HERNANDO COUNTY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIALREPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021

PRINCIPAL OFFICIALS

as of September 30, 2021

BOARD OF COUNTY COMMISSIONERS

John Allocco, *Chairman* - District 3
Steve Champion, *Vice Chairman*- District 5
Elizabeth Narverud - District 1
Wayne Dukes - District 1
Jeff Holcomb - District 4

TAX COLLECTOR
Sally L. Daniel, CFC

SHERIFF
Al Nienhuis

PROPERTY APPRAISER
John C. Emerson, CFA

SUPERVISOR OF ELECTIONS
Shirley Anderson

CLERK OF COURT AND COMPTROLLER
Doug Chorvat, Jr.

Prepared by the Office of the Clerk of Court and Comptroller, Department of Financial Services

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Doug Chorvat, Jr.
Clerk of Circuit Court & Comptroller, Hernando County FL
20 N. Main Street, Brooksville FL, 34601 (352) 754-4201

March 24, 2022

To the Citizens of Hernando County:

The Annual Comprehensive Financial Report of Hernando County, Florida, for the fiscal year ended September 30, 2021 is respectfully submitted. This report was prepared by the Clerk of Circuit Court and Comptroller, Department of Financial Services. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the Clerk of Circuit Court and Comptroller (Clerk and Comptroller) as Chief Financial Officer of Hernando County. To provide a reasonable basis in meeting this responsibility, a comprehensive internal control framework has been established that is designed both to protect the County's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The Management's Discussion and Analysis in the Financial Section of this report should be read in conjunction with this Letter of Transmittal.

Profile of the County

Hernando County, population 196,540, is located in the west central region of the State of Florida, allowing easy access to the Tampa and Orlando metropolitan areas. As part of the Tampa Bay Region, it is bound by the Gulf of Mexico on the west, Citrus County to the north, Sumter County to the east, and Pasco County to the south.

Hernando County, established in 1843, covers 473 square miles and is named in honor of Spanish explorer Hernando De Soto, who led an expedition through the county in 1539. Hernando County has one incorporated city: the City of Brooksville, the county seat, with a population of 9,165 is rich in history and traditions. Hernando County's unincorporated areas include Weeki Wachee, Ridge Manor, Bayport, Aripeka, Lake Lindsey, Istachatta/Nobleton, Masaryktown, Hernando Beach, and most notably, Spring Hill. Spring Hill located in the southwest part of the County, is the largest unincorporated Hernando County community.

Hernando County is the heart of the Sunshine State's renowned Nature Coast. Hernando County offers scenic rolling hills, spectacular parks and waterways, some of the best paved bike trails in Florida, and eight locations along the Great Florida Birding Trail. Activities of the Nature Coast include hunting, camping, bird watching and hiking, as well as fishing, boating, paddling and kayaking on the County's many waterways.

Situated at the geographic center of the state with easy access to major highways like the Veterans/Suncoast Parkway, Interstate 75, State Road 50 and US Highway 41 make Hernando County a strategic business location. Hernando County is unique in the Tampa Bay area with its variety of industrial and manufacturing site options including a vibrant general aviation airport and

business complex, private land, and existing buildings with significant room for growth. Major industries include manufacturing, precision machining, distribution and healthcare. Growing retail trade and a wide selection of professional services enables Hernando County to offer significant choices for its residents.

Hernando County government provides a full range of services including law enforcement, emergency medical services, fire protection, public and mass transportation services, health and social services, cultural and recreational services, water, wastewater, solid waste disposal and business development.

The Hernando County Board of County Commissioners, as the legislative body for Hernando County, budgets and provides all of the funding used by its Departments and the separate Constitutional Officers with the exception of certain fees collected by the Tax Collector, Clerk and Comptroller, Property Appraiser and Sheriff. Hernando County operates under a five-member policy-making elected Board. The Board appoints a county administrator who in turn appoints various department managers. All five Board members and the five constitutional officers are elected to four-year terms. Under the direction of the Clerk and Comptroller, the Department of Financial Services maintains the accounting system for the Board of County Commissioners and the Clerk and Comptroller. The Tax Collector, Property Appraiser, Supervisor of Elections and Sheriff maintain their own accounting systems. All of the Constitutional Officers invest their funds independently. The Clerk and Comptroller manages the investments of the Board of County Commissioners and the Clerk and Comptroller.

Formal budgetary integration is employed as a management control device during the year for all significant funds. The Board of County Commissioners adopts budgets on a basis consistent with Generally Accepted Accounting Principles (GAAP). The adoption and amendment of the budget is done consistent with the laws of Florida. The legal level of control is established on a fund basis; however, operational control is maintained during the year at the lower of the department or fund level. Budgetary control is maintained through the use of encumbrances.

Factors Affecting Financial and Economic Conditions

Local Economy. Following are some highlights of the County's economic status:

- The population of the County is currently approximately 196,540 which is an increase of 14% over what it was 10 years ago. The County's population is projected to be almost 219,000 by 2030 and over 235,900 by 2040.

- As part of the Tampa Bay region, Hernando County enjoys being a part of the largest consumer market in Florida.

- The Building Department had a total of 19,575 permits in 2020-21, averaging 75 permits per day. Total permits included 1,526 single family home permits and 72 commercial permits.

- Both residential and commercial development remain steady. The inventory of lots in existing developed subdivisions continues to decrease and new phases are being developed. Commercial development continues to be steady along SR 50 in Spring Hill, a major shopping corridor in the County. In addition, a significant number of large mixed-use developments previously approved by the County have retained the approved vested rights and are expected to be of interest to developers as the economy continues to improve.

Long Term Financial Planning. The County prepares a five-year Capital Improvement Plan which is adopted by the Board with the annual budget approval. It identifies all public capital facilities, public infrastructure and equipment, with a value over $50,000 and a useful life over ten years. The plan identifies the funding source (taxes, grants, impact fees, etc) for each project.

Major Initiatives. Hernando County government takes pride in its accomplishments for the fiscal year. The County is proud of the infrastructure, public facilities and programs that have been realized for the citizens of our County. Following is a list of some of our achievements for the year:

- The Planning division approved the replacing of equipment and the installation of new playgrounds in both Veteran's Park and Roger's Park

- The County issued Taxable Water and Sewer Refunding Revenue Bonds, Series 2021A to refund the Water and Sewer Refunding Revenue Bonds, Series 2013A. Water and Sewer Refunding Revenue Bonds, Series 2021B were issued to repay the outstanding loans with the Florida Department of Environmental Protection under the State Revolving Fund program. The County recognized a present value savings of $4.3 million.

- Tourist development experienced an increase of approximately $1.3 million in tax collections or a 39.7% increase from prior year.

- The County's Water and Sewer District completed water and wasterwater master plans for the next twenty years.

- The Transit system had two new heavy duty bus purchases. A new program, ADA Bus Stop Improvement was introduced, which installed amenities among twenty-one bus stop locations. In addition, a new application, RouteShout, was launched that provides real time business information.

- Hernando County was awarded the National Association of Development Organzations Impact for the 2020 Local Mitigation Strategy.

- The Office of Management and Budget launched a budget book software, which allows for more transparent reporting to Hernando County citizens.

- Economic Development announced a new incentive called the Economic Development Investment Incentive for business recruitment and expansion projects within specific industries that increase the tax base and create new employment opportunities.

- The County Fire Rescue department responded to 37,850 emergency calls which is an increase of 19% from pior fiscal year.

- Taxiway C1 and Apron Design, Taxiway B1 Extension Deisgn, and Infrastructure Development Plan were airport projects completed in fiscal year 2021. Aviation Operations received a total of $1.5 million FAA and FDOT grants throughout the year.

Hernando County has adopted many budgetary and financial policies and continually monitors them for adherence and relevance. The establishment of budgetary and financial policies enables the Board, management and the community to monitor County performance. Following are some of the more significant budgetary policies: The Board annually adopts a balanced

budget; fund balances anticipated at the end of a fiscal year are budgeted as the beginning fund balance for the following year; any variance between budgeted fund balance forward and actual fund balance forward is adjusted through a budget amendment; the Board has adopted a Budget Reserve Policy and Reserve Stabilization Policy. The Budget Reserve Policy requires reserves in the General Fund to be maintained at 18.5%. See the Management Discussion and Analysis and Note A of the financial statements for more information.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Hernando County for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements

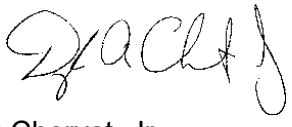
A Certificate of Achievement is valid for a period of one year only. Hernando County has received a Certificate of Achievement for the last thirty-six consecutive years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

Acknowledgments

This report is the product of the dedication of the Department of Financial Services of the Clerk of Circuit Court and Comptroller of Hernando County as Auditor and Comptroller to the Board of County Commissioners.

We would like to express our appreciation and thanks to the Financial Services team, the County Administration and Budget Offices, and the firm of MSL CPAs and Advisors, who helped us with their comments and advice throughout the year. We would also like to thank Frank Gillis for providing the beautiful photographs we've been using on the covers of these reports.

Respectfully submitted,



Doug Chorvat, Jr.
Clerk of Circuit Court and Comptroller



Frances Pioszak, CPA
Interim Director of Financial Services

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Hernando County, Florida for its annual comprehensive financial report for the fiscal year ended September 30, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Hernando
Florida

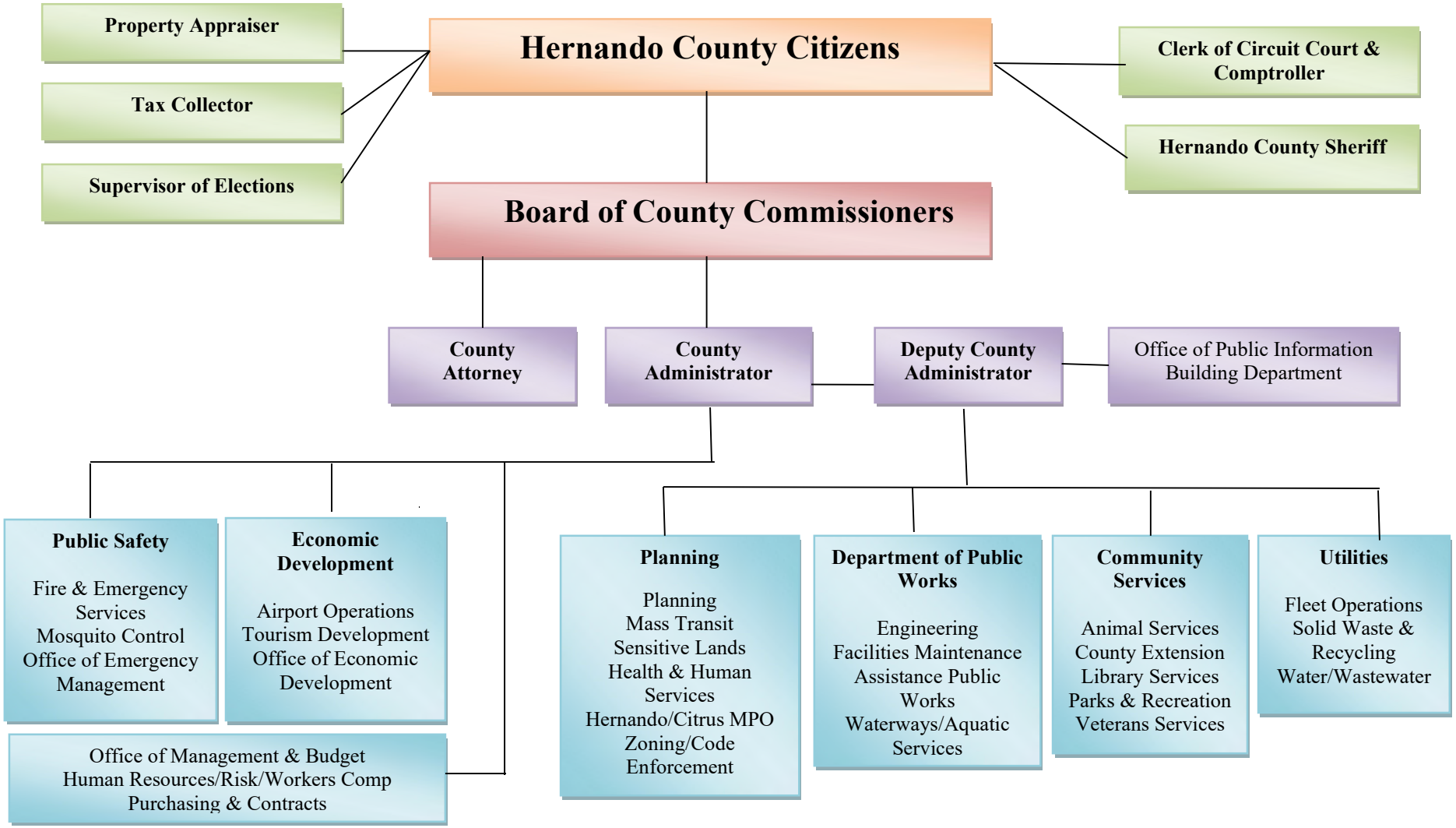
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO

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Property Appraiser
Tax Collector
Supervisor of Elections
Hernando County Citizens
Clerk of Circuit Court & Comptroller
Hernando County Sheriff
Board of County Commissioners
County Attorney
County Administrator
Deputy County Administrator
Office of Public Information
Building Department
Public Safety
Fire & Emergency Services
Mosquito Control
Office of Emergency Management
Economic Development
Airport Operations
Tourism Development
Office of Economic Development
Office of Management & Budget
Human Resources/Risk/Workers Comp
Purchasing & Contracts
Planning
Planning
Mass Transit
Sensitive Lands
Health & Human Services
Hernando/Citrus MPO
Zoning/Code Enforcement
Department of Public Works
Engineering
Facilities Maintenance
Assistance Public Works
Waterways/Aquatic Services
Community Services
Animal Services
County Extension
Library Services
Parks & Recreation
Veterans Services
Utilities
Fleet Operations
Solid Waste & Recycling
Water/Wastewater

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FINANCIAL SECTION

This section contains the following:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Notes to the Financial Statements

Required Supplementary Information

Combining and Individual Fund Statements and Schedules

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MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Hernando County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hernando County, Florida (the "County") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

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 of 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 County'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 County'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, the business-type activities, each major fund and the aggregate remaining fund information of the County as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund and each major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter – Change in Accounting Principle

As discussed in Note R to the financial statements, in the year ended September 30, 2021, the County adopted the provisions of Government Accounting Standards Board Statement ("GASBS") Number 84, *Fiduciary Activities*. As a result of the implementation of GASBS 84, the County reported a restatement for the change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and other required supplementary information as listed 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 County's basic financial statements as a whole. The introductory section, combining and individual non-major fund financial statements and schedules statistical section, bond compliance section, affidavit, and schedule of receipt and expenditures of funds related to the Deepwater Horizon oil spill lawsuit proceeds, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements and schedules and the schedule of receipt and expenditures of funds related to the Deepwater Horizon oil spill lawsuit proceeds are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of receipt and expenditures of funds related to the Deepwater Horizon oil spill lawsuit proceeds are fairly stated, in all material respects, in relation to the financial statements as a whole. The introductory section, statistical section, bond compliance section and affidavit 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 March 24, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 24, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Hernando County's financial statements provides an overview of the financial activity of the County for the fiscal year ended September 30, 2021. We encourage reading this narrative in conjunction with the Transmittal Letter in the Introductory Section.

FINANCIAL HIGHLIGHTS

At the close of the most recent fiscal year, September 30, 2021, the County's assets and deferred outflows exceeded its liabilities and deferred inflows by $668,536,818 representing net position. This represents an increase of $64,485,436 over the prior year net position. Of the $668,536,818 net position, $30,303,372 was unrestricted.

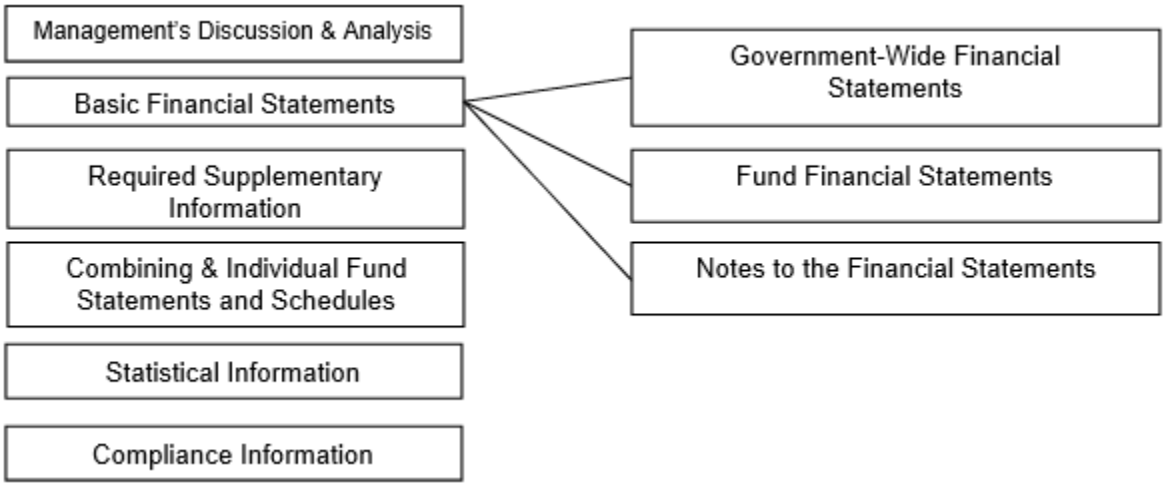
Net position of governmental activities increased $37,740,014 over prior year adjusted net position. Net position of business-type activities increased $26,745,422 over prior year adjusted net position. Accordingly, net position of both the governmental activities and business-type activities increased a total of $64,485,436.

