



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30 2020**



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



ORANGE COUNTY LIBRARY DISTRICT
(A Component Unit of Orange County, Florida)
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2020
Prepared By: Finance Department

**ORANGE COUNTY LIBRARY DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED SEPTEMBER 30, 2020**

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INTRODUCTORY SECTION



101 East Central Boulevard
Orlando, Florida 32801-2471
phone: 407.835.7323
fax: 407.835.7649
website: www.ocls.info

Mary Anne Hodel,
Library Director, Chief Executive Officer

February 2, 2021

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, 2020 is hereby submitted.

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

The CAFR is presented in four sections:

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

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

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

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

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

District Profile

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

The District's Governing Board is comprised of the Board of County Commissioners of Orange County, Florida and one member appointed by the City Council of the City of Orlando, Florida. The powers of the Governing Board are primarily limited to levying taxes, issuing long-term debt, appointing members of the Board of Trustees, and exercising powers of eminent domain. The five-member Library Board of Trustees is responsible for managing, administering, and operating all library facilities and services of the District. Library services are provided to approximately 1,360,000 residents through a 290,000 square foot Main Library building and 14 branch facilities, which range in size from 5,600 to 15,700 square feet.

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

Economic Condition

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

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

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

General Fund to the Capital Projects Fund specifically for future branch development. During the fiscal year ended September 30, 2020, \$4,000,000 was transferred for this purpose and the subsequent year's budget allocated \$4,000,000 for this purpose. As of September 30, 2020, the District had accumulated \$14,035,625 in the Capital Projects Fund for future branch development.

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

Major initiatives. During the fiscal year ended September 30, 2020, the District remodeled restroom facilities in three (3) of its leased branch facilities, refreshing (paint, carpet, furniture, etc.) in five (5) branch facilities and replaced the emergency generator in the Main Library. For FY 2020-21, the District will remodel restrooms in three (3) branch facilities refreshing (paint, carpet, furniture, etc.) in two (2) branch facilities and renovate the Albertson meeting room at the Main Library. These projects will be funded from the District's General Fund through property tax revenues. The District is investigating the possibility of adding a branch in the Horizons West and/or the Lake Nona areas, which would be funded through the District's Capital Project Fund.

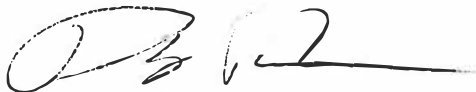
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Orange County Library District for its comprehensive annual financial report for the fiscal year ended September 30, 2019. This was the seventeenth consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Sincerely,

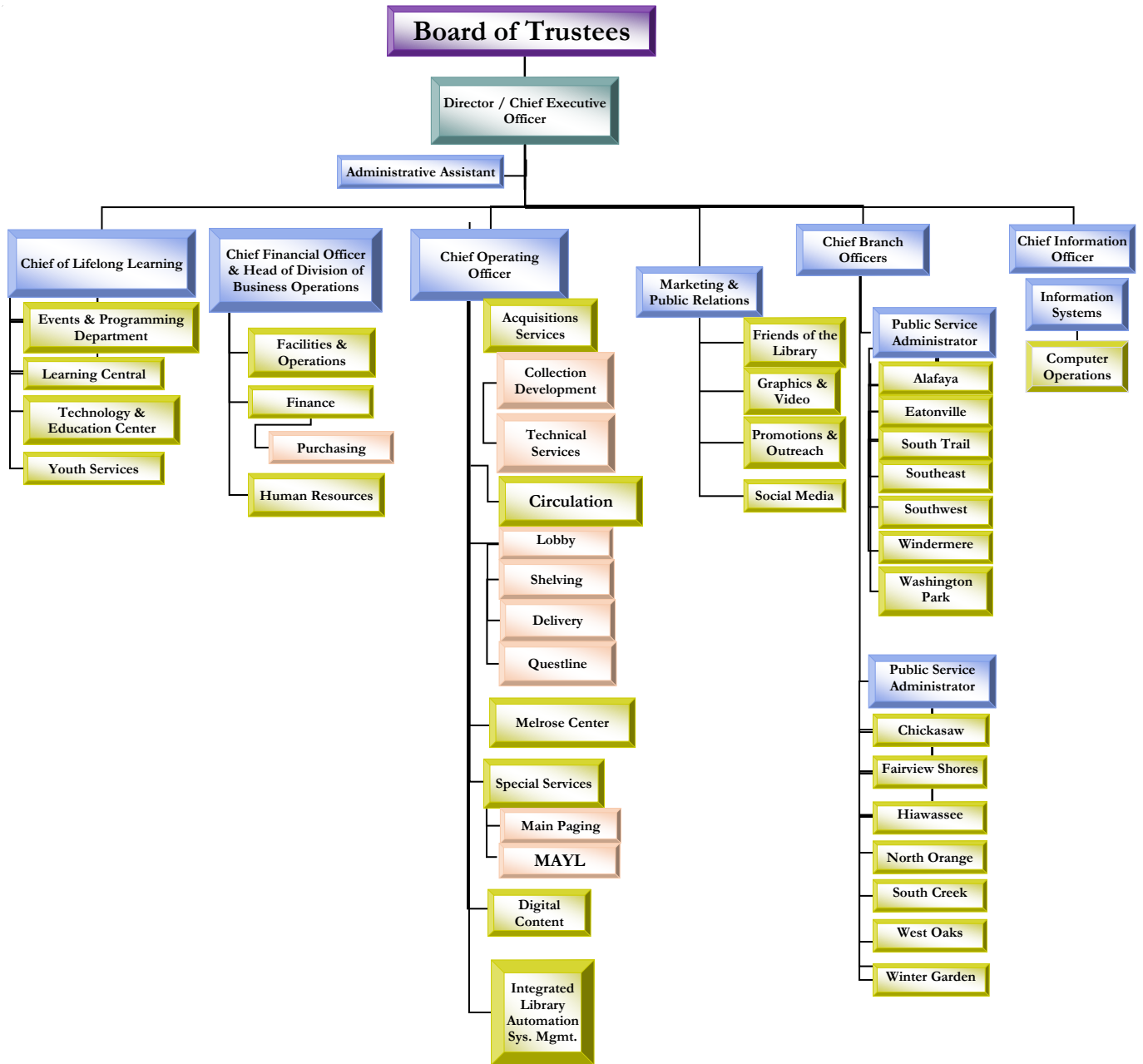


Kristopher S. Shoemaker, CMA, CGFO
Chief Financial Officer



Lovevia Williams, CPA
Finance Manager

ORANGE COUNTY LIBRARY DISTRICT ORGANIZATIONAL CHART



ORANGE COUNTY LIBRARY DISTRICT
List of Principal Officials
FY 2019-2020

Library Board of Trustees

Richard Maladecki	President
Marucci Guzmán	Vice President
Nicole Benjamin	Trustee
Crocket Bohannon	Trustee
Danielle Levian	Trustee

Director/Chief Executive Officer

Mary Anne Hodel

Chief Financial Officer

Kristopher Shoemaker, CMA, CGFO

Finance Manager

Lovevia Williams, CPA



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Orange County Library District
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

Report of Independent Auditor

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Orange County Library District (the "District"), a component unit of Orange County, Florida, as of and for the year ended September 30, 2020, 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, 2020, and the related notes to the financial statements.

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, 2020, 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, 2020 and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Orlando, Florida
February 2, 2021

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, 2020. This analysis is designed to assist the reader of the financial statements in focusing on the significant financial issues and activities and to identify any significant changes in financial position. The information presented here should be considered in conjunction with the financial statements taken as a whole.

Overview of the Financial Statements

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

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

Government-wide financial statements

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

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

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

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

Fund financial statements

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

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

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

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

The District adopted an annual budget for each of its governmental funds. Budgetary comparison schedules are located on page 49 for the General Fund and on pages 59 - 61 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 Post employment Benefit Plan. The combined activities for these plans are reported in the Statement of Fiduciary Net Position – Pension and Other Post employment Benefit Trust Funds, and Statement of Changes in Fiduciary Net Position – Pension and Other Post employment Benefit Trust Funds on pages 22 - 23 of this report. Combining financial statements for the plans can be found on pages 57 - 58. The financial activities for these plans are excluded from the District's government-wide financial statements because the District cannot use the assets to finance its operations.

Notes to the financial statements

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which can be found on pages 49 - 56 of this report.

Government-wide Financial Analysis

The following summarizes the District's net position at September 30, 2020 and 2019.

	2020	2019
Current and other assets	\$53,145,941	\$33,297,749
Capital assets	32,866,257	32,296,499
Total assets	86,012,198	65,594,248
Deferred outflows of resources	597,933	1,230,690
Total assets and deferred outflows of resources	86,610,131	66,824,938
Current liabilities	4,133,985	3,588,794
Long term liabilities	1,221,023	882,286
Total liabilities	5,355,008	4,471,080
Deferred inflows of resources	6,154,355	162,413
Total liabilities and deferred inflows of resources	11,509,363	4,633,493
Net position:		
Investment in capital assets	32,866,257	32,296,499
Restricted	11,429,317	1,527,343
Unrestricted	30,805,194	28,367,603
Total net position	\$75,100,768	\$62,191,445

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, 2020, the District increased its net position through operating results by \$12,909,323 and assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$75,100,768 as of the end of the fiscal year.

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

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

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

The following summarizes the District's governmental activities for the years ended September 30, 2020 and 2019.

	2020	2019
Program Revenues		
Charges for services	\$820,986	\$1,163,129
Operating grants and contributions	1,182,531	1,518,081
General Revenues		
Property taxes	48,227,320	44,157,999
Investment income	780,606	896,826
Miscellaneous	153,710	154,984
Total revenues	51,165,153	47,891,019
Expenses		
Salaries and benefits	22,003,497	24,910,999
Operating	9,168,322	10,098,378
Depreciation	3,782,117	3,914,812
Materials	3,301,894	2,948,660
Total expenses	38,255,830	41,872,849
Changes in net position	12,909,323	6,018,170
Net position-beginning of year	62,191,445	56,173,275
Net position - end of year	\$75,100,768	\$62,191,445

- Both charges for services and operating grants and contributions reflect a decline between the years ending September 30, 2019 and 2020 due to decreased services attributed to the COVID 19 pandemic.
- While the tax rate has not changed, property taxes increased \$4,069,321 due to higher property values and new construction.
- Investment income was down \$116,220 due to low interest rates and the market environment.

- Salaries and benefits decreased by \$2,907,502 during the year ended September 30, 2020. This decrease is due to the Defined Benefit Pension Plan January 2020 Actuarial Report which incorporated a new mortality table and revised expense load calculations and new retirement rates. Additionally, the District closed its Herndon branch effective June 1, 2020 and transferred staff to fill vacant positions throughout the system. All new vacancies will not be filled until the District extends its services. Also included are the annual merit and health insurance cost increases.
- The \$930,056 reduction in operating expenditures are due to the curtailment of expenses, changes in operating hours and energy conservation activities in response to the pandemic.
- Based on current trends, the Library increased spending on electronic resources, including ebooks by \$353,234 vs FY 2019.

Fund Financial Analysis

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

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the District, which are not required to be accounted for in another fund. Unassigned fund balance increased from \$9,305,827 to \$13,312,423. Actual revenues, including property taxes, were less than budgeted revenues by approximately \$217,901. Actual expenditures were approximately \$3,365,319 below the budget, primarily due to slightly lower salaries associated with some budgeted positions not being filled; benefit costs as a result of lower salaries and several capital maintenance projects being postponed to FY 2021. Additionally, the District's transfers from the General Fund to the Capital Projects and Sinking Funds to provide for future branch development and capital maintenance items were less than budget by \$250,000. These three (3) factors contributed to the approximately \$4,006,596 increase in the General Fund unassigned fund balance.

The \$4,158,311 increase in the Capital Projects Fund was due to a \$4,000,000 transfer from the General Fund for future branch development, and \$202,231 in investment income less \$43,920 in capital expenditures. The entire fund balance of \$14,035,625 is assigned for capital projects focused on future branch development.

The Capital Projects Sinking Fund was established to accumulate resources for future building improvements such as capital maintenance and major technology purchases. Fund balance increased by \$266,504 during the year due to a \$250,000 transfer from the General Fund and \$16,504 in investment income. The entire fund balance of \$1,062,906 is assigned for future building improvement projects.

