2015 (1)		FISCAL YEAR 2006 (1)	
		ASSESSED VALUE	PERCENTAGE OF TOTAL ASSESSED VALUE	ASSESSED VALUE	PERCENTAGE OF TOTAL ASSESSED VALUE
Walt Disney Company	Tourism	\$ 8,200,000,000	9.75%	\$ 5,746,456,681	7.61%
Universal Studios	Tourism	2,100,000,000	2.50	1,565,314,671	2.07
Marriott Resorts/Ritz Carlton	Hotels	1,600,000,000	1.90	1,008,805,768	1.34
Hilton Resorts/Waldorf Astoria	Hotels	1,200,000,000	1.43		
Hyatt Resorts	Hotels	947,200,000	1.13		
Orange Lake Country Club	Timeshare	778,200,000	0.92		
Duke Energy/Progress Energy	Utilities	735,500,000	0.87	431,983,773	0.57
Wyndham Resorts	Hotels	574,400,000	0.68		
Westgate Resorts	Hotels	560,900,000	0.67	329,026,400	0.44
Vistana/Svo Vistana Village	Timeshare	508,400,000	0.60	580,584,834	0.77
CNL Grand Lakes Resort	Hotels/Timeshare	-		355,186,341	0.47
Bellsouth	Communications			351,199,650	0.46
Sea World	Tourism			285,417,972	0.38
Sprint	Communications			268,487,014	0.36
Total Top Ten Principal Taxpayers		\$ 17,204,600,000	20.45%	\$ 10,922,463,104	14.46%
Taxable Assessed Value of all other taxpayers		\$ 66,938,276,569	79.55%	\$ 64,606,411,059	85.54%
Total Taxable Assessed Value of all taxpayers		\$ 84,142,876,569	100.00%	\$ 75,528,874,163	100.00%

(1) Information is reported based on the fiscal year in which associated tax revenue is recognized- e.g., the 2014 tax roll data is reported here for Fiscal Year 2015, 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.

Source: Orange County Property Appraiser

ORANGE COUNTY LIBRARY DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

FISCAL YEAR (1)	COLLECTED WITHIN THE LEVY YEAR		COLLECTIONS IN SUBSEQUENT YEARS		TOTAL COLLECTIONS TO DATE	
	LEVY	AMOUNT	PERCENTAGE OF THE LEVY	AMOUNT	PERCENTAGE OF THE LEVY	AMOUNT
2015	\$ 31,619,914	\$ 30,384,231	96.09 %	\$ 70,441	\$ 30,454,672	96.31 %
2014	29,514,918	28,304,731	95.90	92,638	28,397,369	96.21
2013	28,433,670	27,277,420	95.93	140,894	27,418,314	96.43
2012	28,477,769	27,339,854	96.00	122,428	27,462,282	96.43
2011	29,342,905	28,128,414	95.86	88,783	28,217,197	96.16
2010	33,642,623	32,260,271	95.89	112,612	32,372,883	96.23
2009	37,785,736	36,207,640	95.82	239,804	36,447,444	96.46
2008	37,840,472	36,287,457	95.90	174,276	36,461,733	96.36
2007	37,271,839	35,606,122	95.53	111,033	35,717,155	95.83
2006	30,413,030	29,116,120	95.74	130,527	29,246,647	96.16

(1) Information is reported based on the fiscal year in which associated tax revenue is recognized- e.g., the 2014 tax roll data is reported here for Fiscal Year 2015, 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**

FISCAL YEAR	BANK LINE OF CREDIT NOTE (1)	POPULATION	TOTAL DEBT PER CAPITA	TAXABLE ASSESSED VALUE	TOTAL DEBT AS A PERCENTAGE OF TAXABLE ASSESSED VALUE
2009	\$ 399,543	1,064,151	\$ 0.38	\$ 96,178,105,307	0.0004%
2008	786,220	1,069,849	0.73	107,596,845,537	0.0007
2007	1,160,445	1,061,017	1.09	107,648,539,644	0.0011
2006	1,522,620	1,034,849	1.47	92,280,140,633	0.0016

(1) Bank Line of Credit Note paid off in FY 2010

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, 2015

JURISDICTION	GROSS DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO ORANGE COUNTY LIBRARY DISTRICT(3)	AMOUNT APPLICABLE TO ORANGE COUNTY LIBRARY DISTRICT	DEBT PER CAPITA (4)
Direct:				
Orange County Library District (1)				
Overlapping:				
Reedy Creek Improvement District (2)	\$460,570,000	94.1%	\$433,396,370	\$359.24
Total Direct and Overlapping Debt			<u>\$433,396,370</u>	<u>\$359.24</u>

(1) Bank Line of Credit was paid off in FY 2010
General Obligation Bonds were paid off in FY 2006

(2) Bond issues of 2010A, 2011A, 2013A, 2013B, 2015A (Reedy Creek)

(3) The percentage of overlapping debt applicable is estimated using taxable assessed property values, by determining the amount of the overlapping government's taxable assessed value that is within the District's boundaries and dividing by the total taxable assessed value of the overlapping government.