As of September 30, 2021, unassigned fund balance in the governmental funds was $51,771,227, representing a 8% increase from the previous year unassigned fund balance of $48,035,305. The net change in fund balances in the governmental funds decreased from $47,452,106 for the fiscal year 2019-20 to $20,075,453 for the fiscal year 2020-21. General Fund had an increase in fund balance of $36,592,361 for fiscal year 2019-20 compared to an increase of $7,226,340 in the current year. There was a decrease in the fund balance of Transportation Trust and Gas Taxes fund of $991,447 compared to an increase of $3,005,144 in the prior year. There was an increase in the fund balance of Hernando County Fire Rescue-Fire of $4,844,849 compared to an increase of $3,346,173 in the prior year. There was an increase in the fund balance of Hernando County Fire Rescue-Rescue fund of $2,011,183 compared to an increase of $2,283,835 in the prior year. There was an increase in fund balance of Impact Fees of $1,216,752 compared to an increase of $233,960 in the prior year. There was also an increase in fund balance of $5,763,654 for Nonmajor Governmental Funds compared to the increase of $4,274,468 in the prior year.

The County's largest enterprise fund, the Water & Sewer District, had an increase in net position of $22,532,928 for the year compared to an increase of $10,039,061 in the prior year. Waste Management had an increase in net position of $478,183 for the year compared to a decrease of $1,827,754 in the prior year. Aviation Operations had an increase in net position of $3,222,535 for the year compared to an increase of $4,972,429 in the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's Annual Comprehensive Financial Report (Annual Report) consists of seven parts: an introductory section; management's discussion and analysis (this overview); the basic financial statements; required supplementary information; an optional section that presents combining statements for non-major governmental funds, internal service funds and certain individual fund financial statements; statistical information; and compliance information. The basic financial statements consist of three parts: government-wide financial statements, fund financial statements and notes to the financial statements. Following is a diagram of the components of the Annual Report:



Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of Hernando County's finances using a governmental or business-type classification. The government-wide financial statements include a statement of net position and a statement of activities. The government-wide financial statements distinguish between functions that are principally supported by taxes and intergovernmental revenues (governmental activities) and those that are principally supported by user fees and charges (business-type activities). The government-wide financial statements are prepared using an economic resources measurement focus and the accrual basis of accounting.

The **statement of net position** presents information on all assets (plus deferred outflows) and liabilities (plus deferred inflows) of the County, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Hernando County is improving or deteriorating.

The **statement of activities** presents information on all revenues and expenses of the County and the change in net position. This statement provides the expenses of a given function or activity offset by related program revenues resulting in the net expense or revenue for the function or activity. General revenues, such as taxes, are then presented resulting in a final change in net position. All revenues and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's major funds individually. 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. Hernando County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required by state or local law, bond covenants or the County's desire to control, manage and account for designated revenues or expenses separately. All the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting, which measures current assets and liabilities, changes in current financial resources, and current available resources.

Because the focus of governmental fund financial statements is based on accounting for resources on a more current basis, it is useful to compare with information presented for governmental activities which focus more on long-term resource accounting. Reconciliations of fund balance in governmental funds and changes in fund balance to net position and changes in net position of governmental activities are provided with the governmental fund financial statements.

Proprietary fund financial statements consist of two fund types: Enterprise Funds and Internal Service Funds. Proprietary funds use an economic resources measurement focus and the accrual basis of accounting, which measures all assets and liabilities, changes in economic resources, and total economic resources.

Fiduciary fund financial statements provide information concerning assets held in trust by the County on behalf of others. Fiduciary funds use the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

Notes to the Financial Statements

The notes provide additional detail concerning the financial activities and balances of the County and are essential for the reader to have a full understanding of the statements.

ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

Hernando County's Net position

	Governmental Activities		Business-type Activities		Totals	
	2020	2021	2020	2021	2020	2021
Current and other assets	$ 203,202,887	$ 247,778,739	$ 116,748,183	$ 130,532,458	$ 319,951,070	$ 378,311,197
Capital assets	338,193,302	341,026,509	263,798,237	273,666,588	601,991,539	614,693,097
Other long term assets	-	-	34,416	-	34,416	-
Total Assets	541,396,189	588,805,248	380,580,836	404,199,046	921,977,025	993,004,294
Deferred Outflows of Resources	58,729,703	35,960,609	5,122,081	2,168,602	63,851,784	38,129,211
Non-Current liabilities	241,377,417	119,251,530	93,091,914	89,448,950	334,469,331	208,700,480
Other liabilities	18,795,248	38,159,114	9,064,609	9,541,627	27,859,857	47,700,741
Total liabilities	260,172,665	157,410,644	102,156,523	98,990,577	362,329,188	256,401,221
Deferred Inflows of Resources	8,466,358	98,128,330	995,169	8,067,136	9,461,527	106,195,466
Net position:						
Net investment in capital assets	331,520,270	312,258,262	188,883,182	202,054,187	520,403,452	514,312,449
Restricted	90,384,507	102,988,974	51,336,614	20,932,023	141,721,121	123,920,997
Unrestricted	(90,417,908)	(46,020,353)	32,344,717	76,323,725	(58,073,191)	30,303,372
Total Net Position	$ 331,486,869	$ 369,226,883	$ 272,564,513	$ 299,309,935	$ 604,051,382	$ 668,536,818

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Hernando County, net position was $668,536,818 at the close of the most recent fiscal year. This represents an increase of $64,485,436 or 11% from the prior year.

The largest portion of Hernando County's net position (77%) reflects its investment in capital assets (e.g., land, infrastructure, buildings, improvements, construction in progress, intangible assets and equipment), less any accumulated depreciation and related debt used to acquire those assets that is still outstanding. Hernando County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Hernando County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (18%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the County's net position (5%) is unrestricted.

Hernanado County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
Revenues						
Program revenues:						
Charges for services	$ 81,967,727	$ 82,549,454	$ 53,888,229	$ 57,666,827	$ 135,855,956	$ 140,216,281
Operating Grants and Contributions	32,961,843	14,807,434	842,404	165,183	33,804,247	14,972,617
Capital Grants and Contributions	7,952,343	5,956,725	8,533,494	16,127,492	16,485,837	22,084,217
General revenues:						
Property taxes	86,533,608	91,909,851	-	-	86,533,608	91,909,851
Other taxes	26,699,828	29,829,024	-	-	26,699,828	29,829,024
Investment earnings	4,126,211	405,388	2,610,281	174,610	6,736,492	579,998
Other	4,639,806	3,499,815	723,651	2,595,134	5,363,457	6,094,949
Total revenues	244,881,366	228,957,691	66,598,059	76,729,246	311,479,425	305,686,937
Expenses						
General government	30,575,933	28,308,677	-	-	30,575,933	28,308,677
Public safety	120,002,687	96,100,598	-	-	120,002,687	96,100,598
Physical environment	8,127,911	8,324,883	-	-	8,127,911	8,324,883
Transportation	27,505,757	27,643,111	-	-	27,505,757	27,643,111
Economic environment	4,808,477	5,943,026	-	-	4,808,477	5,943,026
Human services	8,444,261	9,203,810	-	-	8,444,261	9,203,810
Culture and recreation	6,417,764	6,664,946	-	-	6,417,764	6,664,946
Court operations	7,525,240	7,940,224	-	-	7,525,240	7,940,224
Interest on long-term debt	1,093,668	887,494	-	-	1,093,668	887,494
Water and sewer	-	-	34,129,388	33,721,341	34,129,388	33,721,341
Aviation operations	-	-	3,028,226	3,070,598	3,028,226	3,070,598
Waste management	-	-	12,227,345	9,230,353	12,227,345	9,230,353
Building department	-	-	4,141,531	4,162,440	4,141,531	4,162,440
Total expenses	214,501,698	191,016,769	53,526,490	50,184,732	268,028,188	241,201,501
Change in net position before transfers	30,379,668	37,940,922	13,071,569	26,544,514	43,451,237	64,485,436
Transfers	119,213	(200,908)	(119,213)	200,908	-	-
Change in net position	30,498,881	37,740,014	12,952,356	26,745,422	43,451,237	64,485,436
Net position - beginning of year	298,973,752	331,486,869	261,626,393	272,564,513	560,600,145	604,051,382
Adjustment to beginning net position-See Note R	2,014,236	-	(2,014,236)	-	-	-
Net position - end of year	$ 331,486,869	$ 369,226,883	$ 272,564,513	$ 299,309,935	$ 604,051,382	$ 668,536,818

Governmental Activities

Net position of the governmental activities increased $37,740,014 or 11% from prior year adjusted net position balance. Program revenues in the amount of $103,313,613 were used to offset program expenses of $191,016,769 resulting in a net program loss of $87,703,156. General revenues and transfers totaling $125,443,170 offset the difference in those program expenses and resulted in a total net increase of $37,740,014.

Program revenues decreased 16% from prior year. Operating Grants and Contributions decreased 55% from the prior year. Capital Grants and Contributions decreased 25%.

Operating grants and contributions decreased $18 million from prior year. This is mainly due to grants received for the Coronavirus Aid, Relief, and Economic Security (CARES) Act in the prior year. CARES Act funding was provided by the Federal government to aid with response and recovery from the COVID-19 pandemic.

Capital grants and contributions decreased $2 million compared to prior year due to a decline in the donation of roads and related infrastructure from developments in Hernando County, and the completion of local agency program (LAP) sidewalk projects in the prior year.

Property taxes increased $5 million or 6% due to an 9% increase in the taxable value of property in the County. Certified taxes levied by the Tax Collector increased 4% from prior year.

Revenue from sales taxes increased $2 million form prior year. Sales were lower in prior year due to the COVID-19 pandemic limiting the activity of citizens.

Investment earnings decreased $4 million compared to the prior year. This is due to a decline in the market value of investments at year end. Interest rates were also lower throughout than the year compared to 2019-20.

Miscellaneous revenue decreased $1.7 million from the prior year. This is mainly attributable to a decrease in proceeds from the sale of various properties held by the County during 2020-21.

Program expenses decreased 11% from the prior year. The most significant changes were decreases in General Government, Public Safety and an increase in Economic Environment expenditures.

General Government expenses decreased 7% due to delays in supply chain causing delays in purchases of supplies and other expenditures.

The decrease in Public Safety expenses of 20% from prior year is mainly due to a $27 million decline in the liability related to the Florida Retirement System plan. The County's portion of the liability is obtained from the annual actuarial report of the Florida Retirement System plan. The liability decreased due to the plan's funded ratio increasing from 78.85% to 96.40%. This decrease was offset by a 5% increase in payroll and related expenses.

Economic Environment expenses increased 24% due to providing small business assistance in conjunction with the Hernando Chamber of Commerce program to help businesses with public safety and other expenses.

Business-Type Activities

Net position of the business-type activities increased $26,745,422 or 10% over prior year net position balance. Program revenues in the amount of $73,959,502 were used to offset program expenses of $50,184,732, resulting in net program income of $23,774,770. General revenues of $2,769,744 less transfers in the amount of $200,908 resulted in a total net increase of $26,745,422.

Water and Sewer charges for services increased $3 million or 7%. This is associated with the second year of rate increases as part of a five-year rate plan. The increase in Capital Grants and Contributions includes $8.7 million in grants received for wastewater treatment plant projects. Expenditures did not vary significantly from prior year.

Aviation Operations received a $1.5 million in gains on the sale of land. Grant revenue decreased $4 million from prior year due to the completion of the rehabilitation of Taxiway A. Grant funding is generally received for airport improvements and vary from year to year. Operating revenues and expenses were consistent with prior year.

Charges for services revenue increased for Waste Management by $374,000 or 4%. This was attributed to an increase in commercial business. Other services and charges expenses decreased 28% mainly due to the annual adjustment for long term care and closure costs for the landfill. Estimated costs are recalculated annually and will fluctuate from year to year.

The Building Department experienced an increase of $576,000 or 16% in revenue from licenses and permits. Permits issued in 2020-21 increased 24% from prior year.

Interest income decreased 93% compared to prior year due to a negative change in fair value of investments at year end and lower interest rates during 2020-21.

ANALYSIS OF THE FUND FINANCIAL STATEMENTS

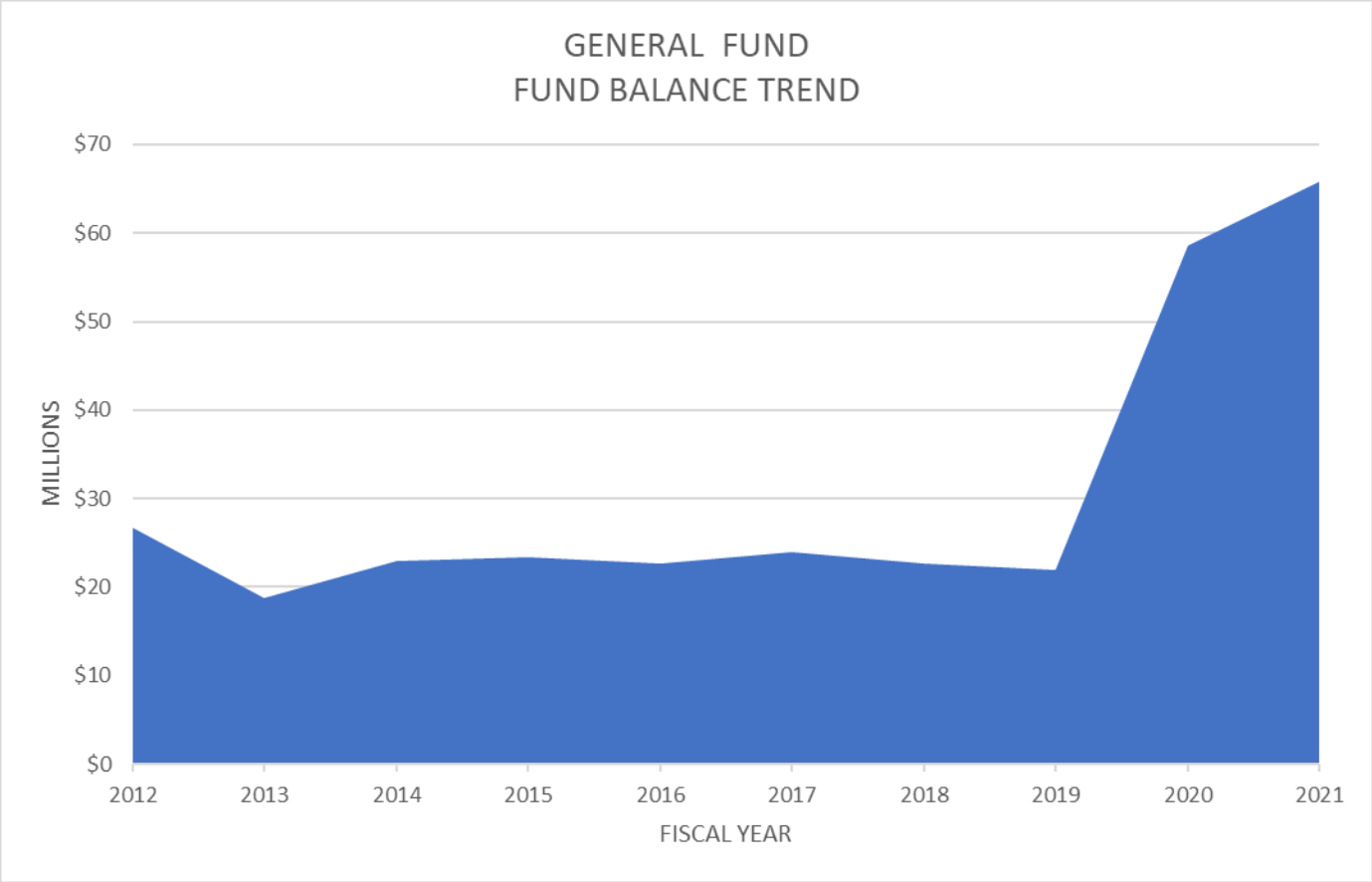
As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Following is a discussion of the financial statements on a fund accounting level.

Governmental Funds

As previously discussed, governmental funds measure current assets and liabilities and current or spendable resources. A fund's unassigned fund balance may provide a useful measure of the fund's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Hernando County governmental funds reported fund balances of $175,505,862, an increase of $20,075,453 or 13% from prior year balances. Of the $175,505,862 fund balance in governmental funds, $51,771,227 constitutes unassigned fund balance, which is available for spending at the County's discretion and $968,822 which is non-spendable. The remainder of fund balance available for spending consists of the following: $93,736,309 in 'Restricted Fund Balance' which is restricted by law or externally imposed requirements; $9,524,619 in 'Committed Fund Balance' which is committed for a specific purpose by the Board; and $19,504,885 in 'Assigned Fund Balance' which is assigned for a specific purpose by the Board without formal approval. See Note A, Governmental Fund Balance Classifications, for more information.

Governmental funds are comprised of the General Fund, Special Revenue Funds, Debt Service Funds and a Capital Project Fund. The General Fund is the chief operating fund of the County. As of the end of the fiscal year, total fund balance for the General Fund was $65,797,338. Following is a chart of the fund balance trend over the past ten years for the General Fund.



In the **General Fund**, the fund balance increased $7,226,340 or 12% from prior year. General Fund revenues decreased 10% and expenditures increased 14% from prior year. Revenue from taxes increased $3.5 million from the prior year due to an increase in the taxable value of property offset by a decrease in the milage rate of 0.25 mills. Intergovernmental revenue decreased $14.9 million or 31% from prior yer. In 2019-20 the County received funding from the final phase of CARES Act funding being distributed for Public Health and Safety payroll costs related to the COVID-19 pandemic. Interest income decreased $1.1 million from prior year due to a decline in market value at year end and a decline in interest rates during fiscal year 2020-21. Miscellaneous revenues decreased $2.7 million compared to prior year. Prior year revenue included proceeds from the sale of land and a building owned by the County.