Fund balance in the Permanent Fund increased by \$95,872 resulting from \$107,309 in investment income less \$11,437 spent in supplies and capital expenditures for a Fund balance of \$1,309,654. The ending fund balance of \$1,000,000 is nonspendable and the remaining, \$309,654 is restricted for upgrades to the Melrose Center.

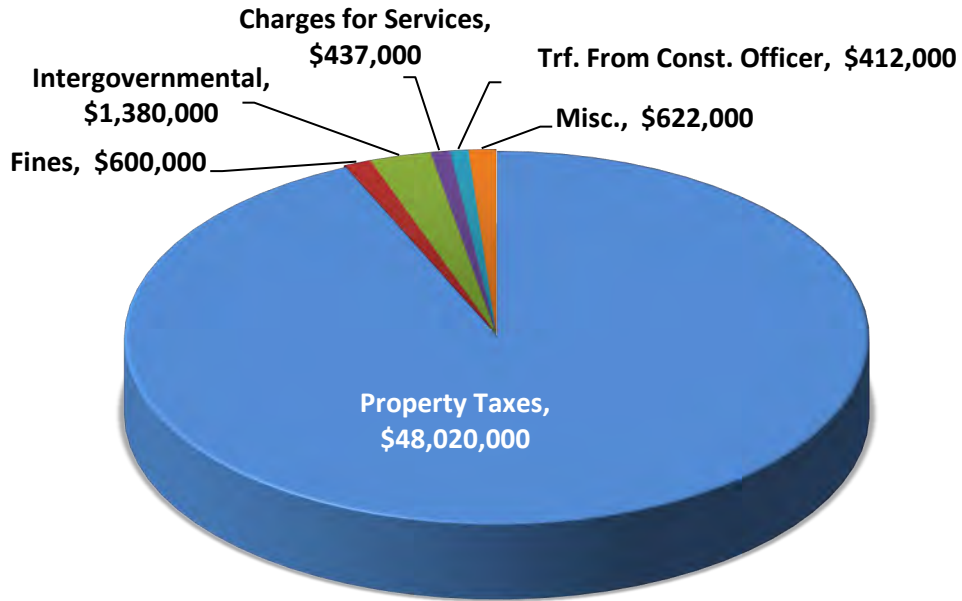
General Fund Budgetary Highlights

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

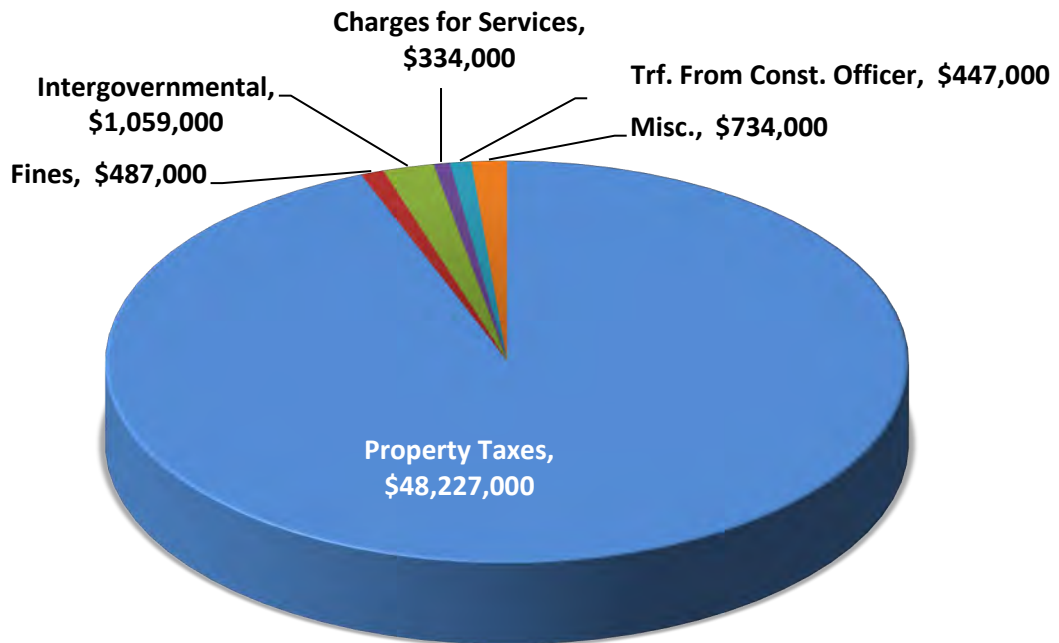
The following charts show the budget versus actual for revenues and expenditures.

GENERAL FUND

Budgeted Revenues and Transfers - \$51,471,000

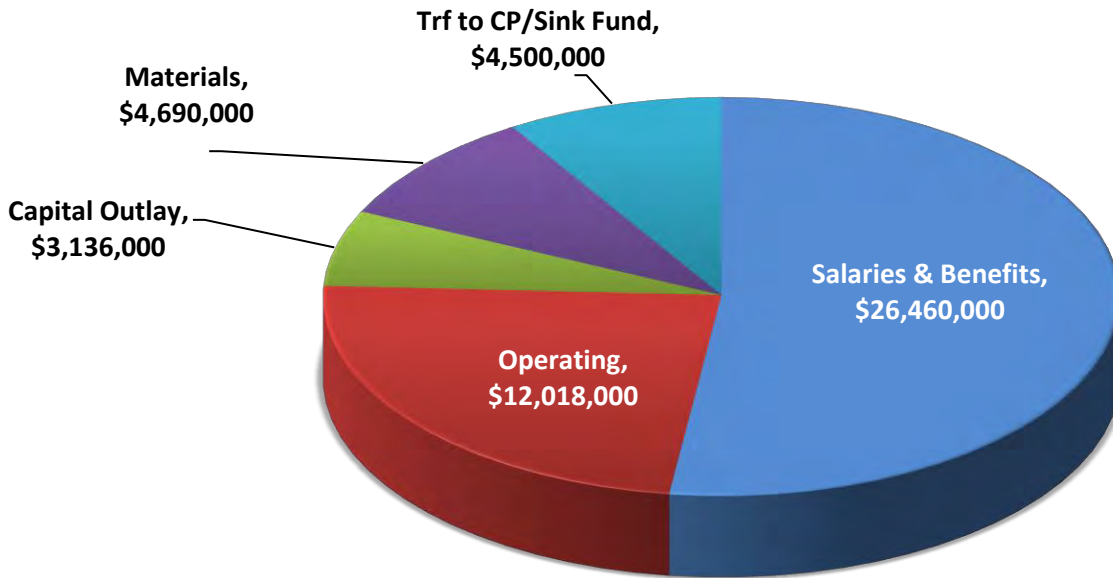


Actual Revenues and Transfers - \$51,288,000

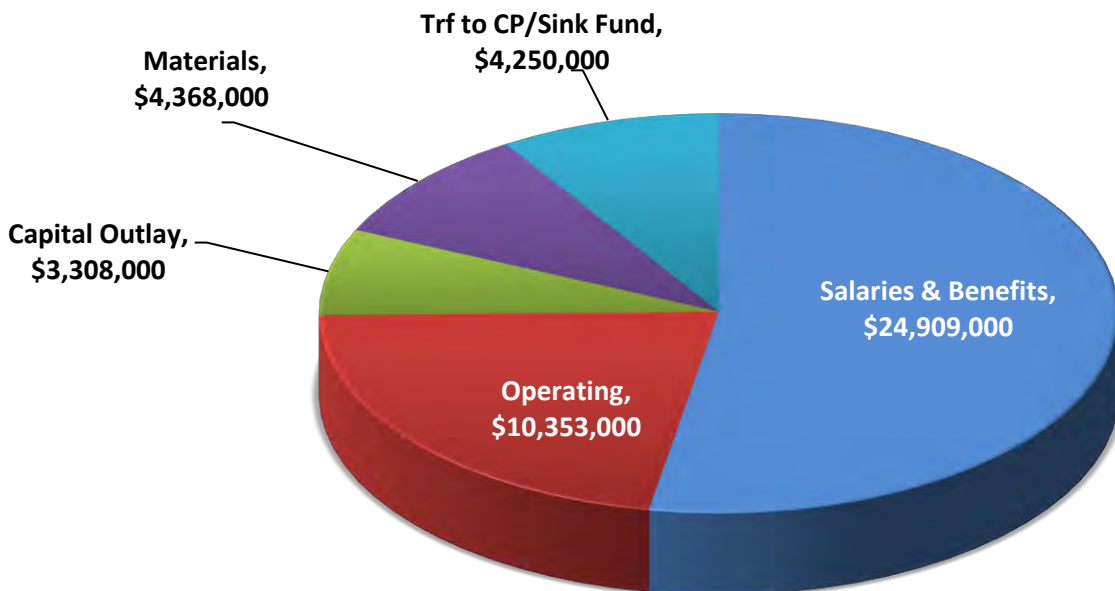


GENERAL FUND

Budgeted Expenditures and Transfers - \$50,804,000



Actual Expenditures and Transfers - \$47,188,000



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

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

Intergovernmental Revenues – Actual county, state and federal grant revenues received during the year were \$321,440 less than budget. While state and federal actual funding exceeded their respected budgets by \$54,659, the actual funding from county grants were \$376,099 less than budget. The reason is that the county grant is based on per student hours and classes were reduced due to the pandemic

Fines – Fines revenues were \$112,777 less than budget due to (1) the District waiving fines between March and July 2020 and (2) patrons choosing to checkout more electronic materials due to the pandemic.

Investment Income – The Library takes a conservative approach when budgeting for investment income as the investment markets can be and have been quite volatile. Due to strong investment markets and higher reserves, investment income came in \$104,662 higher than budgeted.

Miscellaneous - Included in miscellaneous revenue, the District recognized \$4,500 higher than budgeted in various rebates and reimbursements.

Salaries and Benefits – Due to the budgeted positions for the Horizons West location not being filled and the closing of the Herndon branch June 1, 2020 as well as not filling vacancies, the salaries and benefits were under budget by \$1,551,115.

Operating - The District expended 86.1%, or \$10,353,428, of the \$12,018,000 operating budget. The hardware and software supplies were underspent by \$252,507 due to the lower replacement cost of computers and spending curtailment due to the pandemic. The repairs maintenance account was underspent by \$62,552 and other contractual services was underspent by \$607,428 both due to a reduction in spending caused by the effects of the pandemic. Utilities were underspent by \$163,178 due to energy saving activities and reduced operating hours. The District underspent \$260,709 in rentals and leases due to not renting a facility in the Horizons West location. These five (5) major expenditures lines accounted for much of the \$1,664,572 underspending.

Capital Outlay - Of the total \$7,826,000 budget, this category was underspent by \$149,632, primarily due to postponing the purchase of hardware equipment because of curtailment initiatives from the pandemic.

Capital Assets

The District's capital assets, net of accumulated depreciation, consist of the following at September 30, 2020 and 2019.

	2020	2019
Land	\$3,349,802	\$3,349,802
Buildings	9,817,259	10,562,127
Improvements	14,675,687	12,513,213
Furniture and equipment	1,165,100	1,246,443
Library books and audiovisual materials	2,456,649	2,782,486
Computer equipment	982,834	970,008
Construction in Progress	418,926	872,420
Total Capital Assets	\$32,866,257	\$32,296,499

Significant capital asset purchases included the following:

- The project to add gates and fencing around the Main Library was completed during fiscal year 2020 for a total cost of \$820,750.
- The project to replace the emergency generator in the Main Library equaled \$412,494.
- Restroom facilities at three (3) leased branches were remodeled for a total cost of \$574,756.