(4) Based on 2015 District population estimate of 1,206,422.

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
BANK LINE OF CREDIT
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>PLEDGED REVENUES (1)</u>	<u>DEBT SERVICE (2)</u>		<u>TOTAL</u>	<u>COVERAGE</u>
		<u>PRINCIPAL</u>	<u>INTEREST</u>		
2009	\$2,410,572	\$386,677	\$22,781	\$409,458	5.89
2008	2,747,109	374,226	35,233	409,459	6.71
2007	3,030,669	362,175	47,283	409,458	7.40
2006	2,788,745	350,513	58,945	409,458	6.81

(1) Pledged Revenues include Charges of Services, Fines and Investment Income.

(2) Bank Line of Credit Note paid off in FY 2010.

ORANGE COUNTY LIBRARY DISTRICT

DEMOGRAPHIC AND ECONOMIC INFORMATION LAST TEN FISCAL YEARS

FISCAL YEAR		POPULATION(1)		PERSONAL INCOME	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
2015	(1)	1,206,422	(2)	47,623,300,000	\$ 39,475	4.7%
2014		1,182,511		47,623,300,000	40,273	5.6
2013		1,158,689	(3)	45,003,579,000	38,840	6.2
2012		1,132,302		44,498,053,000	39,299	8.4
2011		1,113,807		42,076,361,000	37,777	10.1
2010		1,102,353		39,787,994,000	36,094	11.8
2009		1,064,151		39,547,967,000	37,164	11.4
2008		1,069,849		39,414,032,000	36,841	6.3
2007		1,061,017		37,561,181,000	35,401	3.9
2006		1,034,849		35,183,501,000	33,999	3.1

(1) Population for 2015 is an estimate by the Bureau of Economics and Business Research.

(2) Personal Income for 2015 not available so 2014 personal income used as an estimate. Includes all of Orange County.

(3) Information for Fiscal Year 2013 has been updated from that previously reported.

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

ORANGE COUNTY LIBRARY DISTRICT

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

EMPLOYER	2015		2006	
	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
Walt Disney World Co.	70,000	10.60%	57,000	10.54%
Orange County Public Schools	22,347	3.39	24,063	4.45
Universal Orlando Resort	19,000	2.88	13,000	2.40
Florida Hospital/Adventist Health System	18,668	2.83	14,667	2.71
Orlando International Airport	18,000	2.73		
University of Central Florida	10,854	1.64	8,946	1.65
Orange County Government	10,416	1.58		
Lockheed Martin	7,000	1.06	7,300	1.35
Darden Restaurants, Inc.	6,419	0.97		
Consulate Health Care	5,000	0.76		
Orlando Health			12,000	2.22
Seminole County Public Schools			7,000	1.29
Westgate Resorts			8,300	1.53
Publix Super Markets			10,500	1.94
Total	<u>187,704</u>	28.43	<u>162,776</u>	30.10
Total Employment in Orange County	<u>660,131</u>		<u>540,810</u>	

Source: Top 10 Employers from Orlando Business Journal for Central Florida Region
 Total Employment in Orange County from State of Florida Labor Market Statistics
 and Bureau of Labor Statistics

ORANGE COUNTY LIBRARY DISTRICT

DISTRICT EMPLOYEES LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>FULL TIME EQUIVALENTS</u>
2015	321
2014	298
2013	288
2012	275
2011	276
2010	285
2009	339
2008	351
2007	351
2006	333

Source: Orange County Library District

ORANGE COUNTY LIBRARY DISTRICT

OPERATING INDICATORS LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>		<u>CIRCULATION</u>		<u>WEBSITE VISITS</u>	<u>CLASS AND PROGRAM ATTENDANCE</u>	<u>COMPUTER SESSIONS</u>
2015		12,833,882		3,988,574	369,805	1,152,547
2014	(1)	13,026,964	(2)	3,691,605	299,715	1,166,073
2013		14,485,390		5,275,322	355,987	1,137,049
2012		15,169,395		5,364,297	275,378	1,073,050
2011		14,809,471		5,226,285	281,186	1,047,862
2010		14,236,419		5,512,254	242,528	1,059,900
2009		13,262,020		4,741,170	240,255	1,077,669
2008		11,792,546		4,048,215	209,652	932,142
2007		9,366,524		4,183,010	189,696	871,025
2006		8,460,493		2,971,841	180,137	774,648

(1) Information for FY 2014 has been updated from that previously reported.