General Government expenditures increased $3.6 million or 16% from prior year. Expenditures included $1 million paid to Hernando County School Board to reimburse them for COVID-19 related expenditures incurred in 2019-20. Additional expenditures were made for supplies to improve safety in the work place and uncapitalized equipment. There was also a slight increase in staffing and related payroll expenditures.

Public Safety expenditures increased $2.5 million or 4%. This is mainly due to an increase in operating supplies along with services provided in response to the COVID-19 pandemic. There was also a slight increase in staffing for Public Safety, along with increases in health insurance and related payroll expenditures.

Economic Environment expenditures increased $2 million or 67% due to a small business program assistance program implemented in conjunction with the Hernando Chamber of Commerce to help businesses with losses due to the pandemic.

Human Services expenditures increased $1.1 million or 23% due to additional aid provided to organizations including United Way, ARC Nature Coast, Early Learning Coalition, Jericho Road Ministries and Pace Center for Girls. The aid provided assistance to reimburse operating, public safety and other costs.

Capital outlay increased $3.6 million compared to prior year due to a percentage of radio system infrastructure cost becoming due in 2020-21. The increase also included the purchase of transit buses.

The fund balance of **Transportation Trust Fund** decreased $991,447 or 3% from prior year. Tax revenue increased $1.1 million due to .1 increase in millage for 2020-21. Intergovernmental revenue decreased $1.1 million due to the completion of several construction projects. New construction was limited in the current year due to delays in the supply chain. Interest income decreased $0.8 million from prior year due to a decline in market value at year end and a decline in interest rates during fiscal year 2020-21.

In the **Impact Fee Fund**, the fund balance increased $1,216,752 million or 9%. Impact fee revenue increased 39% from prior year due to an increase of 24% in permits issued in 2020-21. Capital expenditures decreased $500,000 from prior year due to delays in obtaining supplies.

The **Hernando County Fire Rescue-Fire** fund balance increased $4,844,849 million or 44%. Special Assessment revenue was consistent with prior year. . Loan proceeds of $5.4 million were received for the construction of two fire stations. Expenses increased $1.5 million or 6% due to an increase in staffing, health insurance and payroll related costs. Additional expense was recognized for the funding of a health-related liability for fire department staff.

The **Hernando County Fire Rescue-Rescue** fund balance increased $2,011,183 or 33%. Charges for Services revenue increased due to an increase in ambulance services provided. Additional expense was recognized for the funding of a health-related liability for rescue department staff. Other expenses did not vary significantly from prior year.

Proprietary Funds

The **Water and Sewer District** experienced an increase in net position of $22,532,928 compared to prior year's increase of $10,039,061. Operating revenues of $41,912,797 less operating expenses of $30,695,455 resulted in operating income of $11,217,342. The increase of $2.6 million in operating revenue is associated with the second year of rate increases as part of a five-year rate plan. Operating expenses decreased in personnel due to a decrease in the net pension liability at the end of the year. Non-operating revenues and expenses decreased $3.1 million from prior year. This may be attributed to a $1.5 million decrease in interest income due to lower interest rates during the year, and a negative change in fair value at year end. Interest expense increased $1.5 million as a result of the refunding of debt obligations. The refunding resulted in a present value savings of $4.3 million.

Aviation Operations experienced an increase in net position of $3,222,535. Operating revenues of $2,288,601 less operating expenses of $3,033,608 resulted in an operating loss of $745,007. Non-operating revenue increased $1.8 million from the sale of land to the Board of County Commissioners to proceed with the construction of the technical training complex at the Brooksville-Tampa Bay Regional Airport.

The **Waste Management** fund had a increase in net position of $478,183 compared to the prior year's decrease of $1,827,754. Other Services and Charges decreased in $2.5 million due to a reduction in long term care and closure costs estimated for the landfill. Estimated costs are recalculated annually based upon the most recent cost information available. Non-operating revenue decreased $1.2 million from prior year. This consists of a decrease in interest income as a result of a negative change in fair market value at year end and lower interest rates during the year.

Building Department experienced an increase in net position of $511,776 compared to prior year's decrease of $231,380. Operating revenues increased 17% from the prior year due to a 24% increase in construction permits. The increase in Other Services and Charges expense included the installation of a generator that was grant funded. This was offset by a decrease in Personal Services expenses due to a decrease in the net pension liability at year end.

BUGETARY HIGHLIGHTS -- GENERAL FUND

Budget and actual comparison statements are provided in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual for the General Fund and all major special revenue funds with annually appropriated budgets. See page 49 of this report for the financial statement discussed below. This statement shows the original budget, final budget, actual amounts, and the variances between actual and final budgeted amounts. Budget amendments are approved throughout the year. Budgets are revised for a variety of reasons, such as new grant awards, unanticipated revenue sources, new bond or loan proceeds, unforeseen expenditures, etc. Below are a variety of explanations of the notable variances between the original and final budget, and the final budget and actual amounts in the General Fund:

- Final budgeted Intergovernmental revenue increased $6 million compared to original budget. The increase is primarily due to an increase in grant awards. Final budget reflects remaining grant funds anticipated to be spent during fiscal year 2020-21.

- Final budgeted General Government expenditures increased $3.3 million from the original budget. The County increased its budget to provide $1 million in aid to Hernando County School Board. Budgets were also increased for building repairs and maintenance, and contract services for new software implementations. The Supervisor of Election increased expenditures funded by an unexpected Federal Elections Administration grant.

- Final budgeted Transportation expenditures increased from the original budget by $2.3 million due to funding allocated to Section 5307 Urbanized Areas to assist with COVID-19 pandemic costs. All funds will be for the operation and capital-related transit expenses over the next several years. The remaining difference is additional funding received from grants for repairs/maintenance, contract services, and fuel for the Green Route.

- Final budgeted Economic Environment expenditures decreased from the original budget by $1.6 million. Budgeted aid to private organizations was reduced to amounts available for distribution in 2020-21. This reduction was offset by an increase in the budget for job creation incentives.

- Final budgeted Culture and Recreation expenditures increased from original budget by 10%. This increase may be mainly attributable to repairs and maintenance for parks, including seawall repairs. Other budgetary increases included expenditures for additional resources for the libraries and other departments.

- The Capital Outlay final budget increased $17 million from the original budget due to $13 million added to the budget for an updated radio system for emergency services to better serve its citizens. Implementation of the radio system will span multiple periods. The budget also increased for $2.5 million for vehicles of the County and Sheriff's office.

- Actual Charges for Services revenue exceeded budget by $1.1 million or 7%. The Clerk's office experienced an increase in recording revenue of $555,000 for real estate transactions. There was increased attendance at the County's parks during 2020-21 compared to prior year during the pandemic. Civil restitution liens were also higher in the current year.

- Actual Miscellaneous revenue exceeded budget by $1.1 million due to more than anticipated sale of surplus land of about $1.4 million. The increase was offset by a decline in payments received from the Neighborhood Stabilization program.

- Actual General Government expenditures were less than budget by $3.4 million due to the County increasing its focus on cost saving efforts. Costs were down in several areas, including multiple County departments and Constitutional Offices within personnel and operations.

- Actual Public Safety expenditures were under budget by $3 million due to lower than anticipated costs related to COVID-19 pandemic in 2020-21. There were also various delays in the availability of equipment and supplies as a result of supply chain delays.

- Actual Transportation expenditures were 50% less than budgeted as the eligible activities and purchases from Federal Transit Administration grant awards were not completed by fiscal year end. These are multi-year grants that will carry forward to 2021-22.

- Actual expenditures for Economic Environment were $2.8 million less than budgeted. Aid for job creation incentive and assistance was $2 million less than anticipated. There were also lower than budgeted expenditures for housing assistance programs. The County experienced difficulty in finding people to qualify for the housing assistance grants, and the increase in home prices had made it much more difficult for people to find homes to purchase with the grant assistance.

- Actual Culture and Recreation expenditures were $1.2 million less than budgeted due to a decline in maintenance costs for parks and libraries in 2020-21. Personnel and related costs were also lower than budgeted. In addition, Library State Aid grants are budgeted based upon remaining amounts and were not fully expended by fiscal year end.

- Actual Capital Outlay expenditures were $14.7 million less than budgeted. For capital projects that may span multiple periods, the remaining cost of the project is budgeted each year. Remaining cost is carried forward to the next fiscal year. Budgeted capital assets included $13 million for the an updated radio system for emergency services compared to actual expenditures of $2.5 million. There was also budgeted expenditures for software which will be spent in future periods.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Hernando County's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounts to $614,693,097 net of accumulated depreciation. This investment in capital assets includes land, buildings, infrastructure, improvements other than buildings, equipment, construction in progress and intangible assets. The total increase in Hernando County's investment in capital assets from the prior year was 1.7% which is comprised of a 1.0% increase for governmental activities and a 3.7% increase for business-type activities.

Following is a schedule of the County's capital assets, net of accumulated depreciation, as of September 30, 2020 and 2021:

	Governmental Activities		Business-Type Activities		Totals	
	2020	2021	2020	2021	2020	2021
Land	$ 30,377,736	$ 32,694,640	$ 10,326,775	$ 10,326,775	$ 40,704,511	$ 43,021,415
Buildings	72,705,718	69,272,193	16,404,275	15,784,302	89,109,993	85,056,495
Infrastucture	191,681,824	190,845,668	2,530,215	2,669,879	194,212,039	193,515,547
Improvements other than Buildings	9,224,713	10,237,753	216,525,451	212,019,713	225,750,164	222,257,466
Equipment	30,081,648	32,017,721	3,558,143	3,334,153	33,639,791	35,351,874
Construction in Progress	3,608,258	5,538,095	14,236,471	29,360,523	17,844,729	34,898,618
Intangible Assets	513,405	420,439	216,907	171,243	730,312	591,682
Totals	$ 338,193,302	$ 341,026,509	$ 263,798,237	$ 273,666,588	$ 601,991,539	$ 614,693,097

Additional information on Hernando County's capital assets can be found in Note F to the basic financial statements. The increase in capital asset activity in Governmental Activities for 2021 is mainly due to additions to infrastructure and equipment The increase of infrastructure was attributable to the paving of roads throughout the County. The increase in equipment was due to the purchase of several heavy operations vehicles. The increase in capital asset activity for Business-Type Activities is due to improvements to water and wastewater plants and force mains. Also construction in progress increased due to the reconstruction of Taxiway B at the Hernando County airport, as well as reclaimed water projects being performed by the Water and Sewer District.

Debt Administration

Loans and notes payable amounted to $28,394,618 of which $27,561,292 is for Governmental Activities and $833,326 is for Business-Type Activities.

Hernando County had total bonded debt outstanding of $72,019,331. Taxable Water and Sewer Refunding Revenue Bonds Series 2021A were issued to refund Water and Sewer Refunding Revenue Bonds, Series 2013A. Water and Sewer Refunding Revenue Bonds, Series 2021B were issued to repay outstanding loans with the Florida Department of Environmental Protection under the State Revolving Fund program. The refunding resulted in a present value savings of $4.3 million. All of these bonds represent bonds secured solely by specified non-ad valorem revenue sources (i.e., revenue bonds).

Following is the activity of combined governmental and business-type debt for the fiscal year ended September 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance
Loans & Notes Payable	$ 76,283,323	$ 5,707,538	$ 53,596,243	$ 28,394,618
Revenue bonds	28,473,421	70,954,093	27,408,183	72,019,331
	$ 104,756,744	$ 76,661,631	$ 81,004,426	$ 100,413,949

The County traditionally insured its bonded debt, and consequently, the County's bonds have historically maintained an insured rating of "Aaa" from Moody's and "AAA" from Standard & Poor's and Fitch. The County also obtained underlying ratings during the issuance of certain bonds.

Following are the County's underlying ratings on bonds outstanding as of September 30, 2021:

	Moody's	Fitch	S&P
Non-Ad Valorem Refunding Revenue Bonds, Series 2010	Aa3	NR	A+
Taxable Water and Sewer Refunding Revenue Bonds, Series 2021A	Aa2	AA+	NR
Water and Sewer Refunding Revenue Bonds, Series 2021B	Aa2	AA+	NR

NR represents No Rating. Additional information on Hernando County's long-term debt can be found in Note H to the basic financial statements.

Additional information on Hernando County's debt may be found in Note H to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Local, state and national economic factors influence the County's revenues in a variety of ways. Positive economic growth correlates with increased revenues from property taxes, sales taxes, fuel taxes, charges for services, state revenue sharing as well as state and federal grants. Depressed economic growth correlates with decreases in the same revenue sources.

Economic growth may be measured by a variety of indicators such as employment growth, unemployment, new construction and assessed values, diversification of the property tax base, enterprise fund revenue and net asset growth.

- Hernando County's population grew from 173,078 in 2011 to 196,540 in 2021, a 14% increase over a period of ten years.

- Unemployment in Hernando County decreased to 4.27% and the County's personal income per capita increased slightly to $41,385 in 2020, the most recent year available.

- Total taxable property value has increased 41% over the last ten years, but increased 56% over tax year 2013, which was the lowest taxable value in recent history. The ten largest taxpayers accounted for 9% of the total taxable assessed value in 2021. The ten largest taxpayers accounted for 11% of total taxable value ten years ago.

Permanent households rose during the year to a total of 80,484, 12% more than ten years ago. The building department issued 19,575 permits, 72 were new commercial construction permits.

For fiscal year 2020-21 budget, certified taxable property values increased 8.85% to $10.864 billion. The General Fund millage rate was decreased from 7.6412 to 7.4412; however the County was able to maintain General Fund reserves to adopted policy levels.

Although the increased tax revenues have helped to address the depleting reserve levels of the General Fund, there are current capital project and infrastructure needs that still remain unfunded. The most significant and pressing of these is additional space needs for Judicial and County staff. Funding for this and other longer-term projects will be discussed in the development of the 2022-23 budget and future year budgets as necessary.

TO OBTAIN FURTHER INFORMATION

This financial report was designed to provide an overview of the County's finances. If you have any questions concerning budgets, long-term financial planning, or other subjects related to the management of County operations, please contact the County Administrator at:

Hernando County
15470 Flight Path Drive
Spring Hill, Florida 34604
(352) 754-4000
administration@hernandocounty.us

If you have any questions concerning financial reports or other accounting information in this report, please contact the Office of the Clerk and Comptroller, Director of Financial Services at:

Hernando County
20 N. Main Street
Brooksville, Florida 34601
(352) 754-4201
clerkfinance@hernandoclerk.org

It is also suggested you visit our website at www.hernandocounty.us for general information about the County, and www.hernandoclerk.com for additional financial information.

Basic Financial Statements

HERNANDO COUNTY, FLORIDA
STATEMENT OF NET POSITION
September 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 18,392,817	$ 201,388	$ 18,594,205
Pooled Cash and Investments	209,766,120	120,042,113	329,808,233
Cash with Fiscal Agent	503,393	1,994,168	2,497,561
Accounts Receivable (net)	11,336,252	4,867,224	16,203,476
Internal Balances-Asset	(206,739)	206,739	-
Due from Other Governments	7,260,722	3,020,988	10,281,710
Inventories	206,695	184,946	391,641
Prepaid Items	519,479	14,892	534,371
Capital Assets, not being depreciated	38,232,735	39,687,298	77,920,033
Capital Assets, being depreciated, net	302,793,774	233,979,290	536,773,064
Total Assets	**588,805,248**	**404,199,046**	**993,004,294**
Deferred Outflows of Resources	**35,960,609**	**2,168,602**	**38,129,211**
LIABILITIES			
Accounts Payable	10,084,211	886,614	10,970,825
Retainage Payable	167,676	-	167,676
Accrued Liabilities	4,889,274	1,423,142	6,312,416
Due to Other Governments	989,439	64,585	1,054,024
Unearned Revenue	21,673,779	649,533	22,323,312
Deposits	354,735	4,360,610	4,715,345
Due Within One Year	18,476,568	5,014,657	23,491,225
Payable from Restricted Assets:			
Accounts Payable	-	1,692,799	1,692,799
Retainage Payable	-	464,344	464,344
Non-Current Liabilities:			
Due in More Than One Year	100,774,962	72,394,139	173,169,101
Payable from Restricted Assets:			
Unearned Revenue	-	1,273,045	1,273,045
Accrued Landfill Closure/Postclosure	-	10,767,109	10,767,109
Total Liabilities	**157,410,644**	**98,990,577**	**256,401,221**
Deferred Inflows of Resources	**98,128,330**	**8,067,136**	**106,195,466**
NET POSITION			
Net Investment in Capital Assets	312,258,262	202,054,187	514,312,449
Restricted for:			
Grant Funded Programs	3,201,564	-	3,201,564
Court Programs	6,737,165	-	6,737,165
Special Assessment Projects	3,271,307	-	3,271,307
Environment Conservation	5,999,119	-	5,999,119
Bond Covenants or Debt Service	858,718	-	858,718
Public Safety	35,705,706	-	35,705,706
Capital Projects	41,004,011	13,944,873	54,948,884
Renewal and Replacement	-	6,987,150	6,987,150
Other Purposes	6,211,384	-	6,211,384
Unrestricted (Deficit)	(46,020,353)	76,323,725	30,303,372
Total Net Position	**$ 369,226,883**	**$ 299,309,935**	**$ 668,536,818**

The notes to the financial statements are an integral part of this statement.