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

Long Term Liabilities

The District's long-term liabilities consist of the following at September 30, 2020 and 2019

	2020	2019
Accrued compensated absences	\$2,855,215	\$2,217,120

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

Requests for Financial Information

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

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

BASIC FINANCIAL STATEMENTS

ORANGE COUNTY LIBRARY DISTRICT

Statement of Governmental Net Position

September 30, 2020

Assets and Deferred Outflows of Resources

Cash and cash equivalents	\$ 7,554,846
Investments	34,285,550
Due from other governmental agencies	404,265
Due from OPEB Trust Fund	504,891
Other receivables	38,540
Inventory	171,956
Prepaid items	223,747
Net pension asset	6,406,060
Net OPEB asset	3,556,086
Nondepreciable capital assets	3,768,728
Depreciable capital assets (net of accumulated depreciation)	<u>29,097,529</u>
Total assets	86,012,198
Deferred outflows of resources related to pension and OPEB	<u>597,933</u>
Total assets and deferred outflows of resources	<u>86,610,131</u>

Liabilities and Deferred Inflows of Resources

Accrued salaries payable	887,606
Other accrued liabilities	7,590
Accounts payable	1,160,796
Claims payable	423,843
Retainage payable	19,958
Long term liabilities:	
Due within one year	1,634,192
Due beyond one year	<u>1,221,023</u>
Total liabilities	5,355,008
Deferred inflows of resources related to pension and OPEB	<u>6,154,355</u>
Total liabilities and deferred inflows of resources	<u>11,509,363</u>

Net Position

Investment in capital assets	32,866,257
Restricted for:	
Net pension and OPEB asset	9,962,146
Nonexpendable endowments and Melrose Center	1,467,171
Unrestricted	<u>30,805,194</u>
Total net position	<u>\$ 75,100,768</u>

ORANGE COUNTY LIBRARY DISTRICT

Statement of Governmental Activities

Year Ended September 30, 2020

Program expenses:

Salaries and benefits	\$ 22,003,497
Operating	9,168,322
Depreciation	3,782,117
Electronic materials	<u>3,301,894</u>

Total program expenses

38,255,830

Program revenues:

Charges for services	820,986
Operating grants and contributions	<u>1,182,531</u>

Total program revenues

2,003,517

Net program (expenses)

(36,252,313)

General revenues:

Property taxes	48,227,320
Investment income	780,606
Miscellaneous	<u>153,710</u>

Total general revenues

49,161,636

Change in net position

12,909,323

Net position - beginning

62,191,445

Net position - ending

\$ 75,100,768

ORANGE COUNTY LIBRARY DISTRICT

**Balance Sheet
Governmental Funds
September 30, 2020**

	General	Capital Projects	Capital Projects Sinking	Permanent	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 5,259,878	\$ 805,805	\$ 64,567	\$ 113	\$ 6,130,363
Investments	14,652,035	13,229,820	998,339	1,309,541	30,189,735
Due from other governmental agencies	404,265	-	-	-	404,265
Other receivables	38,540	-	-	-	38,540
Inventory	171,956	-	-	-	171,956
Prepaid items	223,747	-	-	-	223,747
Total assets	\$ 20,750,421	\$ 14,035,625	\$ 1,062,906	\$ 1,309,654	\$ 37,158,606
Liabilities and Fund Balances					
Liabilities:					
Accrued salaries payable	\$ 887,606	\$ -	\$ -	\$ -	\$ 887,606
Other accrued liabilities	7,590	-	-	-	7,590
Accounts payable	1,160,796	-	-	-	1,160,796
Retainage payable	19,958	-	-	-	19,958
Total liabilities	2,075,950	-	-	-	2,075,950
Fund Balances:					
Nonspendable:					
Inventory	171,956	-	-	-	171,956
Prepaid items	223,747	-	-	-	223,747
Annetta O'B Walker Trust Fund	4,000	-	-	-	4,000
A.P. Phillips Jr. Memorial Fund	100,000	-	-	-	100,000
Perce C. and Mary M. Gullet Memorial Fund	19,805	-	-	-	19,805
Willis H. Warner Memorial Fund	33,712	-	-	-	33,712
Kendrick B. Melrose Donation	-	-	-	1,000,000	1,000,000
Restricted For:					
Melrose Center	-	-	-	309,654	309,654
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	-	14,035,625	1,062,906	-	15,098,531
Unassigned:	13,312,423	-	-	-	13,312,423
Total fund balances	18,674,471	14,035,625	1,062,906	1,309,654	35,082,656
Total liabilities and fund balances	\$ 20,750,421	\$ 14,035,625	\$ 1,062,906	\$ 1,309,654	\$ 37,158,606

Total fund balances	\$ 35,082,656
Capital assets reported in government-wide financial statements	32,866,257
Net OPEB asset reported in the government-wide financial statements	3,556,086
Net pension asset reported in the government-wide financial statements	6,406,060
Long-term liabilities reported in government-wide financial statements	(2,855,215)
Assets and liabilities of internal service fund included in government-wide financial statements	5,601,346
Deferred outflows of resources related to pensions and OPEB reported in government-wide financial statements	597,933
Deferred inflows of resources related to pensions and OPEB reported in government-wide financial statements	(6,154,355)
Net position of governmental activities	\$ 75,100,768

ORANGE COUNTY LIBRARY DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2020

	<u>General</u>	<u>Capital Projects</u>	<u>Capital Projects Sinking</u>	<u>Permanent</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes:					
Property	\$ 48,227,320	\$ -	\$ -	\$ -	\$ 48,227,320
Intergovernmental revenues:					
State aid to libraries	863,215	-	-	-	863,215
Federal grants	52,694	-	-	-	52,694
Other state grants	18,750	-	-	-	18,750
County grants	123,901	-	-	-	123,901
Charges for services:					
Fines	487,223	-	-	-	487,223
Copiers and printers	160,355	-	-	-	160,355
Other fees	173,408	-	-	-	173,408
Miscellaneous revenue:					
Investment income	454,662	202,231	16,504	107,209	780,606
Contributions	83,071	-	-	100	83,171
Other	196,500	-	-	-	196,500
Total revenues	<u>50,841,099</u>	<u>202,231</u>	<u>16,504</u>	<u>107,309</u>	<u>51,167,143</u>
Expenditures:					
Current:					
Salaries and benefits	24,908,885	-	-	-	24,908,885
Operating	9,906,800	-	-	10,037	9,916,837
Capital outlay	7,676,368	43,920	-	1,400	7,721,688
Total expenditures	<u>42,492,053</u>	<u>43,920</u>	<u>-</u>	<u>11,437</u>	<u>42,547,410</u>
Revenues over expenditures	8,349,046	158,311	16,504	95,872	8,619,733
Other financing sources (uses):					
Transfers in (out)	(4,250,000)	4,000,000	250,000	-	-
Net change in fund balances	4,099,046	4,158,311	266,504	95,872	8,619,733
Fund balances at beginning of year	14,575,425	9,877,314	796,402	1,213,782	26,462,923
Fund balances at end of year	<u>\$ 18,674,471</u>	<u>\$ 14,035,625</u>	<u>\$ 1,062,906</u>	<u>\$ 1,309,654</u>	<u>\$ 35,082,656</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, 2020

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

Net change in fund balances - total governmental funds	\$	8,619,733
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Governmental funds report all capital outlays as expenditures. However, in the statement of governmental activities the cost of capital outlay, other than electronic library books and other materials, is allocated over estimated useful lives and reported as depreciation expense. This is the amount of capital outlay not reported as electronic materials expense on the statement of governmental activities.		4,419,793
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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.		(67,918)
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Depreciation of capital assets, not reported in governmental funds.		(3,782,117)
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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 asset		6,768,140
Increase in accrued compensated absences		(638,095)
Increase in net OPEB asset		3,400,042

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

Decrease in deferred outflows of resources		(632,757)
Increase in deferred inflows of resources		(5,991,942)

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.		814,444
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Change in net position of governmental activities	\$	<u>12,909,323</u>
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ORANGE COUNTY LIBRARY DISTRICT
Statement of Net Position-
Internal Service Fund
September 30, 2020

Assets

Current Assets:

Cash and cash equivalents	\$ 1,424,483
Investments	4,095,815
Due from OPEB Trust Fund	<u>504,891</u>

Total current assets 6,025,189

Liabilities

Current Liabilities:

Claims payable	<u>423,843</u>
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Total current liabilities 423,843

Unrestricted net position \$ 5,601,346

ORANGE COUNTY LIBRARY DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position-
Internal Service Fund
Year Ended September 30, 2020

Operating Revenues	
Charges for services	\$ 3,047,900
	<u>3,047,900</u>
Operating Expenses	
Claims expenses	2,029,011
Stop loss insurance	213,280
Contractual services	62,181
	<u>2,304,472</u>
Operating income	743,428
Nonoperating Revenues	
Investment earnings	71,016
	<u>71,016</u>
Total net operating revenues	
	<u>71,016</u>
Change in net position	814,444
Net position - beginning of year	<u>4,786,902</u>
Net position - end of year	<u><u>\$ 5,601,346</u></u>

ORANGE COUNTY LIBRARY DISTRICT
Statement of Cash Flows-
Internal Service Fund
Year Ended September 30, 2020

Cash flows from operating activities	
Receipts from charges for services	\$ 3,035,731
Cash payments for claims and expenses	<u>(2,270,308)</u>
Net cash provided by operating activities	<u>765,423</u>
 Cash flows from investing activities	
Purchase of investments	(286,228)
Sale of investments	220,191
Income from investments	<u>22,306</u>
Net cash used by investing activities	<u>(43,731)</u>
 Net increase in cash and cash equivalents	 721,692
 Cash and cash equivalents, October 1, 2019	 <u>702,791</u>
 Cash and cash equivalents, September 30, 2020	 <u><u>\$ 1,424,483</u></u>
 Reconciliation of operating income to cash flows from operating activities	
Operating income	\$ 743,428
Adjustments to reconcile operating income to net cash used by operating activities:	
Increase in due from OPEB Trust Fund	(256,787)
Increase in claims payable	<u>278,782</u>
 Net cash provided by operating activities	 <u><u>\$ 765,423</u></u>

ORANGE COUNTY LIBRARY DISTRICT
Statement of Fiduciary Net Position-
Pension and Other Postemployment Benefit Trust Funds
September 30, 2020

Assets

Cash and cash equivalents	\$ 1,073,014
Notes receivable from plan participants	25,714
Investments:	
Commingled accounts:	
International equities	3,103,086
Fixed income	14,448,419
Mutual funds:	
Domestic equities	49,731,627
International equities	19,433,164
Stable value	2,103,992
Fixed income	10,600,692
Real estate	3,092,905
Money market accounts	<u>242,316</u>
Total investments	<u>102,756,201</u>
Total assets	<u>103,854,929</u>

Liabilities

Accounts payable	68,477
Due to Internal Service Fund	<u>504,891</u>
Total liabilities	<u>573,368</u>
Net position restricted for pension and other postemployment benefits	<u><u>\$ 103,281,561</u></u>

ORANGE COUNTY LIBRARY DISTRICT
Statement of Changes in Fiduciary Net Position-
Pension and Other Postemployment Benefit Trust Funds
Year Ended September 30, 2020

Additions:

Employer contributions:	
General Fund	\$ 3,774,388
Employee contributions:	
Rollovers	20,855
Investment income	8,489,904
Investment expenses	(87,572)
Miscellaneous revenue	1,100
	<hr/>
Total additions	12,198,675

Deductions:

Benefits paid to participants	5,681,575
Administrative expenses	31,916
	<hr/>
Total deductions	5,713,491

Increase in net position	6,485,184
Net position - beginning of year	96,796,377
	<hr/>
Net position - end of year	\$ 103,281,561
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ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 1 - Summary of significant accounting policies

Reporting entity

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

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

Government-wide and fund financial statements

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

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

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

Measurement focus, basis of accounting, and financial statement presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 1 - Summary of significant accounting policies (continued)

For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

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

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

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

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

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

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

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

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

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

Budgetary requirements

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

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

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 1 - Summary of significant accounting policies (continued)

Cash and cash equivalents

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

Investments

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

Inventory and prepaid items

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

Capital assets

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

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

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

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

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 1 - Summary of significant accounting policies (continued)

Compensated absences

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

Long-term liabilities

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

Deferred outflows and inflows of resources

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

Net Position

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

Fund Balance Reporting

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

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

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

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

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 1 - Summary of significant accounting policies (continued)

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

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

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

Tax status

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

Use of estimates

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

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 2 - Deposits and investments

At September 30, 2020, the District had the following deposits and investments:

	Fair Value
General Governmental Deposits, Cash Equivalents and Investments:	
Deposits (demand accounts)	\$ 4,577,765
Internal Pooled Cash Equivalents (money market accounts)	1,552,598
	6,130,363
Internal Pooled Investments (US Treasuries, FL Prime and FL Safe)	28,880,194
	35,010,557
Permanent Fund Investments:	
Mutual Funds - Equity Securities	831,111
Mutual Funds - Fixed Income	478,430
	1,309,541
Internal Service Fund Deposits, Cash Equivalents and Investments:	
Deposits (demand account)	1,204,292
Internal Pooled Cash Equivalents (money market accounts)	220,191
	1,424,483
Internal Pooled Investments (US Treasuries, FL Prime and FL Safe)	4,095,815
	5,520,298
Defined Contribution Pension Plan Investments:	
Mutual Funds - Equity Securities	18,307,075
Mutual Funds - Fixed Income	5,738,851
Mutual Funds - Stable Value	1,849,099
Mutual Funds - Money Market	133,254
Mutual Funds - Real Estate	66,336
	26,094,615
Money Purchase Pension Plan Investments:	
Mutual Funds - Equity Securities	6,940,346
Mutual Funds - Fixed Income	1,122,480
Mutual Funds - Stable Value	254,893
Mutual Funds - Money Market	109,062
Mutual Funds - Real Estate	23,479
	8,450,260
Defined Benefit Pension Plan Deposits, Cash Equivalents and Investments:	
Deposits (demand account)	3,965
Cash Equivalents (money market accounts)	500,747
Commingled Account - International Equities	3,103,086
Commingled Account - Fixed Income	14,448,419
Mutual Funds - Equity Securities	30,615,755
Mutual Funds - Real Estate	3,003,090
	51,675,062
OPEB Retirement Health Benefit Plan Deposits and Investments:	
Deposits (demand account)	568,302
Mutual Funds - Equity Securities	13,301,615
Mutual Funds - Fixed Income	3,739,361
	17,609,278
Total Deposits, Cash Equivalents and Investments	\$ 145,669,611

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 2 - Deposits and investments (continued)

Fair Value Measurement of Investments

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

At September 30, 2020, the District's fair value categorizations of investment fair value measurements were as follows:

	Fair Value 9/30/2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Individual securities:			
US Treasuries	\$ 7,133,633	\$ -	\$ 7,133,633
Mutual funds:			
Domestic equities	50,307,927	50,307,927	-
International equities	19,687,975	19,687,975	-
Stable value	2,103,992	2,103,992	-
Fixed income	11,079,122	11,079,122	-
Real estate	3,092,905	3,092,905	-
Money market	242,316	242,316	-
	<u>93,647,870</u>	<u>\$ 86,514,237</u>	<u>\$ 7,133,633</u>
Investments reported at amortized cost:			
Florida Prime	<u>12,939,981</u>		
Investments measured at net asset value:			
Florida Safe	12,902,395		
The Boston Company International Core Equity Fund (commingled account)	3,103,086		
Reams Columbus Core Plus Bond Fund (commingled account)	14,448,419		
	<u>30,453,900</u>		
Total investments	<u>\$ 137,041,751</u>		

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 2 - Deposits and investments (continued)

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

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

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

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

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

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

Investment Policies and Risks

General Governmental and Internal Service Fund Investments

The District pools its general governmental and Internal Service Fund surplus funds for investment purposes and these investments are managed in accordance with an Investment Policy Statement (Statement). The Statement authorizes investments in Florida intergovernmental investment pools, such as Florida Safe, Securities and Exchange Commission registered money market funds, interest bearing time deposits, and direct obligations of the U.S. Treasury. Although the District's Statement does not address credit and interest rate risk, the limited nature of the authorized investments effectively minimizes any exposure. The District's pooled general governmental and Internal Service Fund cash equivalents and investments include the following at September 30, 2020:

Fund/Investment	Type	Credit Quality	Weighted Average Maturity (years)	General Governmental	Internal Service Fund
Federated Government Obligations Fund	Money Market	AAAm	43 days	\$ 957,172	\$ 135,747
Federated Treasury Obligations Fund	Money Market	AAAm	47 days	595,426	84,444
Florida Safe		AAAm	52 days	11,299,841	1,602,554
Florida PRIME		AAAm	37 days	11,332,759	1,607,222
US Treasuries		N/A	6 to 18 months	6,247,594	886,039
Total Pooled Investments				30,432,792	4,316,006
Bank Deposits				4,577,765	1,204,292
Total Bank Deposits and Investments				<u>\$ 35,010,557</u>	<u>\$ 5,520,298</u>

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 2 - Deposits and investments (continued)

Permanent Fund Investments

Investments in the Permanent Fund are managed in accordance with a Special Funds Investment Policy Statement (Statement). The Statement sets the following asset allocation guidelines: 60% for domestic and foreign equity securities and 40% for fixed income and cash securities. The Statement authorizes investments in domestic and foreign equities, mutual funds, stable value accounts, corporate bonds, real estate investments trusts, exchange traded funds, commingled funds, and cash equivalents. The Permanent Fund investments, other than equity security mutual funds, were as follows at September 30, 2020:

Fund/Investment	Type	Credit Quality	Weighted Average Maturity (years)	Fair Value
Vanguard High Yield Corporate Fund	Fixed Income	B	4.70	\$ 251,115
Vanguard Total Bond Market Index Fund	Fixed Income	A	8.50	227,315
				<u>\$ 478,430</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 equity security mutual funds and real estate mutual funds, were as follows at September 30, 2020:

Fund/Investment	Type	Credit Quality	Weighted Average Maturity (years)	Fair Value
PIMCO High Yield Fund	Fixed Income	Not Rated	5.38	\$ 30,585
Core Bond Index Fund	Fixed Income	AA	7.81	56,740
Western Asset Core Plus Bond Fund	Fixed Income	BBB	12.66	94,043
Inflation Focused	Fixed Income	AA	8.93	40,121
Total International Bond Index Fund	Fixed Income	A	10.00	81,807
Various - Multi-Allocation Mutual Funds	Fixed Income	N/A	N/A	5,435,555
Total Fixed				<u>\$ 5,738,851</u>
Plus Fund	Stable Value	Aa2	3.95	\$ 1,497,816
Various - Multi-allocation Mutual Funds	Stable Value	N/A	N/A	351,283
Total Stable Value				<u>\$ 1,849,099</u>
Cash Management Fund	Money Market	AAAm	38 days	<u>\$ 133,254</u>

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

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 equity security mutual funds and real estate mutual funds, were as follows at September 30, 2020:

Fund/Investment	Type	Credit Quality	Weighted Average Maturity (years)	Fair Value
PIMCO High Yield Fund	Fixed Income	Not Rated	5.38	\$ 2,719
Core Bond Index Fund	Fixed Income	AA	7.81	28,901
Western Asset Core Plus Bond Fund	Fixed Income	BBB	12.66	26,654
Inflation Focused	Fixed Income	AA	8.93	7,776
Total International Bond Index Fund	Fixed Income	A	10.00	14,259
Various - Multi-Allocation Mutual Funds	Fixed Income	N/A	N/A	1,042,171
Total Fixed				<u>\$ 1,122,480</u>
Plus Fund	Stable Value	Aa2	3.95	\$ 185,183
Various - Multi-Allocation Mutual Funds	Stable Value	N/A	N/A	69,710
				<u>\$ 254,893</u>
Cash Management Fund	Money Market	AAAm	38 days	<u>\$ 109,062</u>

Defined Benefit Pension Plan Investments

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

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 2 - Deposits and investments (continued)

The Statement states that the average credit quality of the fixed income portfolio shall be AA- or higher and the average rating of the mortgage portion of the portfolio must hold a credit rating of at least AA. As a means of limiting its exposure to interest rate risk, the Statement states that the average duration of the fixed income portfolio shall be less than 150% of the duration of the Barclays Capital aggregate Bond Index. Defined Benefit Pension Plan investments, other than international equity – commingled, equity security mutual funds and real estate mutual funds, were as follows at September 30, 2020:

Fund/Investment	Type	Average Credit Quality	Weighted Average Maturity (years)	Fair Value
Fidelity Institutional Government Portfolio	Money Market	AAA	0.10	<u>\$ 500,747</u>
Reams Columbus Core Plus Bond Fund	Fixed Income	AAA	6.09	<u>\$ 14,448,419</u>

OPEB Retirement Health Benefit Plan Investments

Investments in the Plan are managed in accordance with an Investment Policy Statement ("Statement"). The Statement sets the following guidelines: 70% for domestic and foreign equity securities and 30% for fixed income and cash securities. The Statement authorizes investments in domestic and foreign equities, mutual funds, stable value accounts, corporate bonds, real estate investments trusts, exchange traded funds, comingled funds, and cash equivalents. The Plan is completely funded by the District. The OPEB Retirement Health Benefit Plan investment, other than equity security mutual funds, was as follows at September 30, 2020:

Fund/Investment	Type	Credit Quality	Weighted Average Maturity (years)	Fair Value
Low Duration Bond Fund	Fixed Income	A	3.06	<u>\$ 3,739,361</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, 2020

Note 3 - Capital assets

Capital asset activity for the year ended September 30, 2020, was as follows:

	Balances			Balances
	Oct. 30, 2019	Increases	Decreases	Sept. 30, 2020
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 3,349,802	\$ -	\$ -	\$ 3,349,802
Construction in progress	872,420	1,023,314	(1,476,808)	418,926
Total capital assets not being depreciated	<u>4,222,222</u>	<u>1,023,314</u>	<u>(1,476,808)</u>	<u>3,768,728</u>
<i>Capital assets being depreciated:</i>				
Buildings	\$ 29,794,734	-	-	\$ 29,794,734
Building improvements	22,371,456	3,113,078	(237,185)	25,247,349
Furniture and equipment	3,555,528	159,349	(395,906)	3,318,971
Library books and audiovisual materials	7,957,872	1,109,963	(1,850,717)	7,217,118
Computer equipment	3,523,198	490,897	(202,343)	3,811,752
Total capital assets being depreciated	<u>67,202,788</u>	<u>4,873,287</u>	<u>(2,686,151)</u>	<u>69,389,924</u>
Less accumulated depreciation for:				
Buildings	\$ 19,232,607	744,868	-	\$ 19,977,475
Building improvements	9,858,243	906,606	(193,187)	10,571,662
Furniture and equipment	2,309,085	224,535	(379,749)	2,153,871
Library books and audiovisual materials	5,175,386	1,435,800	(1,850,717)	4,760,469
Computer equipment	2,553,190	470,308	(194,580)	2,828,918
Total accumulated depreciation	<u>39,128,511</u>	<u>3,782,117</u>	<u>(2,618,233)</u>	<u>40,292,395</u>
Total capital assets being depreciated, net	<u>28,074,277</u>	<u>1,091,170</u>	<u>(67,918)</u>	<u>29,097,529</u>
Governmental activities capital assets, net	<u>\$ 32,296,499</u>	<u>\$ 2,114,484</u>	<u>\$ (1,544,726)</u>	<u>\$ 32,866,257</u>

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 4 - Long-term liabilities:

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

	<u>Balance October 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2020</u>	<u>Due Within One Year</u>
Accrued compensated absences	\$ 2,217,120	\$ 2,272,288	\$ 1,634,193	\$ 2,855,215	\$ 1,634,192
	<u>\$ 2,217,120</u>	<u>\$ 2,272,288</u>	<u>\$ 1,634,193</u>	<u>\$ 2,855,215</u>	<u>\$ 1,634,192</u>

The General Fund liquidates accrued compensated absences.

The District has not issued debt in the last ten years and wasn't authorized to issue long-term debt (i.e., bonds) in FY 19-20.

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, 2020:

Year Ending September 30,	
2021	\$ 1,061,078
2022	947,960
2023	944,288
2024	963,465
2025	611,707
2026-2029	<u>1,621,822</u>
Total minimum future rentals	<u>\$ 6,150,320</u>

Total lease expenditures for the year ended September 30, 2020 were \$1,441,209, of which \$1,215,291 was for facilities and \$225,918 was for books and other materials leased.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 6 - Interfund Balances and Transfers

The composition of interfund balances as of September 30, 2020 is as follows:

Due From:	Due To Internal Service Fund
OPEB Trust Fund	\$504,891

The \$504,891 balance represents the health insurance claims activities of retirees ages 55-64.

The table below details interfund transfers during the year ended September 30, 2020.

Transfers Out	Transfer In Capital Projects Fund	Transfer In Capital Projects Sinking Fund
General Fund	\$4,000,000	\$250,000

\$4,000,000 was transferred from the General Fund to the Capital Projects Fund to fund future branch expansion projects. \$250,000 was transferred from the General Fund to the Capital Projects Sinking Fund to fund future facilities repairs/replacements.