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

Source: Orange County Library District

ORANGE COUNTY LIBRARY DISTRICT
SERVICE LOCATION INFORMATION
LAST TEN FISCAL YEARS

Location	Status	Square Footage									
		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
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(1)	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
Edgewater Branch	Lease	12,740	12,740	12,740	12,740	12,740	12,740	12,740	12,740	12,740	12,740
Herndon Branch	Lease	13,160	13,160	13,160	13,160	13,160	13,160	13,160	13,160	13,160	13,160
Hiwassee Branch	Lease	13,455	13,455	13,455	13,455	13,455	13,455	12,797	12,797	12,797	12,797
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		465,228	449,568	449,568	449,568	449,568	449,568	448,910	448,910	448,910	448,910

(1) Opened Chickasaw Branch in FY 2015.

Source: Orange County Library District

COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Orange County Library District (the "District"), a component unit of Orange County, Florida as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 29, 2015. 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, 2015.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 may exist that have not been identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

Orlando, Florida
December 29, 2015

**Report of Independent Auditor on Compliance For
Each Major State Financial Assistance Project and on
Internal Control Over Compliance**

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

Report on Compliance for Each Major State Financial Assistance Project

We have audited the compliance of the Orange County Library District (the "District") with the types of compliance requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of the District's major state financial assistance projects for the year ended September 30, 2015. The District's major state financial assistance project are identified in the summary of auditor's results section on the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Financial Assistance Project

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state financial assistance projects for the year ended September 30, 2015.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Handwritten signature of Cheryl Behrman in black ink.

Orlando, Florida
December 29, 2015

ORANGE COUNTY LIBRARY DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2015

Part I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

State Financial Assistance Projects Section

Internal control over major programs:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

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

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

ORANGE COUNTY LIBRARY DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2015

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

State Financial Assistance Projects Section (continued)

Identification of major state projects:

State Projects:

<u>Name of Projects</u>	<u>CSFA Number</u>
<u>Public Library Construction Program</u>	<u>45.020</u>
<u>State Aid to Libraries</u>	<u>45.030</u>

Dollar threshold used to determine Type A programs:

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

YEAR ENDED SEPTEMBER 30, 2015

Part II - Schedule of Financial Statement Findings

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

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

Part III - State Project Findings and Questioned Costs

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

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

ORANGE COUNTY LIBRARY DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE

YEAR ENDED SEPTEMBER 30, 2015

State Agency/ State Project	CSFA No.	Project No.	Award Amount	Expenditures
DEPARTMENT OF STATE/ DIVISION OF LIBRARY AND INFORMATION SERVICES:				
Direct Projects:				
Public Library Construction Program - Branch Library on Chickasaw Trail	45.020	15-PLC-06	\$ 500,000	\$ 446,227
State Aid to Libraries Grant	45.030	13-ST-46	1,205,888	1,205,888
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 1,705,888</u>	<u>\$ 1,652,115</u>

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

Independent Auditor's Management Letter

To the Members of the Orange County 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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 29, 2015. 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, 2015.

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 Reports and Schedule

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Report of Independent Auditor on Compliance For Each Major State Financial Assistance Project and on Internal Control over Compliance; Schedule of Findings and Questioned Costs and Report of Independent Accountant on Compliance with Local Government Investment Policies. Disclosures in those reports and schedule, which are dated December 29, 2015, 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 significant 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

Sections 10.554(1)(i)5.a and 10.556(7), Rules of the Auditor General, requires a statement be included as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification 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.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. 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.

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that we determine whether or not the annual financial report for the District for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. Our comparison of these two reports resulted in no material differences.

Other Matters

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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.



Orlando, Florida
December 29, 2015

**Report of Independent Accountant on Compliance
with Local Government Investment Policies**

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

We have examined the Orange County Library District's (the "District's") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2015. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

Opinion

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.



Orlando, Florida
December 29, 2015