HERNANDO COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2021

Function/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities:							
General Government	$ 28,308,677	$ 12,808,959	$ 70,280	$ 805,745	$ (14,623,693)	$ -	$ (14,623,693)
Public Safety	96,100,598	49,221,184	8,310,767	637,197	(37,931,450)	-	(37,931,450)
Physical Environment	8,324,883	263,615	10,932	-	(8,050,336)	-	(8,050,336)
Transportation	27,643,111	13,861,988	3,956,958	3,657,225	(6,166,940)	-	(6,166,940)
Economic Environment	5,943,026	24,191	976,522	-	(4,942,313)	-	(4,942,313)
Human Services	9,203,810	239,330	265,179	25,102	(8,674,199)	-	(8,674,199)
Culture and Recreation	6,664,946	1,176,720	637,970	831,456	(4,018,800)	-	(4,018,800)
Court Operations	7,940,224	4,953,467	578,826	-	(2,407,931)	-	(2,407,931)
Interest on Long-term Debt	887,494	-	-	-	(887,494)	-	(887,494)
Total Governmental Activities	191,016,769	82,549,454	14,807,434	5,956,725	(87,703,156)	-	(87,703,156)
Business-type Activities:							
Water and Sewer District	33,721,341	41,624,989	31,142	14,515,699	-	22,450,489	22,450,489
Aviation Operations	3,070,598	2,182,998	134,041	1,451,234	-	697,675	697,675
Waste Management	9,230,353	9,405,682	-	-	-	175,329	175,329
Building Department	4,162,440	4,453,158	-	160,559	-	451,277	451,277
Total Business-type Activities	50,184,732	57,666,827	165,183	16,127,492	-	23,774,770	23,774,770
Total	$ 241,201,501	$ 140,216,281	$ 14,972,617	$ 22,084,217	(87,703,156)	23,774,770	(63,928,386)
General Revenues:							
Property Taxes					91,909,851	-	91,909,851
Fuel Taxes					8,840,620	-	8,840,620
Sales Tax					12,286,000	-	12,286,000
Other Taxes					2,569,774	-	2,569,774
State Shared Revenue - Unrestricted					6,132,630	-	6,132,630
Investment Earnings					405,388	174,610	579,998
Gain on Sale of Capital Assets					564,306	1,913,702	2,478,008
Miscellaneous					2,935,509	681,432	3,616,941
Transfers					(200,908)	200,908	-
Total General Revenues and Transfers					125,443,170	2,970,652	128,413,822
Change in Net Position					**37,740,014**	**26,745,422**	**64,485,436**
Net Position - Beginning					**331,486,869**	**272,564,513**	**604,051,382**
Net Position - Ending					**$ 369,226,883**	**$ 299,309,935**	**$ 668,536,818**

The notes to the financial statements are an integral part of this statement.

HERNANDO COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2021

	General Fund	Transportation Trust and Gas Taxes	Impact Fees Capital Project Fund
ASSETS			
Cash and Cash Equivalents	$ 4,909,187	$ 395	$ -
Pooled Cash and Investments	63,900,845	32,450,246	16,951,399
Cash with Fiscal Agent	-	433,664	-
Accounts Receivable (net)	310,831	53,820	-
Due from Other Funds	238,039	106,824	-
Due from Other Governments	4,718,131	1,861,790	3,583
Advances to Other Funds	450,000	-	-
Inventories	-	-	-
Prepaid Items	361,422	21,988	-
Total Assets	**74,888,455**	**34,928,727**	**16,954,982**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts Payable	3,520,285	926,278	36,933
Retainage Payable	4,001	60,113	93,518
Accrued Liabilities	3,142,063	230,631	-
Due to Other Funds	923,660	22,749	-
Due to Other Governments	138,856	-	-
Unearned Revenue	130,765	750,000	1,411,141
Deposits	76,527	3,120	-
Advances from Other Funds	-	-	-
Total Liabilities	7,936,157	1,992,891	1,541,592
Deferred Inflows of Resources			
Unavailable Revenues	1,154,960	894,811	-
Fund Balances			
Nonspendable:			
Advances	450,000	-	-
Inventories	-	-	-
Prepaid Items	361,422	21,988	-
Restricted for:			
Grant Funded Programs	913,410	-	-
Court Programs	-	-	-
Special Assessment Projects	-	-	-
Environment Conservation	-	-	-
Bond covenants or debt service	-	128,444	-
Public Safety	-	-	-
Capital Projects	-	23,599,716	15,413,390
Other Purposes	-	-	-
Committed to:			
Budgeted Emergency and Contingency Reserves	3,924,205	-	-
Budgeted Stabilization Reserves	3,585,938	-	-
Other Purposes	-	-	-
Assigned to:			
Public Safety	-	-	-
Capital Projects	4,791,136	8,290,877	-
Other Purposes	-	-	-
Unassigned	51,771,227	-	-
Total Fund Balances	65,797,338	32,041,025	15,413,390
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 74,888,455**	**$ 34,928,727**	**$ 16,954,982**

The notes to the financial statements are an integral part of this statement.

Hernando County Fire Rescue-Fire	Hernando County Fire Rescue-Rescue	American Rescue Plan Act	Nonmajor Governmental Funds	Total Governmental Funds
$ 150	$ -	$ -	$ 6,110,424	$ 11,020,156
16,368,374	7,113,650	18,837,466	34,191,460	189,813,440
-	-	-	69,729	503,393
17,641	9,692,567	-	841,537	10,916,396
315,285	124,095	-	531,930	1,316,173
50,818	8,475	-	615,847	7,258,644
-	-	-	-	450,000
-	1,800	-	-	1,800
-	37,110	-	98,959	519,479
16,752,268	**16,977,697**	**18,837,466**	**42,459,886**	**221,799,481**
100,032	298,628	-	1,752,579	6,634,735
1,665	-	-	8,379	167,676
761,010	387,378	-	116,752	4,637,834
14,748	-	-	713,002	1,674,159
-	2,032	-	848,551	989,439
-	1,053	18,833,344	8,513	21,134,816
-	-	-	275,088	354,735
-	-	-	450,000	450,000
877,455	689,091	18,833,344	4,172,864	36,043,394
8,250	8,180,912	-	11,292	10,250,225
-	-	-	-	450,000
-	1,800	-	-	1,800
-	37,110	-	96,502	517,022
-	-	-	2,280,589	3,193,999
-	-	-	6,719,735	6,719,735
-	-	-	3,271,307	3,271,307
-	-	-	5,988,526	5,988,526
-	-	-	730,274	858,718
15,866,563	8,068,784	-	3,542,287	27,477,634
-	-	4,122	1,077,140	40,094,368
-	-	-	6,132,022	6,132,022
-	-	-	-	3,924,205
-	-	-	-	3,585,938
-	-	-	2,014,476	2,014,476
-	-	-	6,412,690	6,412,690
-	-	-	-	13,082,013
-	-	-	10,182	10,182
-	-	-	-	51,771,227
15,866,563	8,107,694	4,122	38,275,730	175,505,862
$ 16,752,268	**$ 16,977,697**	**$ 18,837,466**	**$ 42,459,886**	**$ 221,799,481**

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HERNANDO COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2021

Fund Balances - Total Governmental Funds		$ 175,505,862
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Governmental Capital Assets	$ 571,843,863	
Less Accumulated Depreciation	(249,310,134)	322,533,729
Unavailable revenue and deferred outflows of resources are not available to pay for current-period expenditures and are therefore not reported in the governmental funds:		
Unavailable taxes and fees	$ 10,250,225	
Deferred Charges on Debt Refunding	484,186	
Deferred Charges related to Net Pension Liability	31,138,346	
Deferred Charges related to Other Post Employment Benefits	4,174,842	46,047,599
Long-term liabilities are not due and payable in the current period, and therefore are not reported in the governmental funds:		
Accrued Liabilities - Interest	$ (154,151)	
Loans and Notes Payable	(21,831,505)	
Leases Payable	(450,885)	
Bonds Payable	(1,240,256)	
Compensated Absences	(10,317,623)	
Other Post Employment Benefits	(17,662,913)	
Net Pension Liability	(53,032,852)	(104,690,185)
Deferred inflows of resources apply to a future period and will not be recognized as revenue until then:		
Deferred Inflows related to Net Pension Liability	(92,957,681)	
Deferred Inflows related to Other Post Employment Benefits	(4,464,666)	(97,422,347)
Internal Service Funds are used by management to charge the costs of certain activities to the individual funds:		
Net position of the Internal Service Funds that is reported in the Governmental Activities portion of the Statement of Net Position.		27,252,225
Net Position of Governmental Activities		$ 369,226,883

The notes to the financial statements are an integral part of this statement.

HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2021

	General Fund	Transportation Trust and Gas Taxes	Impact Fees Capital Project Fund
Revenues			
Taxes	$ 75,177,661	$ 15,689,766	$ -
Licenses and Permits	530,672	7,678	-
Intergovernmental	33,094,676	3,637,100	-
Charges for Services	15,767,155	1,350,333	-
Fines and Forfeitures	198,608	-	-
Special Assessments	-	-	-
Impact Fees	-	-	4,550,296
Interest	84,734	51,850	18,558
Miscellaneous	2,746,219	147,805	-
Total Revenues	127,599,725	20,884,532	4,568,854
Expenditures			
Current			
General Government	26,424,780	-	31,181
Public Safety	57,634,971	4,929	33,162
Physical Environment	515,117	-	-
Transportation	2,878,645	13,793,440	-
Economic Environment	4,928,949	-	-
Human Services	5,941,076	-	-
Culture and Recreation	6,177,042	-	43,711
Court Operations	1,558,259	-	-
Debt Service			
Principal	811,662	-	-
Interest and Fiscal Charges	75,771	-	-
Capital Outlay	7,729,843	8,123,696	2,408,568
Total Expenditures	114,676,115	21,922,065	2,516,622
Excess of Revenues Over (Under) Expenditures	**12,923,610**	**(1,037,533)**	**2,052,232**
Other Financing Sources (Uses)			
Transfers In	357,922	600,354	-
Transfers Out	(6,055,192)	(554,268)	(835,480)
Issuance of Long-Term Debt	-	-	-
Total Other Financing Sources (Uses)	(5,697,270)	46,086	(835,480)
Net Change in Fund Balances	**7,226,340**	**(991,447)**	**1,216,752**
Fund Balances at Beginning of Year	58,570,998	33,032,472	14,196,638
Fund Balances at End of Year	**$ 65,797,338**	**$ 32,041,025**	**$ 15,413,390**

The notes to the financial statements are an integral part of this statement.

Hernando County Fire Rescue-Fire	Hernando County Fire Rescue-Rescue	American Rescue Plan Act	Nonmajor Governmental Funds	Total Governmental Funds
$ 999	$ 8,772,922	$ -	$ 3,688,064	$ 103,329,412
72,185	-	-	-	610,535
72,600	78,635	-	3,788,455	40,671,466
116,264	8,536,494	-	10,979,252	36,749,498
-	-	-	1,565,818	1,764,426
27,603,084	-	-	9,662,696	37,265,780
-	-	-	-	4,550,296
117,362	8,036	4,122	98,790	383,452
460,209	86,908	-	1,120,884	4,562,025
28,442,703	17,482,995	4,122	30,903,959	229,886,890
-	-	-	1,350,097	27,806,058
26,369,291	13,869,859	-	4,550,212	102,462,424
-	-	-	7,646,317	8,161,434
-	-	-	1,736,408	18,408,493
-	-	-	1,027,872	5,956,821
-	-	-	1,729,071	7,670,147
-	-	-	22,530	6,243,283
-	-	-	6,297,554	7,855,813
175,107	37,320	-	3,940,275	4,964,364
24,723	6,005	-	564,706	671,205
147,891	38,208	-	1,946,745	20,394,951
26,717,012	13,951,392	-	30,811,787	210,594,993
1,725,691	**3,531,603**	**4,122**	**92,172**	**19,291,897**
315,285	124,094	-	13,082,111	14,479,766
(2,596,127)	(1,644,514)	-	(7,718,167)	(19,403,748)
5,400,000	-	-	307,538	5,707,538
3,119,158	(1,520,420)	-	5,671,482	783,556
4,844,849	**2,011,183**	**4,122**	**5,763,654**	**20,075,453**
11,021,714	6,096,511	-	32,512,076	155,430,409
$ 15,866,563	**$ 8,107,694**	**$ 4,122**	**$ 38,275,730**	**$ 175,505,862**

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HERNANDO COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNEMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2021

Net Change in Fund Balances - Total Governmental Funds		$ 20,075,453
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental Funds report Capital Outlays as Expenditures. In the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives. Donations of Capital Assets are not financial resources to Governmental Funds, however increase net position in the Statement of Activities. Governmental Funds report the sale of Capital Assets as a financial resource, however in the Statement of Activities, only the gain/loss on the sale is reported:		
Expenditures for Capital Assets	$ 20,394,951	
Less current year depreciation	(17,597,226)	
Donation of Capital Assets	25,102	
Capital Asset Disposals	(530,455)	2,292,372
Additions to Long-Term Debt provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal and payments to refunding escrow agents are expenditures/other financing uses in the Governmental Funds, but reduce long-term liabilities in the Statement of Net Position:		
Issuance of Long-Term Debt	(5,707,538)	
Principal Payments	4,964,364	(743,174)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the Governmental Funds:		
Change in Accrued Interest on Long-Term Debt	$ 17,780	
Amortization of current year Bond Discount/Premium	1,546	
Amortization of current year Prepaid Bond Insurance	(80,101)	
Change in Compensated Absences	280,800	
Change in Accrued Other Post Employment Benefits	(445,728)	
Change in Pension Expenses	12,354,317	12,128,614
Some revenues reported in the Statement of Activities do not provide a current financial resource, and therefore are not reported as revenue in the Governmental Funds:		
Change in earned revenue from charges for services	$ 1,943,747	
Change in earned revenue from taxes	97,625	2,041,372
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The Change in Net Position of the Internal Service Funds is reported within Governmental Activities.		1,945,377
Change in Net Position of Governmental Activities		$ 37,740,014

The notes to the financial statements are an integral part of this statement.

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HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended September 30, 2021

	Budgeted Amount			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Taxes	$ 73,831,434	$ 73,831,434	$ 75,177,661	$ 1,346,227
Licenses and Permits	489,502	489,502	530,672	41,170
Intergovernmental	26,694,861	32,872,713	33,094,676	221,963
Charges for Services	14,685,877	14,693,694	15,767,155	1,073,461
Fines and Forfeitures	96,001	96,001	198,608	102,607
Interest	273,823	273,823	84,734	(189,089)
Miscellaneous	1,348,442	1,675,220	2,746,219	1,070,999
Total Revenues	117,419,940	123,932,387	127,599,725	3,667,338
Expenditures				
Current				
General Government	26,525,888	29,855,927	26,424,780	3,431,147
Public Safety	59,193,580	60,621,602	57,634,971	2,986,631
Physical Environment	568,218	600,217	515,117	85,100
Transportation	3,414,023	5,763,806	2,878,645	2,885,161
Economic Environment	9,299,384	7,730,649	4,928,949	2,801,700
Human Services	5,162,974	6,090,889	5,941,076	149,813
Culture and Recreation	6,749,669	7,405,131	6,177,042	1,228,089
Court Operations	1,613,657	1,640,688	1,558,259	82,429
Debt Service				
Principal	452,532	824,487	811,662	12,825
Interest and Fiscal Charges	98,856	130,456	75,771	54,685
Capital Outlay	5,417,212	22,458,731	7,729,843	14,728,888
Total Expenditures	118,495,993	143,122,583	114,676,115	28,446,468
Excess of Revenues Over Expenditures	**(1,076,053)**	**(19,190,196)**	**12,923,610**	**32,113,806**
Other Financing Sources (Uses)				
Transfers In	841,575	894,998	357,922	(537,076)
Transfers Out	(6,001,460)	(6,026,460)	(6,055,192)	(28,732)
Reserve for Contingencies	(20,297,575)	(40,918,976)	-	40,918,976
Total Other Financing Sources (Uses)	(25,457,460)	(46,050,438)	(5,697,270)	40,353,168
Net Change in Fund Balance	**(26,533,513)**	**(65,240,634)**	**7,226,340**	**72,466,974**
Fund Balance at Beginning of Year	26,533,513	65,240,634	58,570,998	(6,669,636)
Fund Balance at End of Year	**$ -**	**$ -**	**$ 65,797,338**	**$ 65,797,338**

The notes to the financial statements are an integral part of this statement.

HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRANSPORTATION TRUST AND GAS TAXES
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Taxes	$ 15,890,095	$ 15,890,095	$ 15,689,766	$ (200,329)
Licenses and Permits	12,504	12,504	7,678	(4,826)
Intergovernmental	5,095,530	5,749,181	3,637,100	(2,112,081)
Charges for Services	950,536	950,536	1,350,333	399,797
Interest	139,999	139,999	51,850	(88,149)
Miscellaneous	89,081	89,081	147,805	58,724
Total Revenues	22,177,745	22,831,396	20,884,532	(1,946,864)
Expenditures				
Current				
Public Safety	-	4,935	4,929	6
Transportation	15,611,008	15,979,394	13,793,440	2,185,954
Capital Outlay	13,861,797	20,576,156	8,123,696	12,452,460
Total Expenditures	29,472,805	36,560,485	21,922,065	14,638,420
Excess of Revenues Over Expenditures	**(7,295,060)**	**(13,729,089)**	**(1,037,533)**	**12,691,556**
Other Financing Sources (Uses)				
Transfers In	543,535	543,535	600,354	56,819
Transfers Out	(1,115,481)	(1,145,436)	(554,268)	591,168
Reserve for Contingencies	(16,129,990)	(18,701,484)	-	18,701,484
Total Other Financing Sources (Uses)	(16,701,936)	(19,303,385)	46,086	19,349,471
Net Change in Fund Balance	**(23,996,996)**	**(33,032,474)**	**(991,447)**	**32,041,027**
Fund Balance at Beginning of Year	23,996,996	33,032,474	33,032,472	(2)
Fund Balance at End of Year	**$ -**	**$ -**	**$ 32,041,025**	**$ 32,041,025**

The notes to the financial statements are an integral part of this statement.

HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HERNANDO COUNTY FIRE RESCUE - FIRE
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Taxes	$ -	$ -	$ 999	$ 999
Licenses and Permits	65,000	65,000	72,185	7,185
Intergovernmental	1,497,577	1,497,577	72,600	(1,424,977)
Charges for Services	78,065	78,065	116,264	38,199
Special Assessments	26,908,701	26,908,701	27,603,084	694,383
Interest	150,001	150,001	117,362	(32,639)
Miscellaneous	217,264	367,664	460,209	92,545
Total Revenues	28,916,608	29,067,008	28,442,703	(624,305)
Expenditures				
Current				
Public Safety	26,585,102	26,976,553	26,369,291	607,262
Debt Service				
Principal	943,383	943,383	175,107	768,276
Interest and Fiscal Charges	44,409	44,409	24,723	19,686
Capital Outlay	1,743,492	5,370,215	147,891	5,222,324
Total Expenditures	29,316,386	33,334,560	26,717,012	6,617,548
Excess of Revenues Over Expenditures	**(399,778)**	**(4,267,552)**	**1,725,691**	**5,993,243**
Other Financing Sources (Uses)				
Transfers In	260,000	260,000	315,285	55,285
Transfers Out	(316,127)	(316,127)	(2,596,127)	(2,280,000)
Issuance of Long-Term Debt	-	3,820,000	5,400,000	1,580,000
Reserve for Contingencies	(8,529,587)	(10,518,035)	-	10,518,035
Total Other Financing Sources (Uses)	(8,585,714)	(6,754,162)	3,119,158	9,873,320
Net Change in Fund Balance	**(8,985,492)**	**(11,021,714)**	**4,844,849**	**15,866,563**
Fund Balance at Beginning of Year	8,985,492	11,021,714	11,021,714	-
Fund Balance at End of Year	**$ -**	**$ -**	**$ 15,866,563**	**$ 15,866,563**

The notes to the financial statements are an integral part of this statement.

HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HERNANDO COUNTY FIRE RESCUE-RESCUE
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Taxes	$ 8,627,387	$ 8,627,387	$ 8,772,922	$ 145,535
Intergovernmental	12,180	87,245	78,635	(8,610)
Charges for Services	7,694,186	7,674,026	8,536,494	862,468
Interest	64,000	64,124	8,036	(56,088)
Miscellaneous	49,785	49,785	86,908	37,123
Total Revenues	16,447,538	16,502,567	17,482,995	980,428
Expenditures				
Current				
Public Safety	14,741,028	15,159,526	13,869,859	1,289,667
Debt Service				
Principal	37,320	37,320	37,320	-
Interest and Fiscal Charges	6,006	6,006	6,005	1
Capital Outlay	195,556	2,238,208	38,208	2,200,000
Total Expenditures	14,979,910	17,441,060	13,951,392	3,489,668
Excess of Revenues Over Expenditures	**1,467,628**	**(938,493)**	**3,531,603**	**4,470,096**
Other Financing Sources (Uses)				
Transfers In	82,000	82,000	124,094	42,094
Transfers Out	(124,514)	(124,514)	(1,644,514)	(1,520,000)
Issuance of Long-Term Debt	-	2,200,000	-	(2,200,000)
Reserve for Contingencies	(5,265,834)	(7,315,504)	-	7,315,504
Total Other Financing Sources (Uses)	(5,308,348)	(5,158,018)	(1,520,420)	3,637,598
Net Change in Fund Balance	**(3,840,720)**	**(6,096,511)**	**2,011,183**	**8,107,694**
Fund Balance at Beginning of Year	3,840,720	6,096,511	6,096,511	-
Fund Balance at End of Year	**$ -**	**$ -**	**$ 8,107,694**	**$ 8,107,694**

The notes to the financial statements are an integral part of this statement.

HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
AMERICAN RESCUE PLAN ACT
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	$ -	$ -	$ 4,122	$ 4,122
Total Revenues	-	-	4,122	4,122
Net Change in Fund Balance	**-**	**-**	**4,122**	**4,122**
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	**$ -**	**$ -**	**$ 4,122**	**$ 4,122**

The notes to the financial statements are an integral part of this statement.

HERNANDO COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2021

	Business-Type		
	Water & Sewer District	**Aviation Operations**	**Waste Management**
ASSETS			
Current Assets			
Cash and Cash Equivalents	$ 198,623	$ 200	$ 1,765
Pooled Cash and Investments	57,263,594	4,908,578	23,409,932
Restricted Cash and Investments:			
Pooled Cash and Investments	189,326	-	8,427
Accounts Receivable (net)	4,585,921	23,288	237,607
Due from Other Funds	159,919	-	62,941
Due from Other Governments	2,777,687	210,294	-
Inventories	164,289	-	20,657
Prepaid Expenses	-	-	14,892
Total Current Assets	65,339,359	5,142,360	23,756,221
Non-Current Assets			
Restricted Assets:			
Pooled Cash and Investments	20,053,510	-	9,649,608
Cash with Fiscal Agent	1,994,168	-	-
Capital Assets, net of accumulated depreciation:			
Capital Assets, not being depreciated	31,636,373	4,049,664	3,786,261
Capital Assets, being depreciated, net	203,562,790	23,591,144	5,706,274
Total Non-Current Assets	257,246,841	27,640,808	19,142,143
Total Assets	322,586,200	32,783,168	42,898,364
Deferred Outflows of Resources	1,436,668	77,854	401,404
LIABILITIES			
Current Liabilities			
Accounts Payable	312,233	258,528	259,436
Accrued Liabilities	1,217,958	28,620	79,246
Due to Other Funds	35,126	1,926	5,038
Due to Other Governments	36,037	-	-
Unearned Revenues	599,525	50,008	-
Deposits	3,472,561	208,179	56,159
Due Within One Year	4,429,920	246,346	174,802
Payable from Restricted Assets:			
Accounts Payable	1,692,799	-	-
Retainage Payable	464,344	-	-
Total Current Liabilities	12,260,503	793,607	574,681
Non-Current Liabilities			
Due in More Than One Year	70,274,836	787,142	887,969
Payable from Restricted Assets:			
Unearned Revenues	1,273,045	-	-
Accrued Landfill Closure/Postclosure Care	-	-	10,767,109
Total Non-Current Liabilities	71,547,881	787,142	11,655,078
Total Liabilities	83,808,384	1,580,749	12,229,759
Deferred Inflows of Resources	5,167,673	326,376	1,156,661
NET POSITION			
Net Investment in Capital Assets	164,420,088	26,807,482	9,492,535
Restricted for			
Capital Projects	13,944,873	-	-
Renewal and Replacement	6,987,150	-	-
Unrestricted	49,694,700	4,146,415	20,420,813
Total Net Position	$ 235,046,811	$ 30,953,897	$ 29,913,348

The notes to the financial statements are an integral part of this statement.

Activities - Enterprise Funds		Governmental Activities -
Building Department	Total	Internal Service Funds
$ 800	$ 201,388	$ 7,372,661
4,559,138	90,141,242	19,952,680
-	197,753	-
20,408	4,867,224	419,856
33,796	256,656	159,769
33,007	3,020,988	2,078
-	184,946	204,895
-	14,892	-
4,647,149	98,885,089	28,111,939
-	29,703,118	-
-	1,994,168	-
215,000	39,687,298	-
1,119,082	233,979,290	18,492,780
1,334,082	305,363,874	18,492,780
5,981,231	404,248,963	46,604,719
252,676	2,168,602	163,235
56,417	886,614	3,449,476
97,318	1,423,142	97,289
7,827	49,917	8,522
28,548	64,585	-
-	649,533	538,963
623,711	4,360,610	-
163,589	5,014,657	5,811,631
-	1,692,799	-
-	464,344	-
977,410	14,606,201	9,905,881
444,192	72,394,139	8,903,865
-	1,273,045	-
-	10,767,109	-
444,192	84,434,293	8,903,865
1,421,602	99,040,494	18,809,746
1,416,426	8,067,136	705,983
1,334,082	202,054,187	12,762,993
-	13,944,873	-
-	6,987,150	-
2,061,797	76,323,725	14,489,232
$ 3,395,879	$ 299,309,935	$ 27,252,225

HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2021

	Business-Type		
	Water & Sewer District	**Aviation Operations**	**Waste Management**
Operating Revenues			
Licenses and Permits	$ 10,850	$ -	$ 24,000
Charges for Services	41,614,139	2,182,998	9,381,682
Miscellaneous	287,808	105,603	241,458
Total Operating Revenues	41,912,797	2,288,601	9,647,140
Operating Expenses			
Personnel Services	8,966,060	491,717	2,144,115
Other Services & Charges	12,624,161	1,008,494	6,221,498
Claims	-	-	-
Depreciation	9,105,234	1,533,397	864,740
Total Operating Expenses	30,695,455	3,033,608	9,230,353
Operating Income (Loss)	11,217,342	(745,007)	416,787
Non-Operating Revenues (Expenses)			
Interest Income	101,977	136	42,976
Interest Expense	(3,344,016)	(36,990)	-
Operating Grants	31,142	134,041	-
Gain (Loss) on Sale of Capital Assets	118,379	1,794,000	1,174
Amortization of Bond Discount/Premium	318,130	-	-
Total Non-Operating Revenues (Expenses)	(2,774,388)	1,891,187	44,150
Income (Loss) Before Contributions and Transfers	8,442,954	1,146,180	460,937
Capital Grants and Contributions	14,515,699	1,451,234	-
Transfers In	100,633	725,149	62,941
Transfers Out	(526,358)	(100,028)	(45,695)
Total Contributions and Transfers	14,089,974	2,076,355	17,246
Change in Net Position	22,532,928	3,222,535	478,183
Net Position-Beginning	212,513,883	27,731,362	29,435,165
Net Position-Ending	$ 235,046,811	$ 30,953,897	$ 29,913,348

The notes to the financial statements are an integral part of this statement.

Activities - Enterprise Funds		Governmental Activities -
Building Department	Total	Internal Service Funds
$ 4,175,776	$ 4,210,626	$ -
277,382	53,456,201	35,248,375
46,563	681,432	932,245
4,499,721	58,348,259	36,180,620
2,460,071	14,061,963	3,190,129
1,651,555	21,505,708	11,860,343
-	-	21,213,505
50,814	11,554,185	3,125,068
4,162,440	47,121,856	39,389,045
337,281	11,226,403	(3,208,425)
29,521	174,610	21,936
-	(3,381,006)	(155,514)
-	165,183	-
149	1,913,702	564,306
-	318,130	-
29,670	(809,381)	430,728
366,951	10,417,022	(2,777,697)
160,559	16,127,492	-
33,796	922,519	4,876,153
(49,530)	(721,611)	(153,079)
144,825	16,328,400	4,723,074
511,776	26,745,422	1,945,377
2,884,103	272,564,513	25,306,848
$ 3,395,879	$ 299,309,935	$ 27,252,225

HERNANDO COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2021

	Business-type	
	Water & Sewer District	Aviation Operations
Cash Flows from Operating Activities		
Receipts from Customers	$ 39,036,411	$ 2,498,963
Receipts from Inter-Fund Services	-	-
Payments to Suppliers	(11,891,708)	(1,276,764)
Payments to Employees	(9,575,336)	(537,697)
Claimes Paid	-	-
Other Receipts	287,808	105,603
Net Cash provided by (used for) Operating Activities	17,857,175	790,105
Cash Flows from Noncapital Financing Activities		
Operating Grants	31,142	134,041
Transfers From Other Funds	100,633	725,149
Transfers to Other Funds	(526,358)	(100,028)
Net Cash Provided by (used for) Noncapital Financing Activities	(394,583)	759,162
Cash Flows From Capital and Related Financing Activites		
Additions to Capital Assets	(15,952,415)	(2,024,834)
Principal Paid on Capital Debt	(2,830,334)	(189,063)
Interest Paid on Capital Debt	(2,640,489)	(40,078)
Cash Contributed to Refunding	(538,686)	-
Capital Grants Revenue	8,707,557	1,451,234
Connection Fee Collections	3,365,416	-
Proceeds From Sale of Capital Assets	118,379	1,794,000
Net Cash provided by (used fo) Capital and Related Financing Activities	(9,770,572)	991,259
Cash Flows form Investing Activities		
Interest Received	101,977	136
Net Cash Provided by Investing Activities	101,977	136
Net Increase (Decrease) in Cash and Cash Equivalents	7,793,997	2,540,662
Cash and Cash Equivalents at Beginning of Year	71,905,224	2,368,116
Cash and Cash Equivalents at End of Year	$ 79,699,221	$ 4,908,778
Classified as:		
Current Assets	57,462,217	4,908,778
Restricted Assets - Current	189,326	-
Restricted Assets - Non-current	22,047,678	-
Totals	$ 79,699,221	$ 4,908,778

The notes to the financial statements are an integral part of this statement.

Activites - Enterprise Fuinds			Governmental Activities -
Waste Mangement	Building Department	Total	Internal Service Funds
$ 9,461,776	$ 4,630,080	$ 55,627,230	$ 26,389,284
-	-	-	9,236,984
(5,934,771)	(1,777,548)	(20,880,791)	(10,855,052)
(2,273,649)	(2,671,720)	(15,058,402)	(3,299,770)
-	-	-	(18,503,589)
241,458	46,563	681,432	932,245
1,494,814	227,375	20,369,469	3,900,102
-	-	165,183	-
62,941	33,796	922,519	4,876,153
(45,695)	(49,530)	(721,611)	(153,079)
17,246	(15,734)	366,091	4,723,074
(749,791)	(252,770)	(18,979,810)	(3,752,994)
-	-	(3,019,397)	(943,245)
-	-	(2,680,567)	(155,514)
-	-	(538,686)	-
-	160,559	10,319,350	-
-	-	3,365,416	-
1,174	149	1,913,702	651,397
(748,617)	(92,062)	(9,619,992)	(4,200,356)
42,976	29,521	174,610	21,936
42,976	29,521	174,610	21,936
806,419	149,100	11,290,178	4,444,756
32,263,313	4,410,838	110,947,491	22,880,585
$ 33,069,732	$ 4,559,938	$ 122,237,669	$ 27,325,341
23,411,697	4,559,938	90,342,630	27,325,341
8,427	-	197,753	-
9,649,608	-	31,697,286	-
$ 33,069,732	$ 4,559,938	$ 122,237,669	$ 27,325,341

Continued

HERNANDO COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2021

	Business-type	
	Water & Sewer District	Aviation Operations
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating Income (Loss)	$ 11,217,342	$ (745,007)
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (used for) Operating Activities		
Depreciation	9,105,234	1,533,397
Other Post-Employment Benefits	40,722	2,359
Pension Adjustments	(633,374)	(41,222)
Landfill Closure/Postclosure Care Amortization	-	-
(Increase) Decrease in		
Accounts Receivable	(178,695)	(15,906)
Due from Other Funds	40,299	-
Due from Other Governments	(2,688,570)	307,153
Inventories	12,542	-
Prepaid Expenses	34,416	-
Increase (Decrease) in		
Accounts Payable	357,566	(270,195)
Retainage Payable	310,683	-
Accrued Liabilities	(16,624)	(7,118)
Due to Other Funds	35,126	1,926
Due to Other Governments	(17,880)	-
Unearned Revenues	60,301	(1,700)
Deposits	178,087	26,418
Claims Liabilities	-	-
Total Adjustments	6,639,833	1,535,112
Net Cash Provided by (used for) Operating Activities	$ 17,857,175	$ 790,105
Non-cash Investing, Financing, and Capital Activities:		
Contributions of Capital Assets from Developers	$ 2,442,726	$ -

The notes to the financial statements are an integral part of this statement.

Activites - Enterprise Fuinds			Governmental Activities -
Waste Mangement	Building Department	Total	Internal Service Funds
$ 416,787	$ 337,281	$ 11,226,403	$ (3,208,425)
864,740	50,814	11,554,185	3,125,068
9,680	11,044	63,805	5,203
(141,332)	(247,632)	(1,063,560)	(87,678)
780,397	-	780,397	-
37,556	(2,095)	(159,140)	(261,645)
1,391	(33,235)	8,455	102,627
-	(33,007)	(2,414,424)	(2,052)
(5,194)	-	7,348	(190,509)
13,747	-	48,163	-
(493,514)	(138,472)	(544,615)	1,193,932
-	-	310,683	-
2,118	24,940	3,316	(27,166)
5,038	7,827	49,917	1,868
-	4,651	(13,229)	-
-	-	58,601	538,963
3,400	245,259	453,164	-
-	-	-	2,709,916
1,078,027	(109,906)	9,143,066	7,108,527
$ 1,494,814	$ 227,375	$ 20,369,469	$ 3,900,102
$ -	$ -	$ 2,442,726	$ -

HERNANDO COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
September 30, 2021

ASSETS		
Cash and Cash Equivalents	$	186,422
Pooled Cash and Investments		13,467,495
Due from Other Governments		605
Total Assets		**13,654,522**
LIABILITIES		
Accounts Payable		869,796
Due to Other Governments		4,133,664
Installment Tax Escrow		4,593,832
Deposits		19,786
Other Current Liabilities		2,624,248
Total Liabilities		**12,241,326**
NET POSITION:		
Restricted for:		
Individuals and Other Governments		1,413,196
Total Net Position	**$**	**1,413,196**

The notes to the financial statements are an integral part of this statement.