Note 7 - Pension plans

Defined Benefit Pension Plan

Plan description - The District administers a single employer, defined benefit pension plan (Defined Benefit Pension Plan for Employees of the Orange County Library District) (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, 2020, the date of the latest actuarial valuation, Plan participation consisted of:

Retirees and beneficiaries receiving benefits	136
Terminated employees entitled to benefits but not yet receiving them	63
Active employees	82
Total Plan Participants	281

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 7 - Pension plans (continued)

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

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

The actuarial determined contribution under the entry age normal method is calculated as \$624,944. However, the District contributed \$850,002, which was the budgeted amount for the year ended September 30, 2020. Employees do not make contributions to the plan. The Schedule of Employer Contributions, presented as required supplementary information following the notes to the financial statements, presents multi-year information about the contributions made by the District for the last ten years.

Actuarial assumptions – The total pension liability was determined using the following actuarial assumptions which were also used in the most recent actuarial report prepared as of January 1, 2020:

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

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

	Allocation Guideline	Long Term Expected Rate of Return
Domestic equities	40%	6%
International equities	25%	3%
Fixed income	35%	3%
Real estate investments trusts	N/A	8%

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 7 - Pension plans (continued)

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

For the fiscal year ended September 30, 2020, the annual money-weighted rate of return on Plan investments was 8.84%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

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

Changes in net pension liability (asset) - The net pension liability (asset) at September 30, 2020 is based on a January 1, 2020 actuarial valuation rolled forward using actuarial methods to the September 30, 2020 measurement date. The components of changes during fiscal 2020 are as follows:

Changes in Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 10/1/2019	\$49,221,456	\$48,859,376	\$362,080
Changes for the year:			
Service Cost	459,840	-	459,840
Interest	3,277,367	-	3,277,367
Differences between expected and actual experience	(605,583)	-	(605,583)
Changes in assumptions	(4,827,703)	-	(4,827,703)
Contributions - employer	-	850,002	(850,002)
Net investment income	-	4,239,562	(4,239,562)
Benefits payments, including refunds of employee contributions	(2,292,852)	(2,292,852)	-
Administrative expense	-	(17,503)	17,503
Net changes	(3,988,931)	2,779,209	(6,768,140)
Balances at 9/30/2020	\$45,232,525	\$51,638,585	(\$6,406,060)

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 7 - Pension plans (continued)

The \$4,827,703 decrease in 'Changes in assumptions' is the result of the incorporation of a new mortality table, revised expense load calculation and new retirement rate assumption in the January 1, 2020 actuarial report. These changes were made based on the result of an experience study completed in April 2019.

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

	1% Decrease - 5.75%	Current Rate- 6.75%	1% Increase- 7.75%
Net pension liability (asset)	(\$749,240)	(\$6,406,060)	(\$11,167,795)

Pension expense and deferred outflows and deferred inflows of resources related pensions - For the year ended September 30, 2020, the District recognized pension expense of (\$2,051,472). At September 30, 2020, 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	\$ 263,945	\$ 431,976
Changes in assumptions	-	2,941,882
Net difference between projected & actual earnings on pension plan investments	29,540	-
	\$ 293,485	\$ 3,373,858

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:	
2021	\$ (2,124,453)
2022	(975,509)
2023	217,597
2024	(198,008)

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 7 - Pension plans (continued)

Defined Contribution Pension Plan

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

All employees are eligible to participate in the Defined Contribution Plan from date of hire. At September 30, 2020, there were 401 participants and the fair value of the Defined Contribution Plan investments was \$26,094,615.

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, 2020, the District contributed \$1,313,404 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, 2020, there were 195 participants and the fair value of the Money Purchase Plan investments was \$8,450,260.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 7 - Pension plans (continued)

Contributions – The District is obligated by the Money Purchase Plan document to make contributions equal to nine percent (9%) of Annual Compensation of each member. For the year ended September 30, 2020, the District contributed \$887,711 to the Money Purchase Plan. Such contributions from the District are recognized as revenue by the Money Purchase Plan when due and when the employer has made a final commitment to provide contributions. Participants become fully vested in the District's contributions after one year from date of hire.

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

Administrative costs- Administrative costs are financed through investment earnings.

Note 8 - Other Postemployment Benefit Plan

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

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

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

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

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

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 8 - Other Postemployment Benefit Plan (continued)

As of the January 1, 2020, the date of the latest actuarial validation, plan participation consisted of:

Retirees and beneficiaries receiving benefits	114
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>262</u>
Total Plan Participants	<u><u>376</u></u>

Funding Policy - The District has the authority to establish and amend the funding policy for its OPEB Plan. For the year ended September 30, 2020, the District contributed \$723,271, which was based on actuarially determined rates per the January 1, 2019 OPEB Actuarial Report. It is the District's intent to base future contributions on the actuarially determined rates in subsequent annual actuarial reports.

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

As mentioned above, the actuarially determined contribution amounted to \$723,271. Employees do not make contributions to the plan. The Schedule of Contributions, presented as required supplementary information following the notes to the financial statements, presents multi-year information about the contributions made by the District for the last four years.

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

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

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 8 - Other Postemployment Benefit Plan (continued)

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

Valuation Date	January 1, 2020
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level dollar
Amortization period	Closed 5 year period
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	6.5% Compounded annually
Inflation rate	2.5% general price inflation annual rate
Projected annual salaries increases	4.5%, including inflation
Mortality tables	Pub-2010 Headcount Weighted General Below Median Employee Tables for active members and the Pub-2010 Headcount Weighted General Below Median Healthy Retiree Tables for non-disabled inactive members, with mortality improvement projected to all future years from the year 2010 using the MP-2018 Mortality Improvement Projection Scale. Rates have been adjusted to be set back one year for males.

ORANGE COUNTY LIBRARY DISTRICT

**Notes to Financial Statements
Year Ended September 30, 2020**

Note 8 - Other Postemployment Benefit Plan (continued)

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

Annual Increase Rates

<u>Year</u>	<u>Medical/Rx</u>	<u>Gross Premium Contribution</u>
2021	6.25%	6.25%
2022	6.05%	6.05%
2023	5.96%	5.96%
2024	5.86%	5.86%
2025	5.77%	5.77%
2026	5.68%	5.68%
2027	5.59%	5.59%
2028	5.49%	5.49%
Thereafter	5.49% - 4.24%	5.49% - 4.24%

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

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

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

For fiscal year ended September 30, 2020, the annual money-weighted rate of return on the Plan investments, net of investment expenses, was 7.8%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

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

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 8 - Other Postemployment Benefit Plan (continued)

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

Changes in Net OPEB Asset - The Net OPEB Asset at September 30, 2020 is based on a January 1, 2020 actuarial valuation rolled forward using actuarial methods to the September 30, 2020 measurement date. The components of changes during fiscal 2020 are as follows:

Changes in Net OPEB Asset

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Asset (a) - (b)
Balances at 10/1/2019	\$15,803,913	\$15,959,957	(\$156,044)
Changes for the year:			
Service Cost	416,326	-	416,326
Interest on the Total OPEB Liability	1,026,949	-	1,026,949
Differences between expected and actual experience	(519,356)	-	(519,356)
Changes in assumptions	(2,369,485)	-	(2,369,485)
Contributions - employer	-	723,271	(723,271)
Net investment income	-	1,231,205	(1,231,205)
Benefits payments	(842,046)	(842,046)	-
Net changes	(2,287,612)	1,112,430	(3,400,042)
Balances at 9/30/2020	\$13,516,301	\$17,072,387	(\$3,556,086)

The \$2,369,485 decrease in '*Changes in assumptions*' is the result of revised per capita assumptions, the incorporation of a new mortality table, and removal of the load for excise tax in the January 1, 2020 actuarial report.

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

	1% Decrease - 5.5%	Current Rate - 6.5%	1% Increase - 7.5%
Net OPEB Asset	(\$1,770,588)	(\$3,556,086)	(\$5,074,270)

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 8 - Other Postemployment Benefit Plan (continued)

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

1% Trend Decrease	Trend Rate Assumption	1% Trend Increase
5.25% decreasing to 3.24%	6.25% decreasing to 4.24%	7.25% decreasing to 5.24%
(\$5,227,231)	(\$3,556,086)	(\$1,530,597)

OPEB expense and deferred outflows and deferred inflows of resources related pensions - For the year ended September 30, 2020, the District recognized OPEB expense of \$81,262. At September 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Net Deferred Outflows of Resources	Net Deferred Inflows of Resources
Difference between expected and actual experience	\$ 152,402	\$ 495,194
Changes in assumptions	51,707	2,285,303
Net difference between projected & actual earnings on pension plan investments	100,339	-
	\$ 304,448	\$ 2,780,497

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

Year ended September 30:

2021	\$ (328,480)
2022	(328,480)
2023	(210,239)
2024	(375,223)
2025	(335,690)
Thereafter	(897,937)

Updated procedures were applied to the Plan's January 1, 2020 actuarial valuation to roll forward the total OPEB asset to September 30, 2020 for purposes of the GASB 74 calculation.

ORANGE COUNTY LIBRARY DISTRICT
Notes to Financial Statements
Year Ended September 30, 2020

Note 9 - Risk Management

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

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

The \$423,843 liability includes \$145,132 of actuarially determined claims incurred but not reported, with the remaining amount representing actual claims that have been submitted and accrued invoices. Changes to the claims liability since the year ended September 30, 2018 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>
9/30/2019	\$ 176,220	\$ 2,141,318	\$ (2,172,477)	\$ 145,061
9/30/2020	\$ 145,061	\$ 2,029,011	\$ (1,750,229)	\$ 423,843

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 2020, the District contracted with various companies for insurance coverage. The companies provided coverage for workers compensation, property, liability, flood, public officials, fiduciary (pension), and employment practices. Settlements have not exceeded insurance coverage for each of the past three years.

Note 10 - Property Taxes

Under Florida law, the assessment of all properties and the collections of all property taxes are provided by Orange County's Property Appraiser and Tax Collector, who are elected officials. Ad valorem property taxes levied in September 2020 are for the purpose of financing the budget of the 2021 fiscal year. Property tax revenues recognized for the 2020 fiscal year were levied in September 2019.

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, 2020.

Key dates in the property tax cycle for revenues recognized in fiscal year 2020 include the following:

Lien date	January 1, 2019
Property taxes levied	September 15, 2019
Beginning of fiscal year for which taxes have been levied	October 1, 2019
Tax bills rendered	November 1, 2019
Property taxes payable:	
Maximum discount (latest date)	November 30, 2019
Delinquent	April 1, 2020
Tax certificates sold on unpaid taxes	June 1, 2020

REQUIRED SUPPLEMENTARY INFORMATION

ORANGE COUNTY LIBRARY DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund (Budgetary Basis)
Year Ended September 30, 2020

	Original and Final Budgeted Amounts	Budgetary Basis Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Taxes:			
Property	\$ 48,020,000	\$ 48,227,320	\$ 207,320
Intergovernmental revenues:			
State aid to libraries	830,000	863,215	33,215
Federal grants	30,000	52,694	22,694
Other state grants	20,000	18,750	(1,250)
County grants	500,000	123,901	(376,099)
Charges for services:			
Fines	600,000	487,223	(112,777)
Copiers and printers	225,000	160,355	(64,645)
Other fees	212,000	173,408	(38,592)
Miscellaneous revenue:			
Investment income	350,000	454,662	104,662
Contributions	80,000	83,071	3,071
Other	192,000	196,500	4,500
Total revenues	<u>51,059,000</u>	<u>50,841,099</u>	<u>(217,901)</u>
Expenditures:			
Current:			
Salaries and benefits	26,460,000	24,908,885	1,551,115
Operating	12,018,000	10,353,428	1,664,572
Capital outlay	7,826,000	7,676,368	149,632
Total expenditures	<u>46,304,000</u>	<u>42,938,681</u>	<u>3,365,319</u>
Revenues over expenditures	<u>4,755,000</u>	<u>7,902,418</u>	<u>3,147,418</u>
Other financing sources (uses):			
Transfers out	(4,500,000)	(4,250,000)	250,000
Transfers from constitutional officers	412,000	446,628	34,628
Total other financing sources (uses)	<u>(4,088,000)</u>	<u>(3,803,372)</u>	<u>284,628</u>
Net change in fund balance	<u>\$ 667,000</u>	4,099,046	<u>\$ 3,432,046</u>
Fund balance at beginning of year		<u>14,575,425</u>	
Fund balance at end of year		<u>\$ 18,674,471</u>	