HERNANDO COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
Year Ended September 30, 2021

ADDITIONS:	
Tax Collections for Other Governments	$ 76,996,691
State of Florida collections	30,888,229
Other collections	15,655,477
Miscellaneous - Revenues	2,051,202
Total additions	125,591,599
DEDUCTIONS:	
Payments to State of Florida	30,607,743
Payments of Taxes to Other Governments	76,996,691
Other Payments	17,539,492
Miscellaneous - Expenses	30,414
Total deductions	125,174,340
Change in net position	417,259
Net Position-beginning of the year, as originally stated	-
Net Position-restatement (Note R)	995,937
Net Position-beginning of the year, as restated	995,937
Net Position-end of year	$ 1,413,196

The note to the financial statements are an integral part of this statement.

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NOTES TO THE FINANCIAL STATEMENTS

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. THE REPORTING ENTITY

Hernando County was created in 1843 as a political subdivision of the State of Florida, under Chapter 107, Section 1, Florida Statutes. It is governed by an elected Board of County Commissioners (the Board) which is governed by state statutes and regulations. In addition to the five members of the Board, there are five elected Constitutional Officers: Clerk of Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The Constitutional Officers maintain separate accounting records and budgets. The Board and Constitutional Officers provide the following services: public safety (police, fire and rescue), highways and streets, sanitation, water and sewer utilities, health and social services, culture/recreation, public improvements, planning and zoning, and general administrative services.

In accordance with the provisions of generally accepted accounting standards, these financial statements present the financial position, results of operations, and cash flows of the applicable fund types. The statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance part of the primary government's operations, even though they may be legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Otherwise, discretely presented component units, if there were any, would be reported in a separate column in the government-wide financial statements.

Blended Component Units

The following component units are included in the accompanying financial statements as part of the primary government because they satisfy the criteria for blending.

The following component units are in substance part of the County's operations, have the same governing board and management team as the County, and there is a specific benefit or burden relationship with the County:

> Hernando County Water and Sewer District - established by Ordinance 80-4 to provide water and sewer service to residents of the County which are not serviced by other agencies or entities.
>
> Kass Circle Community Redevelopment Agency - approved by Resolution 2016-44 to establish the necessary means by which redevelopment can be accomplished in the Kass Circle Neighborhood Revitalization Area, as authorized in Florida Statutes 163.356.

The following component units are in substance part of the County's operations, have the same management team as the County, there is a specific benefit or burden relationship with the County, and they provide services entirely to the County, strictly in an advisory capacity:

> Hernando County Port Authority - established pursuant to Laws of Florida, Chapter 65-1618 and 71-666 for the purpose providing advisory services regarding waterway management.
>
> Hernando County Law Library - established pursuant to Laws of Florida, Chapter 65-1627, to provide advisory services regarding a central law library which is available to County officials, judges, officers of the court and the public.

Separate financial statements are not prepared for any of the above component units.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements are composed of the Government-Wide Financial Statements, the Fund Financial Statements and the Notes to the Financial Statements.

Government-Wide Financial Statements

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These statements report on the government as a whole and include separate columns for the governmental and business-type activities of the primary government. An additional separate column would be presented for any discretely presented component unit for which the County is financially accountable.

The Statement of Net Position presents information on all of the assets, deferred outflows, liabilities and deferred inflows of the County except the Fiduciary Funds. The difference between (assets plus deferred outflows) less (liabilities plus deferred inflows) is reported as net position. Changes in net position may serve as an indicator of whether the financial position of the County is improving or deteriorating. The Statement of Fiduciary Net Position is presented separately.

The Statement of Activities reports functional categories of programs provided by the County, and demonstrates how and to what degree those programs are supported by specific revenue. The “Expenses” column reports direct expenses that are clearly identifiable with a specific function or program. “Program Revenues” are directly attributable to a specific function or program and are categorized as charges for services, operating grants and contributions, and capital grants and contributions. The net of program expenses less program revenues reflects the net cost of each function or program. The general revenues section includes revenues that are not program specific such as taxes and investment earnings.

As a general rule, interfund activities, with the exception of interfund services provided and used have been removed from the government-wide financial statements. Residual amounts between governmental and business-type activities are reported as “internal balances.” These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

Fund Financial Statements

The underlying accounting system of the County is organized and operated on the basis of separate funds. A fund is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes. Fund accounting is used to ensure and demonstrate compliance with legal, legislative, contractual and other finance-related provisions. All of the funds of the County may be divided into three categories: governmental funds, proprietary funds and fiduciary funds. The County’s major funds are reported as separate columns in the fund financial statements, and non-major funds are aggregated and presented as a single column on each statement. Fund financial statements are presented after the government-wide financial statements. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentation.

Internal service funds of the County (which traditionally provide services primarily to other funds of the County) are presented, in summary form, as part of the proprietary fund financial statements. Since the principal users of the internal services are the County's governmental activities, financial statements of internal service funds

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

are included in the governmental activities column when presented at the government-wide level. The costs of these services are allocated to the appropriate functional activity (Public Safety, Physical Environment, etc.).

The County's fiduciary funds are presented in the fund financial statements. Since, by definition, these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

GASB sets forth minimum criteria for the determination of what are to be considered major funds for financial statement presentation. The County uses these criteria for major fund determination. The County electively added some proprietary funds as major funds, which either had debt outstanding or specific community focus. The County also electively added the Impact Fee fund as a major-fund for purposes of consistency with prior years. The non-major funds are combined into one column in the respective fund financial statements.

The following are reported as major governmental funds:

General Fund – The general operating fund of the County. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Transportation Trust and Gas Taxes – To account for the proceeds of gas taxes and other revenues for the construction and maintenance of County roads.

Impact Fees Capital Project Fund– To account for the proceeds of impact fees levied by the County, and associated expenditures for roads, parks, public buildings, library, law enforcement and emergency services.

Hernando County Fire Rescue-Fire - To account for assessments levied for fire protection services within the district.

Hernando County Fire Rescue-Rescue - To account for revenue and expenditures related to providing ambulance and rescue services within the district.

American Rescue Plan Act - To account for expenditures related to funds provided by Coronavirus State and Local Fiscal Recovery Funds program.

The following are reported as major enterprise funds:

Water and Sewer District – This fund is used to account for the operation of water, wastewater and reclaimed water services owned by Hernando County.

Aviation Operations – This fund is used to account for the operation of the Hernando County Airport and the Industrial Complex located on Airport property.

Waste Management – This fund is used to account for the operation of the sanitary landfill for the handling and disposal of solid waste.

Building Department – This fund is used to account for the operation of providing building permits and other construction-related services to County citizens.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County also reports the following funds:

Internal Service Funds - These funds are used to account for goods or services provided by one department to other departments of the County or to other governmental units on a cost reimbursement basis. Such goods and services include a central fueling system, vehicle and fleet maintenance and replacement, risk management, workers compensation management, computer replacement and health self-insurance.

Fiduciary Funds – These funds are used to account for assets held on behalf of outside parties, including other governments. Fiduciary Funds include jury and witness, court registry, tax, vehicle tags and law enforcement holdings. Financial information for fiduciary funds is not reported in the government-wide financial statements because these funds are not available to support the County's programs.

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The accounting policies of the County conform to generally accepted accounting principles as applicable to governments in accordance with the Government Accounting Standards Board (GASB). GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The following is a summary of the more significant policies:

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements and proprietary fund statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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 revenues in the year for which they are levied.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. The government considers Federal Emergency Management Agency (FEMA) Public Assistance (PA) related revenues to be available if they are collected within 45 days of the end of the current fiscal period. These resources are measurable based upon the obligated and validated amounts confirmed by the Florida Division of Emergency Management (FDEM) who is the pass-through entity. The government considers intergovernmental grant revenues, excluding FEMA PA Funding, to be available if they are collected within 360 days of the end of the current fiscal year. A majority of the County's grants are expenditure driven and the reimbursement is often approved after the 45-day availability period used for non-grant revenues. Receivables collected after these periods are reported as deferred inflows of resources until the revenue becomes available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest 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. Grant entitlements are recorded as revenues when all eligibility requirements are met, and are accrued simultaneously with the grant expenditures. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund such as user fees. Non-operating revenues are not related to the operations of the proprietary fund and include interest income and grants. Operating expenses represent the cost of operations, which includes depreciation. Non-operating expenses are not related to operations, such as interest expense.

The fiduciary fund is recorded using the *current economic resource method focus* and *accrual basis of accounting*.

4. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

Governmental fund balances are classified either as non-spendable or spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which constraints are placed on the spending of these fund balances. Fund balances are reported in the governmental fund statements in the following classifications:

Non-spendable Fund Balance

This component of fund balance consists of amounts that are not in spendable form, or are legally or contractually required to be maintained intact.

Spendable Fund Balance

Restricted Fund Balance – This component of fund balance consists of amounts that are constrained either (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.

Committed Fund Balance – This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (approval of a resolution by a majority of the Board) of the organization's governing authority (County Commission). These committed amounts cannot be used for any other purpose unless the governing authority removes or changes the specified use by taking the same type of action employed to constrain those amounts.

Assigned Fund Balance – This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The governing authority, the County Commission, has

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

approved the assigned fund balances through action taken during the budget process. The County Commission has not delegated the responsibility to assign fund balances to any individual or body.

Unassigned Fund Balance – This classification is used for (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the general fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use, it is the County's policy to use unassigned resources first, then assigned, and then committed as needed.

5. BUDGETARY INFORMATION

The annual budget, formally adopted by the Board of County Commissioners, serves as the legal authorization for expenditures. Legal budgetary authority and control is established on a fund basis in accordance with Florida Statutes 129.03, however, operational control for management purposes is maintained during the year at the lower of the department or fund level. The adopted budget can only be changed by a budget amendment or a budget resolution. Management can transfer appropriations within a fund without the Board of County Commissioners approval unless the transfer affects a budgeted reserve. Pursuant to Florida Statutes 129.06 budget amendments require the approval of the Board of County Commissioners whenever the effect of the amendment is to increase the total appropriations of the fund, to transfer monies between the funds, or to transfer budgeted reserve funds.

The County's annual budgetary process is governed by Florida Statutes, Chapters 129 and 200. The total of the estimated receipts, including balances brought forward, must equal the total of the appropriations and reserves, therefore enabling a balanced budget. During the budgeting process, budgets are prepared on a basis consistent with generally accepted accounting principles. All appropriations lapse at year-end.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations and other legally authorized executive changes applicable to the fiscal year, whenever legally authorized.

In 2009, the County established a General Fund Budget Reserve Policy, creating four reserve categories. Each of the following minimum levels are calculated as a percentage of the total approved General Fund budget, less reserves, transfers, debt and grants: Reserve for Contingencies established at .5% to be used for small unanticipated, non-recurring needs; an Emergency Reserve established at 3.5% to be used for more significant emergencies, those in excess of $100,000; a Stabilization Reserve established at 3.5% to be used when there is a one-time loss of a major revenue source and/or severe downturn in the economy; and a Reserve for Cash Forward established at 11.0% for the purpose of providing funds to support operations in the new fiscal year until the County's most significant revenue source, property tax, is received. The total of these reserves, 18.5%, is included in the annual approved budget. The policy also establishes the approval required to use these budgeted reserves, and the method in which they are to be replenished. The first three reserves are classified as committed fund balance on the accompanying balance sheet of the General Fund. The fourth reserve (reserve for cash forward) is included within the unassigned fund balance classification. During the budget process to establish the budget for Fiscal Years 2018-19 and 2019-20, due to the inability to fund the entire 18.5% reserve, the Board suspended the budget policy.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION

Cash, Cash Equivalents, Pooled Cash and Investments

The County considers cash and cash equivalents to be cash on hand, demand deposits, and highly liquid investments, including those held as restricted assets, with original maturities of three months or less when purchased. For purposes of the statement of cash flows, the County considers a fund's share of pooled cash and investments to be cash equivalents.

The County pools substantially all cash and investments, except for cash and investments which are maintained in accordance with legal restrictions. Each fund's equity share of the total pooled cash and investments is included under the caption "Pooled Cash and Investments". Interest earned is allocated to the various funds based on their average daily cash balances within the pooled account.

The County's investments are recorded at fair value unless the investment qualifies as an external investment pool under the guidance of GASB, which allows under certain criteria these investments to be recorded at amortized costs. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The method of measuring the fair value of investments uses the fair value hierarchy as defined by GASB. See Note C. The Local Government Surplus Funds Trust Fund (Florida Prime) is an investment pool reported at amortized cost which approximates fair value. The Florida Cooperative Liquid Assets Securities System (FLCLASS) and the Florida Local Government Investment Trust (Florida Trust) report all share information at Net Asset Value and reflects share value.

Receivables and Payables

The accounts receivable of the County are recorded in the government-wide and fund financial statements, and are net of an allowance for uncollectibles, which generally is equivalent to the receivables that are over 90 days.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances.

Advances between funds, as reported in the fund financial statements, are offset by a non-spendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, there are three items that qualify for reporting in this category. One is a deferred charge on debt refunding. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions. The deferred outflows related to pensions result from County contributions to the County's retirement plan subsequent to the retirement plan's measurement date, and other timing differences. The third item is related to timing differences associated with benefits paid after the measurement period for post employment benefits other than pensions.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. There are three items that qualify for reporting in this category. The first two deferred inflows are related to pensions and other post-employment benefits, and are the result of certain timing differences and changes in assumptions related to each plan. The third one, reported in the Business-Type Funds, results from grants and other funds available after the revenue recognition period.

The County also has a deferred inflow in the Balance Sheet of the Governmental Funds. This deferred inflow, unavailable revenue, consists of funds received/receivable by the County that are available in a future period.

Unbilled Revenue

Unbilled revenue in the Water and Sewer Fund generally represents revenue earned during the last month of the fiscal year for which bills are sent the following month. Revenue is recognized as Charges for Services when the customer has used the services provided by the County which is also considered to be when it is earned.

Unearned Revenue

Unearned revenue in the Water and Sewer Fund generally represents prepaid connection fees from developers. Such revenues are considered imposed non-exchange transactions. Revenue is recognized when the County has an enforceable legal claim to such connection fees at which time it is reported as capital grants and contributions. The majority of unearned revenue in the governmental funds represents prepaid impact fees which are refundable.

Inventories and Prepaid Items

Inventories are determined by physical count and are valued at cost using the first-in, first-out method. The cost is recorded as an expenditure using the consumption method at the time the individual inventory items are used. Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. In most cases, the prepaid items are recorded as an expenditure using the consumption method at the time the prepaid items are received.

Restricted Assets

The use of certain Enterprise Fund assets is restricted by bond resolution and agreements with various parties. Assets so designated are identified as restricted assets on the Statement of Net Position.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property (land), buildings, infrastructure assets (e.g. roads, bridges, sidewalks and similar items), improvements, equipment, construction in progress and intangible assets (e.g. software) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements as well as the proprietary fund financial statements.

The County has established the following thresholds for additions to capital assets, and estimated useful lives for depreciation purposes:

	Threshold		Useful Life-Years
Land	$ -		-
Easement	150,000		-
Right-of-Way	150,000		-
Buildings	10,000		20-40
Infrastructure	150,000		5-50
Improvements-Other Than Buildings	10,000		20
Improvements-Water/Sewer Lines	10,000		50
General Asset Accounts	100,000	annually	Based upon group characteristics
Leashold Improvements	150,000		Life of lease or life of improvement whichever is shorter
Equipment	5,000		5-15
Intangible Assets	150,000		Per contractual provisions

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Interest incurred during the construction phase of capital assets in business-type activities is included as part of the capitalized value of the assets constructed. Normal maintenance and repairs to capital assets are not included in the reported value because they do not increase the capacity or extend the useful life of the capital asset.

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. Depreciation is charged as an expense against the operations of the governmental and business-type activities in the government-wide financial statements. Depreciation of assets in the proprietary funds is charged as an expense at the fund level.

Compensated Absences

The County maintains a policy that permits employees to accumulate earned but unused paid time off benefits that will be paid to employees upon separation from County service based on years of service, and if certain criteria are met. The County's policy also permits employees to either bank a limited amount of paid time off benefits or receive a limited cash buyout on an annual basis, depending on budget availability.

These benefits plus their related taxes are classified as compensated absences. Both the current and long-term portion of compensated absences are accrued and reported in the government-wide and proprietary fund financial statements. A liability is reported in the governmental funds only if it has matured, for example, as a result of employee resignations and retirements, and is considered due and payable at year-end. Compensated absences have typically been liquidated by the fund in which the employees' salaries are charged, the most significant of these being General Fund, Transportation Trust and Gas Taxes, Hernando County Fire Rescue-Fire, and the Water and Sewer District.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, discounts, premiums and bond insurance costs related to long-term debt, and gains/losses on bond refundings are deferred and amortized over the life of the bonds using the straight-line method of accounting. Discounts and premiums are combined with the debt, and classified as a liability. Bond insurance is classified as an asset. Gains/losses are classified as deferred inflows/outflows of resources. Discounts, premiums, bond insurance costs, and other issuance costs related to debt in the governmental fund financial statements are recorded as expenditures or other financing sources/uses when paid and therefore are not accounted for in subsequent periods.

State and federal laws and regulations require the Waste Management Division to place a final cover on the landfill cells when they stop accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the Division accrues an estimated portion of these closure and post-closure costs at the balance sheet date.

The County's risk management activities are recorded in Internal Service Funds (Risk Management, Worker's Compensation and Health Insurance). The Worker's Compensation Fund is a self-insurance program for worker's compensation claims on losses up to established maximums, and is insured against losses in excess of those amounts. Both the County Health Insurance and Sheriff Health Insurance are self-insurance funds for medical health insurance claims up to established maximums, and are insured against losses in excess of those amounts.

Based on actuarial estimates, "Claims Liabilities" have been established in the Worker's Compensation, County Health Insurance and Sheriff Health Insurance Funds for claims reported but not paid, and incurred but not reported.

Long-term obligations associated with pensions, compensated absences and post-employment liabilities have typically been liquidated by the fund in which the employees' salaries are charged, the most significant of these being General Fund, Transportation Trust and Gas Taxes, Hernando County Fire Rescue – Fire, and the Water and Sewer District.

7. EFFECTS OF NEW ACCOUNTING PRONOUNCEMENTS

During the year ended September 30, 2021, the County implemented the following Governmental Accounting Standards Board (GASB) Statements:

- GASB Statement No. 84, *Fiduciary Activities* requires the financial statements of custodial funds held by the County to be restated to comply with the liability recognition criteria of the Statement. See Note R for restatement of beginning Net Position.

- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* states interest incurred before the end of a construction period should be recognized as an expense in the period in which the cost is incurred. This change is being applied prospectively effective October 1, 2020.

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. BUDGETARY COMPARISONS

Only funds with legally adopted budgets are included when the budget to actual expenditures or revenues are compared. The actual figures are presented on the same basis of accounting as the budgeted figures on these statements. Only actual expenditures are compared to budgeted expenditures since all encumbrances lapse at year-end. All funds have legally adopted annual budgets for the fiscal year ended September 30, 2021.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2021, there were no funds that had an excess of actual expenditures over budgeted expenditures.

3. DEFICIT FUND BALANCES/NET POSITION

There were no funds with deficit fund balances/net position at September 30, 2021.

NOTE C – CASH AND INVESTMENTS

In order to minimize its cost basis and limit taxpayer liability in the provision of a full range of county services, the County manages a portfolio of cash and investments to maximize net investment earnings on invested surplus funds. The Board of County Commissioners and Constitutional Officers each maintain an approved investment policy in compliance with guidelines and restrictions established by Florida Statutes. The primary objective of the investment policy is to assure that investment risk is limited upon order entry. The second criterion is the assurance of liquidity and the third consideration is yield.

The County is authorized to invest surplus public funds in the following:

- The Local Government Surplus Funds Trust Fund, Florida Prime;
- The Florida Local Government Investment Trust, Florida Trust;
- Direct obligations of the United States Treasury;
- Federal agencies and instrumentalities;
- Certain obligations issued or guaranteed by the United States Government Agencies;
- Certain Supranationals;
- Certain Mortgage Backed Securities;
- Certain Interest-bearing time deposits or savings accounts in qualified public depositories;
- Certain repurchase agreements;
- Certain Registered money market funds;
- Certain commercial paper which is rated as prime by at least two nationally recognized statistical rating organizations;
- Certain corporate bonds;
- Certain Domestic Bankers' Acceptances;
- Certain Municipal Debt General Obligation securities;
- Certain Corporate Notes which are rated A or better by at least two nationally recognized statistical rating organizations;
- Certain Asset Backed Securities;
- Other Intergovernmental Investment Pools.

NOTE C – CASH AND INVESTMENTS (CONTINUED)

The following is a summary of the carrying amount of cash, investments and cash held with fiscal agent as of September 30, 2021:

	Governmental Activities	Business-Type Activities	Statement of Fiduciary Net Position	Total
Cash and Cash Equivalents	$ 18,392,817	$ 201,388	$ 186,422	$ 18,780,627
Pooled Cash and Investments	209,766,120	120,042,113	13,467,495	343,275,728
Cash with Fiscal Agent	503,393	1,994,168	-	2,497,561
Total	$ 228,662,330	$ 122,237,669	$ 13,653,917	$ 364,553,916

The County had the following deposits, investments and cash held with fiscal agent at September 30, 2021:

Deposits	$ 52,684,392
Cash with Fiscal Agent	2,497,561
Carrying Amount of Investments	309,371,963
Total	$ 364,553,916

DEPOSITS

Deposits represent petty cash and cash held with banks in demand deposit and/or savings accounts. To manage custodial credit risk for deposits, all demand and time deposits, including money market accounts, are insured and collateralized in accordance with Chapter 280, Florida Statutes, which established the Public Deposit Security Trust Fund, a multiple financial institution collateral pool. Florida Statutes Section 280.08 provides for assessments against the members of the pool on a pro rata basis in the event that the collateral pool is insufficient to cover the losses of a member financial institution that fails. As such, all deposits covered by this collateral pool are considered to be fully insured.

CASH WITH FISCAL AGENT

At fiscal year end, the County had the following funds held by a fiscal agent for the County:

Transportation Trust Fund	$ 433,664
Non-major Governmental Funds	69,729
Water & Sewer District	1,994,168
	$ 2,497,561

These funds are held by the State in conjunction for joint transportation and utility relocation projects, and other road improvement projects.

NOTE C – CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS

At September 30, 2021, the County's investments consisted of the following:

Type of Investment	Par Value	Fair Value	1-3 years	1-5years
United States Treasuries	$ 108,815,000	$ 109,417,983	$ 38,656,070	$ 70,761,913
Federal Farm Credit Banks Funding Corporation	10,320,000	10,387,964	4,211,889	6,176,075
Federal Hermes, Inc.	233,036	233,036	116,028	117,008
Federal Home Loan Bank	11,975,000	12,286,124	6,187,870	6,098,254
Federal Home Loan Mortgage Corporation	8,505,000	8,551,630	5,241,408	3,310,222
Federal National Mortgage Association	6,380,000	6,410,859	925,287	5,485,572
Money Market Fund	1,350,000	1,350,218	1,350,218	-
Corporate Notes	14,755,000	14,843,853	5,263,811	9,580,042
Local Government Surplus Funds Trust Fund, (Florida Prime)	53,959,386	53,993,166	53,993,166	-
Florida Local Government Investment Trust, (Florida Trust)	30,871,539	30,871,542	30,871,542	-
Florida Cooperative Liquid Assets Securities System (FLCLASS)	61,000,000	61,025,588	61,025,588	-
	$ 308,163,961	$ 309,371,963	$ 207,842,877	$ 101,529,086

The County participates in Securities Exchange Commission Registered Money Market Funds. Money Market Funds use amortized cost which is reported at a stable NAV, typically $1.00 per share. The money market funds are rated AAAm for Credit Quality by Standard & Poor's Rating Agency.

The County also participates in the following investment pools:

The State of Florida Local Government Surplus Funds Trust Fund (Florida Prime) administered by the State Board of Administration (SBA). This investment pool was created by Section 218.415, Florida Statutes, and operates under investment guidelines established by Section 215.47, Florida Statues. The County's investments in this pool are reported at amortized cost which approximates fair value, and are not subject to the fair value hierarchy.

NOTE C – CASH AND INVESTMENTS (CONTINUED)

The Florida Local Government Investment Trust (Florida Trust), which is administered by a Board of Trustees appointed by the Florida Association of Court Clerks and Comptrollers, and the Florida Association of Counties, Inc. The Florida Trust was created in 1992 to provide a means for public entities to pool surplus funds to maintain safety of principal and maximize available yield. The Florida Trust reports all share information at Net Asset Value and reflects share value.

The Florida Cooperative Liquid Assets Securities System (FLCLASS), an independent local government investment pool designed to provide a safe and competitive investment alternative for Florida governmental entities. The management of FLCLASS is under the direction of an appointed Board of Trustees comprised of eligible participants of the FLCLASS program. The FLCLASS reports all share information at Net Asset Value and reflects share value.

None of the pools have limitations or restrictions on participant withdrawals including items such as redemption notices, maximum transaction amounts, or authority to impose liquidity fees or redemption gates.

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value and establishes a Fair Value Hierarchy. The County's investments are recorded at fair value unless the investment qualifies as an external investment pool under the guidance in GASB Statement No. 79. The County's valuation measurement is reflected in the chart above. The Fair Value Hierarchy categorizes the inputs of valuation techniques used to measure fair value into three levels. The Fair Value Hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Following is a description of the three levels of valuation techniques, and the specific technique the County uses.

- Level 1 inputs: quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access a the measurement date. US Treasuries are valued using quoted prices in active markets from the custodian bank's primary external pricing vendors. Money Market Funds are valued using quoted market prices.

- Level 2 inputs: certain inputs other than quoted prices that are observable for the asset or liability. US Agencies and Instrumentalities, Corporate Notes and Municipal Notes are valued using prices from the custodian bank's external pricing vendors, and often involves the use of evaluation models such as Matrix Pricing, which is based on the securities' relationship to benchmark quoted prices..

- Level 3 inputs: unobservable inputs for an asset or liability. The County didn't have any investments with a Fair Value Hierarchy of Level 3.

NOTE C – CASH AND INVESTMENTS (CONTINUED)

At September 30, 2021, the County's investments carried the following Credit Rating and Fair Value Hierarchy:

Type of Investment	Credit Rating S&P's/Moody's	Fair Value Hierarchy
United States Treasuries	AA+/Aaa	1
Federal Home Loan Bank	AA+/Aaa	2
Federal Home Loan Mortgage Coporation	AA+/Aaa	2
Federal National Mortgage Association	AA+/Aaa	2
Federal Farm Credit Bank	AA+/Aaa	2
Money Market Fund	AAAm/Aaa	1
Corporate Notes	A to AA+/A2 to Aa1	2
Municipal Notes	AA/Aa1	2
Local Government Surplus Funds Trust Fund, (Florida Prime)	AAAm/NA	N/A
Florida Local Government Investment Trust (Florida Trust)	AAAf/NA	N/A
Florida Cooperative Liquid Assets Securities System (FLCLASS)	AAAm/NA	N/A

Management of the following investment risks are addressed below:

- Custodial credit risk – risk that a government will not be able to recover deposits or the value of an investment that's in the possession of a failed institution or counterparty;
- Credit risk – risk of loss from an issuer's failure to repay principal and/or interest on a debt obligation;
- Liquidity risk – risk that an investment cannot be bought or sold quickly enough to minimize a loss stemming from a lack of marketability;
- Concentration of investment risk – increasing probability of loss arising from heavily lopsided exposure to an asset class, issuer, structure or maturity;
- Interest rate risk – risk that a security's value will decrease with a rise in interest rates.

To manage custodial credit risk for investments, the County's investment policy specifies the County will execute a Third-Party Custodial Safekeeping Agreement with a commercial bank's trust department separately chartered by the U.S. Government or State of Florida. In addition, no more than 25% of the entire portfolio may be placed with any one financial institution or securities dealer. All securities purchased by the County are properly designated as an asset of the County and are held in safekeeping by the bank's trust department.

NOTE C – CASH AND INVESTMENTS (CONTINUED)

To manage credit risk, the County's investment policy identifies and limits investments to only top ratings issued by nationally recognized statistical rating organizations. At order entry, the County's investments in Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association were rated Aaa by Moody's Investor Service. At order entry, the County's investments in corporate and municipal notes were rated A or better.

To manage liquidity risk, the County's investment policy identifies and limits investment to only top ratings issued by nationally recognized statistical rating organizations. In order to ensure deep liquid markets, the County's investment policy identifies and limits investment in corporate notes to domestic issuers. Position size is also taken into consideration with regard to liquidity risk.

To manage concentration of investment risk, the County's investment policy stipulates maximum limitation guidelines for diversification by instrument. A maximum of 50% of the portfolio may be invested in each of the Florida Trust and Local Government Surplus Funds Trust Fund (Florida Prime) individually. Investment maximum limitations range from 10% to 80% for each of the remaining types of investments. More than 5% of the County's total investments are invested in US Treasuries..

To manage interest rate risk, the County maintains a formal investment policy that limits investment maturities not to exceed seven (7) years. The County maintains and reports interest rate risk using the segmented time distribution method. This coupled with a diversified portfolio of differing maturities that employ callable, floating, and structured securities limits exposure to fair value losses arising from interest rate risk.

NOTE D – RECEIVABLES

Accounts receivable at September 30, 2021, for the County's individual major funds and non-major funds in total, including applicable allowances for uncollectibles were as follows:

	Accounts Receivable, Gross	Allowance for Uncollectible Accounts	Accounts Receivable, Net
General Fund	$ 1,173,564	$ 862,733	$ 310,831
Transportation Trust and Gas Taxes	63,065	9,245	53,820
Hernando County Fire Rescue -Fire	213,595	195,954	17,641
Hernando County Fire Rescue -Rescue	13,356,968	3,664,401	9,692,567
Water and Sewer District	4,914,253	328,332	4,585,921
Aviation Operations	50,888	27,600	23,288
Waste Management	301,901	64,294	237,607
Building Department	205,726	185,318	20,408
Non-major government funds	14,605,712	13,764,175	841,537
Internal Service Funds	419,856	-	419,856
Total	$ 35,305,528	$ 19,102,052	$ 16,203,476

NOTE D – RECEIVABLES (CONTINUED)

Included in accounts receivable in the Water and Sewer District are unbilled amounts totaling $2,213,668 earned in September 2021, but billed in October 2021.

The County's State Housing Initiatives Partnership (SHIP) program offers zero-interest rate loans for housing rehabilitation or down payment assistance to qualified recipients. Currently, the loans are required to be repaid at the sale/transfer of the property if made before 30 years. Loans are forgiven if the recipient remains in the house beyond 30 years. The County has recorded the gross amount of the receivable as an asset of $13.8 million, offset entirely by an allowance for uncollectible receivables.

Due from Other Governments at September 30, 2021, for the County's individual major funds and non-major funds were as follows:

	Due from Grantors	Due from State	Other	Total
General Fund	$ 1,740,802	$ 2,252,916	$ 724,413	$ 4,718,131
Transportation Trust and Gas	32,559	1,829,231	-	1,861,790
Impact Fees Capital Project Fund	-	-	3,583	3,583
Hernando County Fire Rescue-Fire	42,568	8,250	-	50,818
Hernando County Fire Rescue-Rescue	-	7,350	1,125	8,475
Water and Sewer District	2,746,545	-	31,142	2,777,687
Aviation Operations	210,294	-	-	210,294
Building Department	33,007	-	-	33,007
Non-major governmental funds	519,771	3,175	92,901	615,847
Internal Service Funds	-	2,078	-	2,078
Total	$ 5,325,546	$ 4,103,000	$ 853,164	$ 10,281,710

NOTE E – RESTRICTED ASSETS

As of September 30, 2021, restricted assets were held for the following purposes:

	Cash with Fiscal Agent	Pooled Cash and Investments and Other Investments	Total
Transportation Trust and Gas Taxes	$ 433,664	$ -	$ 433,664
Special Revenue Fund	69,729	-	69,729
Debt Service Funds	-	12,093	12,093
Total Governmental Activities	503,393	12,093	515,486
Water and Sewer District			
Construction	1,722,113	13,149,087	14,871,200
Debt Retirement	-	-	-
Renewal and Replacement	272,055	6,904,423	7,176,478
Total Water and Sewer District	1,994,168	20,053,510	22,047,678
Waste Management			
Landfill Closure/Post-closure	-	9,649,608	9,649,608
Total Waste Management	-	9,649,608	9,649,608
Total Business-Type Activities	$ 1,994,168	$ 29,703,118	$ 31,697,286

NOTE F – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 30,377,736	$ 2,683,704	$ 366,800	$ 32,694,640
Construction in Progress	3,608,258	3,831,271	1,901,434	5,538,095
Total capital assets, not being depreciated	33,985,994	6,514,975	2,268,234	38,232,735
Capital assets, being depreciated:				
Buildings	132,998,624	-	-	132,998,624
Infrastructure	314,071,171	8,063,633	-	322,134,804
Improvements other than buildings	30,571,769	2,072,155	130,450	32,513,474
Equipment	78,688,869	9,329,937	5,463,646	82,555,160
Software	1,420,588	-	63,553	1,357,035
Total capital assets being depreciated	557,751,021	19,465,725	5,657,649	571,559,097
Less accumulated depreciation for:				
Buildings	60,292,906	3,433,525	-	63,726,431
Infrastructure	122,389,347	8,899,789	-	131,289,136
Improvements other than buildings	21,347,056	1,026,568	97,903	22,275,721
Equipment	48,607,221	7,269,446	5,339,228	50,537,439
Software	907,183	92,966	63,553	936,596
Total accumulated depreciation	253,543,713	20,722,294	5,500,684	268,765,323
Total capital assets, being depreciated, net	304,207,308	(1,256,569)	156,965	302,793,774
Capital assets, net	$ 338,193,302	$ 5,258,406	$ 2,425,199	$ 341,026,509

NOTE F – CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 10,326,775	$ -	$ -	$ 10,326,775
Construction in Progress	14,236,471	18,340,285	3,216,233	29,360,523
Total capital assets, not being depreciated	24,563,246	18,340,285	3,216,233	39,687,298
Capital assets, being depreciated:				
Buildings	23,657,629	90,529	-	23,748,158
Infrastructure	3,335,468	227,783	-	3,563,251
Improvements other than buildings	398,642,556	5,649,280	-	404,291,836
Equipment	10,682,110	330,892	556,940	10,456,062
Software	228,323	-	-	228,323
Total capital assets being depreciated	436,546,086	6,298,484	556,940	442,287,630
Less accumulated depreciation for:				
Buildings	7,253,354	710,502	-	7,963,856
Infrastructure	805,253	88,119	-	893,372
Improvements other than buildings	182,117,105	10,155,018	-	192,272,123
Equipment	7,123,967	554,882	556,940	7,121,909
Software	11,416	45,664	-	57,080
Total accumulated depreciation	197,311,095	11,554,185	556,940	208,308,340
Total capital assets, being depreciated, net	239,234,991	(5,255,701)	-	233,979,290
Capital assets, net	$ 263,798,237	$ 13,084,584	$ 3,216,233	$ 273,666,588

NOTE F – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Governmental Activities		
General Government	$	5,146,234
Public Safety		3,330,165
Physical Environment		179,459
Transportation		9,674,698
Economic Environment		32,398
Human Services		1,636,761
Culture and Recreation		625,835
Court Operations		96,744
Total Depreciation for Governmental Activities	$	20,722,294
Business-Type Activities		
Water and Sewer District	$	9,105,234
Aviation Operations		1,533,397
Waste Management		864,740
Building Department		50,814
Total Depreciation for Business-Type Activities	$	11,554,185

During the year ended September 30, 2021, interest costs incurred totaled $3,344,016 for the Water and Sewer District and $36,990 for the Aviation Operations.