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

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

Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Excess (Deficiency)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2011	\$ 891,426	\$ 1,056,751	\$ 165,325	\$ 6,104,311	17.3%
2012	\$ 1,141,821	\$ 1,106,367	\$ (35,454)	\$ 5,634,242	19.6%
2013	\$ 880,688	\$ 945,971	\$ 65,283	\$ 5,401,961	17.5%
2014	\$ 627,395	\$ 690,719	\$ 63,324	\$ 5,226,257	13.2%
2015	\$ 614,847	\$ 614,847	\$ -	\$ 5,169,894	11.9%
2016	\$ 806,723	\$ 806,723	\$ -	\$ 4,807,950	16.8%
2017	\$ 809,614	\$ 809,614	\$ -	\$ 4,775,367	17.0%
2018	\$ 570,718	\$ 570,718	\$ -	\$ 4,314,180	13.2%
2019	\$ 970,762	\$ 970,762	\$ -	\$ 4,134,169	23.5%
2020	\$ 624,944	\$ 850,002	\$ 225,058	\$ 3,880,611	21.9%

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

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

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability			
Service cost	\$ 584,935	\$ 608,203	\$ 643,083
Interest	2,848,788	2,749,937	2,674,586
Differences between expected and actual experience	(481,840)	(239,752)	(619,604)
Changes in assumptions	2,648,331	-	-
Benefit payments, including refunds of employee contributions	<u>(1,745,038)</u>	<u>(1,622,931)</u>	<u>(1,551,781)</u>
Net change in total pension liability	3,855,176	1,495,457	1,146,284
Total pension liability - beginning	<u>40,969,803</u>	<u>39,474,346</u>	<u>38,328,062</u>
Total pension liability - ending (A)	<u>\$ 44,824,979</u>	<u>\$ 40,969,803</u>	<u>\$ 39,474,346</u>
Plan fiduciary net position			
Employer contributions	\$ 806,723	\$ 614,847	\$ 690,719
Net investment income	3,772,044	(720,586)	3,381,106
Benefit payments, including refunds of employee contributions	(1,745,038)	(1,622,931)	(1,551,781)
Administrative expense	<u>(16,045)</u>	<u>(15,918)</u>	<u>(15,511)</u>
Net change in plan fiduciary net position	2,817,684	(1,744,588)	2,504,533
Plan fiduciary net position - beginning	<u>40,422,849</u>	<u>42,167,437</u>	<u>39,662,904</u>
Plan fiduciary net position - ending (B)	<u>\$ 43,240,533</u>	<u>\$ 40,422,849</u>	<u>\$ 42,167,437</u>
Plan net pension liability (asset) - ending (A-B)	\$ 1,584,446	\$ 546,954	\$ (2,693,091)
Plan fiduciary net position as a percentage of total pension liability (asset)	96.5%	98.7%	106.8%
Covered payroll	\$ 4,807,950	\$ 5,169,894	\$ 5,226,257
Net pension liability (asset) as a percentage of covered payroll	33.0%	10.6%	(51.5%)

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

**Actuarial Methods and Assumptions
Last fiscal year**

Valuation date	January 1, 2020
Actuarial cost method	Entry age normal cost method
Amortization method	Level percentage of payroll, closed period
Amortization period	10 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	6.75%
Projected salary increases	4.5%
Inflation rate	2.0%
Cost of living adjustments	2.0% per annum
Mortality table	PubG-2010, Below-Median, Amounts-Weighted Mortality Tables, (by gender), with generational improvement scale MP2018

Note: Changes in assumptions are the result of the incorporation of a new mortality table, revised expense load calculation and new retirement rate assumption in the January 1, 2020 actuarial report. These changes were made based on the result of an experience study completed in April 2019.

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

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

2014	8.7%
2015	-1.6%
2016	9.5%
2017	11.7%
2018	6.9%
2019	2.5%
2020	8.8%

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

**ORANGE COUNTY LIBRARY DISTRICT
Other Postemployment Benefit Plan
Schedule of Employer Contributions**

<u>Year Ended September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Covered Employee Payroll</u>	<u>Actual Contribution as a % of Covered Employee Payroll</u>
2017	\$ 690,843	\$ 690,843	\$ 11,939,326	5.8%
2018	\$ 539,459	\$ 539,459	\$ 11,789,254	4.6%
2019	\$ 373,448	\$ 700,000	\$ 12,866,962	5.4%
2020	\$ 723,271	\$ 723,271	\$ 13,352,808	5.4%

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

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

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

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

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

**Actuarial Methods and Assumptions
Last fiscal year**

Valuation date	January 1, 2020
Actuarial cost method	Entry age normal cost method
Amortization method	Level dollar, closed period
Amortization period	5 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	6.5%
Projected salary increases	4.5%
Inflation rate	2.5%
Healthcare cost trend rate	6.25% for 2020 decreasing to an ultimate rate of 4.24% by 2040 and thereafter.

Note: Changes in assumptions are the result of revised per capita assumptions, the incorporation of a new mortality table, and removal of the load for excise tax in the January 1, 2020 actuarial report.

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

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

2011	-2.6%
2012	19.5%
2013	17.7%
2014	9.3%
2015	-1.8%
2016	10.1%
2017	14.3%
2018	10.4%
2019	1.4%
2020	7.8%

OTHER SUPPLEMENTARY INFORMATION

ORANGE COUNTY LIBRARY DISTRICT
Combining Statement of Fiduciary Net Position-
Pension and Other Postemployment Benefit Trust Funds
September 30, 2020

	<u>Defined Benefit</u>	<u>Defined Contribution</u>	<u>Money Purchase</u>	<u>OPEB</u>	<u>Total</u>
Assets					
Cash and cash equivalents	\$ 504,712	\$ -	\$ -	\$ 568,302	\$ 1,073,014
Notes receivable from plan participants	-	-	25,714	-	25,714
Investments:					
Commingled accounts:					
International equities	3,103,086	-	-	-	3,103,086
Fixed income	14,448,419	-	-	-	14,448,419
Mutual funds:					
Domestic equities	20,872,287	13,566,952	4,828,836	10,463,552	49,731,627
International equities	9,743,468	4,740,123	2,111,510	2,838,063	19,433,164
Stable value	-	1,849,099	254,893	-	2,103,992
Fixed income	-	5,738,851	1,122,480	3,739,361	10,600,692
Real estate	3,003,090	66,336	23,479	-	3,092,905
Money market	-	133,254	109,062	-	242,316
Total Investments	51,170,350	26,094,615	8,450,260	17,040,976	102,756,201
Total assets	<u>\$ 51,675,062</u>	<u>\$ 26,094,615</u>	<u>\$ 8,475,974</u>	<u>\$ 17,609,278</u>	<u>\$ 103,854,929</u>
Liabilities					
Accounts payable	36,477	-	-	32,000	68,477
Due to Internal Service Fund	-	-	-	504,891	504,891
Total liabilities	<u>\$ 36,477</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 536,891</u>	<u>\$ 573,368</u>
Net position restricted for pension and other postemployment benefits	<u>\$ 51,638,585</u>	<u>\$ 26,094,615</u>	<u>\$ 8,475,974</u>	<u>\$ 17,072,387</u>	<u>\$ 103,281,561</u>

ORANGE COUNTY LIBRARY DISTRICT
Combining Statement of Changes in Fiduciary Net Position-
Pension and Other Postemployment Benefit Trust Funds
Year Ended September 30, 2020

	<u>Defined Benefit</u>	<u>Defined Contribution</u>	<u>Money Purchase</u>	<u>OPEB</u>	<u>Total</u>
Additions:					
Employer contributions:					
General Fund	\$ 850,002	\$ 1,313,404	\$ 887,711	\$ 723,271	\$ 3,774,388
Employee contributions:					
Rollovers	-	-	20,855	-	20,855
Investment income	4,326,034	2,242,197	690,468	1,231,205	8,489,904
Investment expenses	(87,572)				(87,572)
Miscellaneous revenue	1,100	-	-	-	1,100
Total additions	<u>5,089,564</u>	<u>3,555,601</u>	<u>1,599,034</u>	<u>1,954,476</u>	<u>12,198,675</u>
Deductions:					
Benefits paid to participants	2,292,852	2,129,112	426,916	832,695	5,681,575
Administrative expenses	17,503	3,600	1,462	9,351	31,916
Total deductions	<u>2,310,355</u>	<u>2,132,712</u>	<u>428,378</u>	<u>842,046</u>	<u>5,713,491</u>
Change in net position	2,779,209	1,422,889	1,170,656	1,112,430	6,485,184
Net position - beginning of year	<u>48,859,376</u>	<u>24,671,726</u>	<u>7,305,318</u>	<u>15,959,957</u>	<u>96,796,377</u>
Net position - end of year	<u>\$ 51,638,585</u>	<u>\$ 26,094,615</u>	<u>\$ 8,475,974</u>	<u>\$ 17,072,387</u>	<u>\$ 103,281,561</u>

ORANGE COUNTY LIBRARY DISTRICT
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Capital Projects Fund
Year Ended September 30, 2020

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Miscellaneous revenue:			
Investment income	\$ 100,000	\$ 202,231	\$ 102,231
Total revenues	<u>100,000</u>	<u>202,231</u>	<u>102,231</u>
Expenditures:			
Capital outlay	<u>375,000</u>	<u>43,920</u>	<u>331,080</u>
Total expenditures	<u>375,000</u>	<u>43,920</u>	<u>331,080</u>
Revenues over (under) expenditures	<u>(275,000)</u>	<u>158,311</u>	<u>433,311</u>
Other Financing Sources:			
Transfers in	<u>4,000,000</u>	<u>4,000,000</u>	<u>-</u>
Net change in fund balance	<u>\$ 3,725,000</u>	<u>4,158,311</u>	<u>\$ 433,311</u>
Fund balance at beginning of year		<u>9,877,314</u>	
Fund balance at end of year		<u>\$ 14,035,625</u>	

ORANGE COUNTY LIBRARY DISTRICT
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Capital Projects Sinking Fund
Year Ended September 30, 2020

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Miscellaneous revenue:			
Investment Income	\$ 8,000	\$ 16,504	\$ 8,504
Total revenues	<u>8,000</u>	<u>16,504</u>	<u>8,504</u>
Revenues over expenditures	<u>8,000</u>	<u>16,504</u>	<u>8,504</u>
Other Financing Sources:			
Transfers in	<u>500,000</u>	<u>250,000</u>	<u>(250,000)</u>
Net change in fund balance	<u>\$ 508,000</u>	<u>266,504</u>	<u>\$ (241,496)</u>
Fund balance at beginning of year		<u>796,402</u>	
Fund balance at end of year		<u>\$ 1,062,906</u>	

ORANGE COUNTY LIBRARY DISTRICT
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Permanent Fund
Year Ended September 30, 2020

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Miscellaneous revenue:			
Investment income	\$ 25,000	\$ 107,209	\$ 82,209
Contributions	-	100	100
	<u>25,000</u>	<u>107,309</u>	<u>82,309</u>
Total revenues	<u>25,000</u>	<u>107,309</u>	<u>82,309</u>
Expenditures:			
Operating	-	10,037	(10,037)
Capital outlay	50,000	1,400	48,600
	<u>50,000</u>	<u>11,437</u>	<u>38,563</u>
Total expenditures	<u>50,000</u>	<u>11,437</u>	<u>38,563</u>
Revenues over (under) expenditures	<u>(25,000)</u>	<u>95,872</u>	<u>120,872</u>
Net change in fund balance	<u>\$ (25,000)</u>	95,872	<u>\$ 120,872</u>
Fund balance at beginning of year		<u>1,213,782</u>	
Fund balance at end of year		<u>\$ 1,309,654</u>	

STATISTICAL SECTION

ORANGE COUNTY LIBRARY DISTRICT

STATISTICAL SECTION

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

<u>Contents</u>	<u>Pages</u>
Financial Trends	63 - 66
These schedules contain trend information to help the reader understand how the District's financial performance and position have changed over time.	
Revenue Capacity	67 - 70
These schedules contain information to help the reader assess the factors affecting the District's ability to generate property taxes.	
Debt Capacity	71 - 75
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	76 - 77
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	78 - 80
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	

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

ORANGE COUNTY LIBRARY DISTRICT

NET POSITION GOVERNMENTAL ACTIVITIES LAST TEN FISCAL YEARS

(accrual basis of accounting)

FISCAL YEAR	NET INVESTMENT IN CAPITAL ASSETS	RESTRICTED (3)	UNRESTRICTED	TOTAL
2020	\$ 32,866,257	\$ 11,429,317 (4)	30,805,194	\$ 75,100,768
2019	32,296,499	1,527,343	28,367,603	62,191,445
2018	33,449,511	3,788,614	18,935,150	56,173,275
2017	32,861,690	1,753,058	16,822,368	51,437,116
2016	33,213,078	886,358 (2)	16,684,484	50,783,920
2015	29,407,021	407,707	17,853,751	47,668,479
2014	26,859,536	439,319	18,769,164	46,068,019
2013	25,962,992	852,297	20,801,812	47,617,101
2012	26,552,839	1,457,517 (1)	22,073,543	50,083,899
2011	27,978,659	157,517	22,212,296	50,348,472

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

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

(3) Includes net pension asset and net OPEB asset

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

ORANGE COUNTY LIBRARY DISTRICT

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Program Expenses										
Salaries and benefits	\$ 22,003,497	\$ 24,910,999	\$ 22,787,890	\$ 22,900,705	\$ 21,474,152	\$ 20,414,549	\$ 18,883,855	\$ 18,140,914	\$ 17,859,087	\$ 18,137,533
Operating	9,168,322	10,098,378	9,075,273	9,087,009	9,354,014	8,454,658	7,855,277	8,645,249	7,904,571	7,456,834
Depreciation	3,782,117	3,914,812	4,076,370	4,303,673	4,382,963	2,096,541	1,942,267	1,816,789	1,847,548	1,888,744
Materials	3,301,894	2,948,660	3,130,625	2,866,042	2,898,914	4,863,762	4,472,687	4,533,827	4,653,884	4,458,761
Total Expenses	\$ 38,255,830	\$ 41,872,849	\$ 39,070,158	\$ 39,157,429	\$ 38,110,043	\$ 35,829,510	\$ 33,154,086	\$ 33,136,779	\$ 32,265,090	\$ 31,941,872
Program Revenues										
Charges for services	\$ 820,986	\$ 1,163,129	\$ 1,279,929	\$ 1,289,113	\$ 1,377,878	\$ 1,511,583	\$ 1,559,911	\$ 1,554,924	\$ 1,740,844	\$ 1,921,219
Operating grants & contrib.	1,182,531	1,518,081	1,268,671	1,237,111	1,151,860	1,501,688	1,226,815	1,289,380	1,343,216	1,299,721
Capital grants & contrib.	-	-	-	-	500,000	446,227	53,773	-	1,000,000	-
Total Program Revenues	\$ 2,003,517	\$ 2,681,210	\$ 2,548,600	\$ 2,526,224	\$ 3,029,738	\$ 3,459,498	\$ 2,840,499	\$ 2,844,304	\$ 4,084,060	\$ 3,220,940
Total Net (Exp.)	\$ (36,252,313)	\$ (39,191,639)	\$ (36,521,558)	\$ (36,631,205)	\$ (35,080,305)	\$ (32,370,012)	\$ (30,313,587)	\$ (30,292,475)	\$ (28,181,030)	\$ (28,720,932)
General Revenues										
Property Taxes	\$ 48,227,320	\$ 44,157,999	\$ 40,292,698	\$ 36,747,153	\$ 33,714,713	\$ 30,552,756	\$ 28,374,814	\$ 27,375,629	\$ 27,515,072	\$ 28,223,502
Investment income	780,606	896,826	449,103	270,264	172,626	95,449	65,964	49,125	30,448	38,982
Operating Lease	-	-	-	-	-	-	-	146,045	107,458	-
Miscellaneous	153,710	154,984	272,751	266,984	302,935	642,595	323,727	254,878	263,479	241,465
Total General Revenues	\$ 49,161,636	\$ 45,209,809	\$ 41,014,552	\$ 37,284,401	\$ 34,190,274	\$ 31,290,800	\$ 28,764,505	\$ 27,825,677	\$ 27,916,457	\$ 28,503,949
Change in Net Position	\$ 12,909,323	\$ 6,018,170	\$ 4,492,994	\$ 653,196	\$ (890,031)	\$ (1,079,212)	\$ (1,549,082)	\$ (2,466,798)	\$ (264,573)	\$ (216,983)

ORANGE COUNTY LIBRARY DISTRICT

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Nonspendable:										
Inventory	\$ 171,956	\$ 123,866	\$ 155,055	\$ 176,092	\$ 162,025	\$ 152,942	\$ 194,661	\$ 258,245	\$ 296,003	\$ 299,161
Prepaid Items	223,747	179,387	258,713	119,952	174,017	199,582	153,653	163,175	141,907	132,375
Annetta O' B Walker Trust Fund	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
A.P. Phillips Jr. Memorial Fund	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Perce C. & Mary M. Gullet Mem. Fund	19,805	19,805	19,805	19,805	19,805	19,805	19,805	19,805	19,805	19,805
Willis H. Warner Memorial Fund	33,712	33,712	33,712	33,712	33,712	33,712	33,712	33,712	33,712	33,712
Restricted For:										
Kendrick Melrose Family Foundation	-	-	-	-	-	-	-	411,029	1,000,000	-
Committed To:										
Strategic Plan	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Edmund L. Murray Estate Fund	724,689	724,689	724,689	724,689	724,689	724,689	724,689	724,689	724,689	724,689
Arthur Sondheim Estate Fund	39,941	39,941	39,941	39,941	39,941	39,941	39,941	39,941	39,941	39,941
Vivian Esch Estate Fund	44,198	44,198	44,198	44,198	44,198	44,198	44,198	44,198	44,198	44,198
Assigned To:										
Subsequent Year's Budget	-	-	323,000	1,000,877	2,080,087	1,644,978	2,860,984	4,125,670	4,330,982	-
Unassigned:	13,312,423	9,305,827	6,981,043	4,242,799	2,234,086	3,675,686	2,695,807	3,454,600	4,308,266	8,738,773
Total General Fund	<u>\$18,674,471</u>	<u>\$14,575,425</u>	<u>\$12,684,156</u>	<u>\$10,506,065</u>	<u>\$ 9,616,560</u>	<u>\$10,639,533</u>	<u>\$10,871,450</u>	<u>\$13,379,064</u>	<u>\$15,043,503</u>	<u>\$14,136,654</u>
All Other Governmental Funds										
Nonspendable:										
Melrose Donation	\$ 1,000,000	\$ 1,000,000	\$ 500,000	\$ 500,000	\$ 500,000	-	-	-	-	-
Restricted for:										
Melrose Center	309,654	213,782	183,632	133,020	59,693	-	-	-	-	-
Assigned To:										
Capital Projects	15,098,531	10,673,716	5,917,620	4,334,823	3,303,238	2,387,733	5,922,381	6,479,030	6,466,464	6,460,757
Total All Other Governmental Funds	<u>\$16,408,185</u>	<u>\$11,887,498</u>	<u>\$ 6,601,252</u>	<u>\$ 4,967,843</u>	<u>\$ 3,862,931</u>	<u>\$ 2,387,733</u>	<u>\$ 5,922,381</u>	<u>\$ 6,479,030</u>	<u>\$ 6,466,464</u>	<u>\$ 6,460,757</u>

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Property Taxes	\$48,227,320	\$44,157,999	\$40,292,698	\$36,747,153	\$33,714,713	\$30,552,756	\$28,374,814	\$27,375,629	\$27,515,072	\$28,223,502
Intergovernmental	1,058,560	890,125	1,048,075	1,052,618	1,224,878	1,560,875	1,120,090	993,051	1,149,985	1,133,872
Fines	487,223	669,617	756,003	786,065	886,427	1,048,826	1,119,034	1,150,472	1,357,960	1,537,099
Charges for Services	333,763	493,512	523,926	503,048	491,451	462,757	440,877	404,452	382,884	384,120
Investment Income	780,606	896,826	449,103	270,264	172,626	95,449	65,964	49,125	30,448	38,982
Miscellaneous	279,671	790,742	500,191	646,804	739,518	829,635	484,225	697,252	1,564,168	407,314
Total Revenues	51,167,143	47,898,821	43,569,996	40,005,952	37,229,613	34,550,298	31,605,004	30,669,981	32,000,517	31,724,889
Expenditures										
Salaries & Benefits	\$24,908,885	\$24,281,867	\$22,706,126	\$22,052,113	\$20,620,002	\$19,663,201	\$18,817,390	\$18,123,357	\$17,867,066	\$18,288,479
Operating	9,916,837	10,526,038	9,209,974	9,136,182	9,044,726	9,102,757	8,535,706	8,366,153	8,133,042	8,024,290
Books & Other Materials	4,367,937	4,193,777	4,447,476	4,573,355	4,736,787	4,863,762	4,472,687	4,533,827	4,653,884	4,458,761
Capital Outlay	3,353,751	1,719,624	3,394,920	2,249,885	2,375,873	1,467,012	2,247,100	1,298,517	433,969	329,553
Capital Projects Outlay	-	-	-	-	-	3,220,131	596,384	-	-	-
Total Expenditures	42,547,410	40,721,306	39,758,496	38,011,535	36,777,388	38,316,863	34,669,267	32,321,854	31,087,961	31,101,083
Excess of revenues over(under)expenditures	8,619,733	7,177,515	3,811,500	1,994,417	452,225	(3,766,565)	(3,064,263)	(1,651,873)	912,556	623,806
Net Change in Fund Balances										
Balances	\$ 8,619,733	\$ 7,177,515	\$ 3,811,500	\$ 1,994,417	\$ 452,225	\$ (3,766,565)	\$ (3,064,263)	\$ (1,651,873)	\$ 912,556	\$ 623,806
Government-wide Capital Outlay (1)	\$ 4,419,793	\$ 2,964,741	\$ 4,711,771	\$ 3,957,198	\$ 4,213,746	\$ 4,687,143	\$ 2,843,484	\$ 1,298,517	\$ 433,969	\$ 329,553
Non Capital Expenditures	\$38,127,617	\$37,756,565	\$35,046,725	\$34,054,337	\$32,563,642	\$33,629,720	\$31,825,783	\$31,023,337	\$30,653,992	\$30,771,530

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

ORANGE COUNTY LIBRARY DISTRICT

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

Fiscal Year	Real Property		Personal Property		Centrally Assessed Property(1)		Totals		Ratio of Total Taxable Assessed Value to Total Est. Fair Value	Total Direct Tax Rate
	Taxable Assessed Value	Estimated Fair Value	Taxable Assessed Value	Estimated Fair Value	Taxable Assessed Value	Estimated Fair Value	Taxable Assessed Value	Estimated Fair Value		
2020	\$123,338,615,836	\$180,148,078,257	\$11,035,076,899	\$15,299,256,874	\$ 24,960,733	\$ 28,182,016	\$ 134,398,653,468	\$195,475,517,147	68.75%	0.3748
2019	112,086,988,934	162,751,903,933	10,321,278,945	14,276,238,923	24,808,221	27,356,370	122,433,076,100	177,055,499,226	69.15	0.3748
2018	102,398,480,167	147,532,347,134	9,514,415,422	13,437,571,192	23,653,199	26,159,067	111,936,548,788	160,996,077,393	69.53	0.3748
2017	93,430,521,091	135,656,513,905	8,784,592,166	12,670,499,394	16,919,656	18,627,949	102,232,032,913	148,345,641,248	68.91	0.3748
2016	84,780,485,956	124,700,853,055	8,939,890,427	12,886,669,851	23,317,377	24,749,513	93,743,693,760	137,612,272,419	68.12	0.3748
2015	75,841,561,597	105,529,994,182	8,279,549,811	12,250,845,165	21,765,161	23,119,905	84,142,876,569	117,803,959,252	71.43	0.3748
2014	70,747,635,067	95,744,666,369	7,941,397,415	11,917,111,545	21,561,331	22,959,315	78,710,593,813	107,684,737,229	73.09	0.3748
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

(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 2019 tax roll data is reported here for Fiscal Year 2020, 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)
2020	0.3748	4.4347	6.8570	11.6665
2019	0.3748	4.4347	7.1090	11.9185
2018	0.3748	4.4347	7.2990	12.1085
2017	0.3748	4.4347	7.4700	12.2795
2016	0.3748	4.4347	7.8110	12.6205
2015	0.3748	4.4347	8.2180	13.0275
2014	0.3748	4.4347	8.4740	13.2835
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

(1) Information is reported based on the fiscal year in which associated tax revenue is recognized- e.g., the 2019 tax roll data is reported here for Fiscal Year 2020, 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 2020 ⁽¹⁾		FISCAL YEAR 2011 ⁽¹⁾	
		ASSESSED VALUE	PERCENTAGE OF TOTAL ASSESSED VALUE	ASSESSED VALUE	PERCENTAGE OF TOTAL ASSESSED VALUE
Walt Disney Company	Tourism	\$ 11,700,000,000	8.71%	\$ 6,450,000,000	7.68%
Universal Studios	Tourism	3,100,000,000	2.31	1,410,000,000	1.68
Marriott Resorts/Ritz Carlton	Hotels	2,000,000,000	1.49	1,050,000,000	1.25
Hilton Resorts/Waldorf Astoria	Hotels	1,400,000,000	1.04	899,000,000	1.07
Duke Energy/Progress Energy	Utilities	931,000,000	0.69	608,000,000	0.72
Orange Lake Country Club	Timeshare	905,000,000	0.67	599,000,000	0.71
Hyatt Resorts	Hotels	751,000,000	0.56		
Wyndham Resorts	Hotels	751,000,000	0.56	420,000,000	0.50
Vistana/Svo Vistana Village	Timeshare	667,000,000	0.50		
Westgate Resorts	Hotels	655,000,000	0.49	437,000,000	0.52
RH Resorts/Rosen Hotels	Hotel			447,000,000	0.53
Lockheed Martin	Aerospace/Defense			411,000,000	0.49
Total Top Ten Principal Taxpayers		\$ 22,860,000,000	17.01%	\$ 12,731,000,000	15.15%
Taxable Assessed Value of all other taxpayers		\$ 111,538,653,468	82.99%	\$ 71,290,709,041	84.85%
Total Taxable Assessed Value of all taxpayers		\$ 134,398,653,468	100.00%	\$ 84,021,709,041	100.00%

(1) Information is reported based on the fiscal year in which associated tax revenue is recognized- e.g., the 2019 tax roll data is reported here for Fiscal Year 2020, as that is the period of collection and revenue recognition.

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

Information for Principal Taxpayers for 2020 is not available so 2019 Principal Taxpayers is used as an estimate.

Source: Orange County Property Appraiser

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

FISCAL YEAR (1)	LEVY	COLLECTED WITHIN THE LEVY YEAR		COLLECTIONS SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE OF THE LEVY		AMOUNT	PERCENTAGE OF THE LEVY
2020	\$50,517,071	\$48,139,779	95.29%	\$87,492	\$48,227,271	95.47%
2019	46,073,893	44,156,509	95.84	17,579	44,174,088	95.88
2018	42,025,923	40,274,855	95.83	1,916	40,276,771	95.84
2017	38,393,129	36,745,386	95.71	58,384	36,803,770	95.86
2016	35,390,723	33,745,862	95.35	68,995	33,814,857	95.55
2015	31,619,914	30,384,231	96.09	70,441	30,454,672	96.31
2014	29,514,918	28,304,731	95.90	92,638	28,397,369	96.21
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

(1) Information is reported based on the fiscal year in which associated tax revenue is recognized- e.g., the 2019 tax roll data is reported here for Fiscal Year 2020, as that is the period of collection and revenue recognition.

ORANGE COUNTY LIBRARY DISTRICT

RATIO OF OUTSTANDING DEBT

LAST TEN FISCAL YEARS

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

ORANGE COUNTY LIBRARY DISTRICT

RATIO OF NET GENERAL OBLIGATION BONDED DEBT LAST TEN FISCAL YEARS

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

ORANGE COUNTY LIBRARY DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL DEBT

SEPTEMBER 30, 2020

<u>JURISDICTION</u>	<u>GROSS DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE TO ORANGE COUNTY LIBRARY DISTRICT(3)</u>	<u>AMOUNT APPLICABLE TO ORANGE COUNTY LIBRARY DISTRICT</u>	<u>DEBT PER CAPITA (4)</u>
Direct:				
Orange County Library District (1)				
Overlapping:				
Reedy Creek Improvement District (2)	\$750,460,000	94.0%	<u>\$705,432,400</u>	<u>\$518.60</u>
Total Direct and Overlapping Debt			<u><u>\$705,432,400</u></u>	<u><u>\$518.60</u></u>

- (1) Bank Line of Credit was paid off in FY 2010
General Obligation Bonds were paid off in FY 2006
- (2) Bond issues of 2013A, 2013B, 2015A, 2016A, 2017A, 2020A (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 2020 District population estimate of 1,360,252

ORANGE COUNTY LIBRARY DISTRICT

LEGAL DEBT MARGIN

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

ORANGE COUNTY LIBRARY DISTRICT

PLEDGED REVENUE COVERAGE

NON-GENERAL OBLIGATION DEBT

LAST TEN FISCAL YEARS

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

ORANGE COUNTY LIBRARY DISTRICT

DEMOGRAPHIC AND ECONOMIC INFORMATION LAST TEN FISCAL YEARS

FISCAL YEAR		POPULATION(1)		PERSONAL INCOME	PER CAPITA PERSONAL INCOME		UNEMPLOYMENT RATE
2020	(1)	1,360,252	(2)	64,447,389,000	\$ 47,379	(4)	9.8%
2019		1,330,868	(3)	64,447,389,000	48,425		2.7
2018		1,297,459		61,642,216,000	47,510		2.6
2017		1,267,162		57,386,378,000	45,287		3.1
2016		1,233,481		54,565,646,000	44,237		4.4
2015		1,206,422		50,998,452,000	42,272		4.7
2014		1,182,511		47,623,300,000	40,273		5.6
2013		1,158,689		45,003,579,000	38,840		6.2
2012		1,132,302		44,498,053,000	39,299		8.4
2011		1,113,807		42,076,361,000	37,777		10.1

(1) Population for 2020 is an estimate by the Bureau of Economics and Business Research. Excludes the City of Winter Park and Maitland which is not served by the District.

(2) Personal Income for 2020 not available so 2019 personal income used as an estimate. Includes all of Orange County.

(3) Information for Fiscal Year 2019 has been updated from that previously reported.

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

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	2020		2011	
	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
Walt Disney World Resort	75,000	11.11%	58,000	10.58%
AdventHealth	34,627	5.13	16,700	3.05
Universal Orlando Resort	27,000	4.00	13,000	2.37
Orange County Public Schools	25,145	3.72	21,349	3.90
Orlando Health	20,258	3.00	14,000	2.55
University of Central Florida	13,483	2.00	9,500	1.73
Resource Employment Solution	8,400	1.24		
Seminole County Public Schools	8,000	1.18	7,983	1.46
Lockheed Martin	8,000	1.18	13,000	2.37
Darden Restaurants, Inc.	7,178	1.06		
Orange County Government			7,818	1.43
Greater Orlando Aviation Authority			15,712	2.87
Total	<u>227,091</u>	33.63	<u>177,062</u>	32.31
Total Employment in Orange County	<u>675,176</u>		<u>547,964</u>	

Source: Top 10 Employers from Orlando Business Journal Book of Lists dated 2019/2020
 2020/2021 not published as of January 2021
 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>
2020	325
2019	336
2018	335
2017	328
2016	328
2015	321
2014	298
2013	288
2012	275
2011	276

Source: Orange County Library District

ORANGE COUNTY LIBRARY DISTRICT

OPERATING INDICATORS LAST TEN FISCAL YEARS

FISCAL YEAR		CIRCULATION		WEBSITE / CATALOG VISITS		CLASS AND PROGRAM ATTENDANCE		COMPUTER SESSIONS
2020	(4)	9,118,257	(4)	3,583,662	(4)	335,056	(4)	490,445
2019		10,369,336		4,095,285		596,269		998,483
2018		10,127,116	(3)	3,929,820		462,956		976,489
2017		11,993,719		4,045,818		560,713		974,512
2016		12,912,258	(2)	4,272,999		413,571		1,098,833
2015		12,787,970		5,029,455		369,805		1,154,547
2014		13,026,964	(1)	4,754,155		299,715		1,166,073
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

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

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

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

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

Source: Orange County Library District

ORANGE COUNTY LIBRARY DISTRICT
SERVICE LOCATION INFORMATION
LAST TEN FISCAL YEARS

Location	Status	Square Footage									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Main	Own	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000
Alafaya Branch	Own	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Chickasaw Branch	Own	15,660	15,660	15,660	15,660	15,660	15,660	-	-	-	-
Eatonville Branch	Lease	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600
Fairview Shores Branch	Lease (1)	8,796	8,796	12,740	12,740	12,740	12,740	12,740	12,740	12,740	12,740
Herndon Branch	Lease (2)	-	13,160	13,160	13,160	13,160	13,160	13,160	13,160	13,160	13,160
Hiwassee Branch	Lease	13,455	13,455	13,455	13,455	13,455	13,455	13,455	13,455	13,455	13,455
North Orange Branch	Own	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
South Creek Branch	Own	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
South Trail Branch	Lease	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750
Southeast Branch	Lease	13,310	13,310	13,310	13,310	13,310	13,310	13,310	13,310	13,310	13,310
Southwest Branch	Lease	15,553	15,553	15,553	15,553	15,553	15,553	15,553	15,553	15,553	15,553
Washington Park Branch	Lease	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600
West Oaks Branch	Own	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Windermere Branch	Lease	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400
Winter Garden Branch	Own	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
TOTAL		<u>448,124</u>	<u>461,284</u>	<u>465,228</u>	<u>465,228</u>	<u>465,228</u>	<u>465,228</u>	<u>449,568</u>	<u>449,568</u>	<u>449,568</u>	<u>449,568</u>

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

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

Source: Orange County Library District

COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Orange County Library District (the "District"), a component unit of Orange County, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated February 2, 2021. 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, 2020, and the related notes to the financial statements.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Handwritten signature in black ink that reads "Cheryl Behrert LLP". The signature is written in a cursive, flowing style.

Orlando, Florida
February 2, 2021

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

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

Report on Compliance for the Major State Financial Assistance Project

We have audited the Orange County Library District's (the "District") compliance with the types of compliance requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on the District's major state financial assistance project for the year ended September 30, 2020. The District's major state financial assistance project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major State Financial Assistance Project

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state financial assistance project for the year ended September 30, 2020.

Report on Internal Control over Compliance

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

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

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

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



Orlando, Florida
February 2, 2021

ORANGE COUNTY LIBRARY DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2020

Part I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

State Financial Assistance Project Section

Internal control over major project:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

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

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

ORANGE COUNTY LIBRARY DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2020

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

State Financial Assistance Project Section (continued)

Identification of major state project:

State Project:

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

Dollar threshold used to determine Type A projects:

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

YEAR ENDED SEPTEMBER 30, 2020

Part II - Schedule of Financial Statement Findings

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

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

Part III - State Project Findings and Questioned Costs

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

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

ORANGE COUNTY LIBRARY DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

YEAR ENDED SEPTEMBER 30, 2020

State Agency / State Project	CSFA No.	Project No.	Award Amount	Expenditures
DEPARTMENT OF STATE / DIVISION OF LIBRARY AND INFORMATION SERVICES:				
Direct Projects:				
State Aid to Libraries Grant	45.030	19-ST-46	\$ 863,215	\$ 863,215
DIVISION OF CULTURAL AFFAIRS				
Direct Projects:				
Cultural Affairs Grant Program	45.025	N/A	18,750	18,750
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 881,965</u>	<u>\$ 881,965</u>

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

Independent Auditor’s Management Letter

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

Report of the Financial Statements

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Orange County Library District (the “District”), a component unit of Orange County, Florida as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated February 2, 2021. 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, 2020.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Report of Independent Auditor on Compliance for Each Major State Financial Assistance Project and on Internal Control over Compliance Required by Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs; and Independent Accountant’s Report on Compliance with Local Government Investment Policies regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 2, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Additional Matters

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

Purpose of this Letter

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

A handwritten signature in cursive script that reads "Cheryl Behrman" followed by a stylized flourish.

Orlando, Florida
February 2, 2021

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

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

We have examined the Orange County Library District’s (the “District”) compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2020. Management of the District is responsible for the District’s compliance with the specified requirements. Our responsibility is to express an opinion on the District’s compliance with the specified requirements based on our examination.

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

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

In our opinion, the District complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2020.

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



Orlando, Florida
February 2, 2021