Construction or capital improvement commitments outstanding as measured by purchase orders and contracts outstanding at September 30, 2021 were as follows:

	Construction Commitments Outstanding	
General Fund	$	10,481,004
Transportation Trust and Gas Taxes		1,814,572
Impact Fees Capital Projects Fund		571,443
Hernando County Fire Rescue-Fire		4,900,175
Hernando County Fire Rescue-Rescue		2,126,424
Non-major governmental funds:		
Stormwater Management		235,177
Court-Related Funds		376,185
Miscellaneous Special Revenue Funds		1,120,402
Restore Act Projects		33,300
Water and Sewer District		16,095,060
Aviation Operations		3,677,137
Waste Management		196,612
Internal service funds:		
Fleet Replacement		1,658,008
Total	$	43,285,499

NOTE G – INTERFUND TRANSACTIONS

1. DUE TO / DUE FROM OTHER FUNDS

Interfund balances at September 30, 2021 were as follows:

	Interfund Receivable	Interfund Payable
General Fund		
Transportation Trust and Gas Taxes	$ -	$ 105,547
Hernando County Fire Rescue-Fire	-	315,285
Hernando County Fire Rescue-Rescue		122,457
Non-major Governmental Funds	238,039	259,233
Water and Sewer District	-	62,941
Building Department	-	115
Internal Service Funds	-	58,082
	238,039	923,660
Transportation Trust and Gas Taxes		
General Fund	105,547	22,749
Non-major Governmental Funds	1,277	-
	106,824	22,749
Hernando County Fire Rescue-Fire		
General Fund	315,285	-
Interal Service Funds		14,748
	315,285	14,748
Hernando County Fire Rescue-Rescue		
General Fund	122,457	-
Nonmajor Governmental Funds	1,638	-
	124,095	-
Non-major governmental funds		
General Fund	122,215	101,021
Transportation Trust and Gas Taxes	-	1,277
Hernando County Fire Rescue-Rescue	-	1,638
Nonmajor Governmental Funds	409,715	409,715
Water and Sewer District	-	159,919
Building Department	-	33,681
Internal Service Funds	-	5,751
	531,930	713,002
Water and Sewer District		
Nonmajor Governmental Funds	159,919	-
Internal Service Funds	-	35,126
	159,919	35,126
Aviaition Operations		
Internal Service Funds	-	1,926
Waste Management Fund		
General Fund	62,941	-
Internal Service Funds	-	5,038
	62,941	5,038

NOTE G – INTERFUND TRANSACTIONS (CONTINUED)

	Interfund Receivable	Interfund Payable
Building Department		
General Fund	115	-
Nonmajor Governmental Funds	33,681	-
Internal Service Funds	-	7,827
	33,796	7,827
Internal Service Funds		
General Fund	58,082	-
Transportation Trust adn Gas Taxes	22,749	-
Hernando County Fire Rescue-Fire	14,748	-
Nonmajor Governmental Funds	5,751	-
Water and Sewer District	35,126	-
Aviation Operations	1,926	-
Waste Management	5,038	-
Building Department	7,827	-
Internal Service Funds	8,522	8,522
	159,769	8,522
Total Due To/Due From Other Funds	$ 1,732,598	$ 1,732,598

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The outstanding balances generally are the result of one fund providing services to another fund.

2. ADVANCES TO / ADVANCES FROM OTHER FUNDS

Individual interfund advances were as follows:

	Advances to Other Funds	Advances from Other Funds
General Fund	$ 450,000	$ -
Special Revenue Funds		
Miscellaneous Special Revenue Funds	-	450,000
The General Fund advanced $450,000 at 0% interest, to establish a separate fund within Miscellaneous Special Revenue funds for the Hernando/Citrus Metropolitan Planning Organization. A date for final reimbursement has not been determined.		
Total Advances To/Advances From Other Funds	$ 450,000	$ 450,000

NOTE G – INTERFUND TRANSACTIONS (CONTINUED)

3. INTERFUND TRANSFERS

Transfers are used to (1) move revenues from the fund in which statute or budget requires the money to be collected to the fund in which statute or budget requires the money to be spent, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

	Transfers In	Transfers Out
General Fund		
Transportation Trust and Gas Taxes	$ 219,584	$ 156,658
Hernando County Fire Rescue-Fire	-	315,285
Non-major governmental funds	138,338	5,291,328
Waste Management	-	62,941
Building Department	-	115
Internal Service Funds	-	228,865
	357,922	6,055,192
Transportation Trust and Gas Taxes		
General Fund	105,547	219,584
Non-major governmental funds	494,807	203,644
Internal Service Funds		131,040
	600,354	554,268
Impact Fees Capital Project Fund		
Non-major governmental funds	-	449,554
Aviation Operations	-	385,926
		835,480
Hernando County Fire Rescue-Fire		
General Fund	315,285	-
Non-major governmental funds	-	66,644
Internal Service Funds	-	2,529,483
	315,285	2,596,127
Hernando County Fire Rescue-Rescue		
Non-major governmental funds	124,094	-
Internal Service Funds	-	1,644,514
	124,094	1,644,514
Non-major governmental funds		
General Fund	5,270,182	138,338
Transportation Trust and Gas Taxes	128,444	1,277
Hernando County Fire Rescue-Fire	66,644	-
Impact Fees Capital Project Fund	449,554	-
Non-major governmental funds	7,038,843	7,542,691
Water and Sewer District	-	8,275
Internal Service Funds	128,444	27,586
	13,082,111	7,718,167
Water and Sewer District		
Non-major governmental funds	8,275	-
Aviation Operations	92,358	339,223
Internal Service Funds	-	187,135
	100,633	526,358

NOTE G – INTERFUND TRANSACTIONS (CONTINUED)

	Transfers In	Transfers Out
Aviation Operations		
Water and Sewer District	$ 339,223	$ 92,358
Impact Fees Capital Project Funds	385,926	-
Internal Service Funds	-	7,670
	725,149	100,028
Waste Management Fund		
General Fund	62,941	-
Internal Service Funds	-	45,695
	62,941	45,695
Building Department		
General Fund	115	-
Non-major Governmental Funds	33,681	
Internal Service Funds	-	49,530
	33,796	49,530
Internal Service Funds		
Hernando County Fire Rescue-Fire	2,280,000	
Hernando County Fire Rescue-Rescue	1,520,000	
Non-major governmental funds	-	128,444
Internal Service Funds	1,076,153	24,635
	4,876,153	153,079
Total Interfund Transfers	$ 20,278,438	$ 20,278,438

NOTE H – LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable from direct borrowings/direct placements	$ 1,615,000	$ -	$ 380,000	$ 1,235,000	$ 395,000
Net Bond Premium	6,802	-	1,546	5,256	1,546
Total Bonds Payable	1,621,802	-	381,546	1,240,256	396,546
Loans & Notes from direct borrowings/direct placements	27,009,463	5,707,538	5,155,709	27,561,292	4,180,107
Leases Payable	822,785	-	371,900	450,885	108,403
Compensated Absences	10,664,256	7,547,810	7,839,966	10,372,100	8,113,061
Other Post Employment Benefits	17,251,692	619,506	-	17,871,198	751,866
Net Pension Liability	178,132,235	-	124,961,535	53,170,700	141,486
Claims Liabilities	5,875,184	21,216,505	18,506,590	8,585,099	4,785,099
Total	$ 241,377,417	$ 35,091,359	$ 157,217,246	$ 119,251,530	$ 18,476,568

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities					
Bonds Payable from direct borrowings/direct placements	$ 24,419,950	$ 62,700,000	$ 24,380,000	$ 62,739,950	$ 3,200,000
Net Bond Premium	2,431,669	8,254,093	2,646,637	8,039,125	515,880
Total Bonds Payable	26,851,619	70,954,093	27,026,637	70,779,075	3,715,880
Loans & Notes from direct borrowings/direct placements	49,273,860	-	48,440,534	833,326	196,474
Compensated Absences	1,230,708	1,005,339	1,052,682	1,183,363	994,026
Other Post Employment Benefits	2,345,496	87,653	-	2,433,149	102,335
Net Pension Liability	12,117,186	-	9,937,303	2,179,883	5,942
Landfill Closure/Postclosure Liability	9,986,712	780,397	-	10,767,109	-
Total	$ 101,805,581	$ 72,827,482	$ 86,457,156	$ 88,175,905	$ 5,014,657

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

	Water & Sewer District	Aviation Operations	Waste Management	Building Department	Total
Business-Type Activities					
Bonds Payable from direct borrowings/direct placements	$ 62,739,950	$ -	$ -	$ -	$ 62,739,950
Net Bond Premium	8,039,125	-	-	-	8,039,125
Total Bonds Payable	70,779,075	-	-	-	70,779,075
Loans & Notes from direct borrowings/direct placements	-	833,326	-	-	833,326
Compensated Absences	765,614	55,286	187,186	175,277	1,183,363
Other Post Employment Benefits	1,584,271	76,738	385,780	386,360	2,433,149
Net Pension Liability	1,575,796	68,138	489,805	46,144	2,179,883
Landfill Closure/Postclosure Liability	-	-	10,767,109	-	10,767,109
Total	$ 74,704,756	$ 1,033,488	$ 11,829,880	$ 607,781	$ 88,175,905

See Note I for a discussion of the Net Pension Liability. See Note J for a discussion of the liability for Other Post-Employment Benefits. See Note M for a discussion of the liability for Claims Liabilities. See Note N for a discussion of the liability for landfill closure/postclosure.

1. LOANS & NOTES FROM DIRECT BORROWINGS/DIRECT PLACEMENTS

Summary of Loans & Notes

	Governmental Activities	Business-Type Activities
Non-revolving Lines of Credit	$ 17,641,293	$ 833,326
Other Loans and Notes	9,920,000	-
Total	$ 27,561,293	$ 833,326

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities-Governmental Funds

The following are summaries of Non-Revolving Lines of Credit at September 30, 2021:

Non-revolving line of credit dated November 13, 2012 with a bank for $7,500,000 to be used to finance improvement projects. The minimum draw for a project is $50,000 and the resulting note is to be amortized over 3, 5, 7 or 10 years, as determined at the time of the draw. Payment of principal and interest on these notes is to be made from special assessments levied and collected for the project. The master notes and the draws are secured by and payable solely from Non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance. The term to make draws from this line of credit has expired, and thus there is no unused amount available to the County. As of year-end the following notes had been executed under this agreement:		
English Sparrow Paving. Applicable rate of interest: 1.81%. Average annual principal patments of $5,463 due until May 1, 2023. Interest is paid semi-annually May 1 and November 1	$ 9,435	
Flock West paving. Applicable rate of interest: 1.81%. Average annual principal payments of $1,252 due until May 1, 2023. Interest is paid semi-annually May 1 and November 1.	2,162	
Flatwood Paving. Applicable rate of interest: 1.81%. Average annual principal payments of $5,680 due until May 1, 2023. Interest is paid semi-annually May 1 and November 1	9,809	
Lomita Wren Paving. Applicable rate of interest: 1.81%. Average annual principal payments of $2,885 due until May 1, 2023. Interest paid semi-annually May 1 and November 1	4,982	
Marvelwood Paving. applicable rate of interest: 1.81% Average annual principal payments of $13,610 dues until May 1, 2023. Interest is paid semi-annually May 1 and November 1	23,503	
Phillips Paving. Applicable rate of interest: 1.81%. Average annual principal payments of $7,923 due until May 1, 2023. Interest is paid semi-annually May 1 and November 1.	13,682	
Flicker Road Paving. Applicable rate of interest: 2.55% until January 1, 2018 then 3.10%. Average annual principal payments of $4,081 due until May 1, 2023. Interest paid semi-annually May 1 and November 1.	7,537	
State Road Canal Dredge. Applicable rate of itneret: 2.55% until January 1, 2018 then 3.1%. Avereage annual principa; payments of $11,757 due until May 1, 2023. Interest is paid semi-annually May 1 and November 1.	21,717	
County Radio System Upgrade. Applicable rate of interest: 1.91% until January 1, 2018 then 2.31%. Average annual principal payments of $422965 due until May 1, 2023. Interest paid semi-annually May 1 and November 1.	795,139	
Hernando Beach Volunteer Fire Department Engine. Applicable rate of interest: 2.29% until January 1, 2018 then 2.78%. Average annual principal payment of $46,809 due until May 1. 2023. Interest is paid semi-annually May 1 and November 1.	92,368	
		$ 980,334

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

Non-revolving line of credit dated August 4, 2014 with a bank for $10,000,000 to be used to finance improvement projects. The minimum draw for a project is $50,000 and the resulting note is to be amortized over 3, 5, 7, 10 or 15 years, as determined at the time of the draw. Payment of principal and interest on these notes is secured by covenant to budget and appropriate legally available non-ad valorem revenues or special assessments levied and collected for the project. The master notes and the draws are secured by and payable solely from Non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance. The term to make draws from this line of credit has expired, and thus there is no unused amount available to the County. As of year-end the following notes had been executed under this agreement:		
Courthouse Energy Performance Study. Applicable rate of interest: 2.8% until January 1, 2018 then 3.40%. Average annual principal payment of $62,848 due until May 1, 2029. Interest is paid semi-annually May 1 and November 1.	$	444,921
Phillips East Paving. Applicable rate of interest: 2.51% until January 1, 2018 then 3.05%. Average annual principal payments of $8,808 due until May 1, 2024. Interest is paid semi-annually May 1 and November 1.		33,913
Puffin Paving. Applicable rate of interest: 2.51% until January 1, 2018 then 3.05%. Average annual principal payments of $1,296 due until May 1, 2024. Interest is paid semi-annually May 1 and November 1.		4,990
Grass Finch Paving. Applicable rate of interest: 2.51% until January 1, 2018 then 3.05%. Average annual principal payments of $3,181 due until May 1, 2024. Interest is paid semi-annually May 1 and November 1.		12,247
Harris Hawk Paving. Applicable rate of interest: 2.51% until January 1, 2018 then 3.05%. Average annual principal payments of $9,500 due until May 1, 2024. Interest is paid semi-annually May 1 and November 1.		36,578
Royal Highlands Area A Paving. Applicable rate of interest: 2.53% until January 1, 2018 then 3.07%. Average annual principal payments of $12,361 due until May 1, 2024. Interest is paid semi-annually May 1 and November 1.		35,284
Ostrom/Allen Paving. Applicable rate of interest: 2.53% until January 1, 2018 then 3.07%. Average annual principal payments of $4,588 due until May 1, 2024. Interest is paid semi-annually May 1 and November 1.		13,097
Benes Roush Paving. Applicable rate of interest: 2.53% until January 1, 2018 then 3.07%. Average annual principal payments of $3,604 due until May 1, 2024. Interest is paid semi-annually May 1 and November 1.		10,290
Eider Paving. Applicable rate of interest: 2.53% until January 1, 2018 then 3.07%. Average annual principal payments of $2,914 due until May 1, 2024. Interest is paid semi-annually May 1 and November 1.		8,319
Helene Paving. Applicable rate of interest: 2.53% until January 1, 2018 then 3.07%. Average annual principal payments of $6,025 due until May 1, 2024. Interest is paid semi-annually May 1 and November 1.		17,198
Hancock Lake Paving. Applicable rate of interest: 2.44% until January 1, 2018 then 2.96%. Average annual principal payments of $14,079 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.		53,047

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

Crum Paving. Applicable rate of interest: 2.44% until January 1, 2018 then 2.96%. Average annual principal payments of $8,529 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	$ 32,136	
Hernando County Fire Department Fire Engine. Applicable rate of interest: 2.52% until January 1, 2018 then 3.06%. Average annual principal payment of $147,080 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	553,045	
Hernando County Fire Department Emergency Services Equipment. Applicable rate of interest: 2.52% until January 1, 2018 then 3.06%. Average annual principal payment of $42,265 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	158,925	
		$ 1,413,990
Non-revolving line of credit dated October 22, 2015 with a bank for $15,000,000 to be used to finance improvement projects. The minimum draw for a project is $50,000 and the resulting note is to be amortized over 3, 5, 7, 10 or 15 years, as determined at the time of the draw. Payment of principal and interest on these notes is secured by covenant to budget and appropriate legally available non-ad valorem revenues or special assessments levied and collected for the project. The master notes and the draws are secured by and payable solely from Non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance. The term to make draws from this line of credit has expired, and thus there is no unused amount available to the County. As of year-end the following notes had been executed under this agreement:		
Royal Highlands Area C Paving. Applicable rate of interest: 2.73% until January 1, 2018 then 3.32%. Average annual principal payments of $46,817 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	$ 175,153	
Royal Highlands Area E Paving. Applicable rate of interest: 2.73% until January 1, 2018 then 3.32%. Average annual principal payments of $27,923 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	104,465	
Royal Highlands Area F Paving. Applicable rate of interest: 2.73% until January 1, 2018 then 3.32%. Average annual principal payments of $11,372 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	42,546	
Royal Highlands Area G Paving. Applicable rate of interest: 2.34% until January 1, 2018 then 2.84%. Average annual principal payments of $34,880 due until May 1, 2026. Interest is paid semi-annually May 1 and November 1.	182,494	
Royal Highlands Area B Paving. Applicable rate of interest: 2.34% until January 1, 2018 then 2.84%. Average annual principal payments of $15,372 due until May 1, 2026. Interest is paid semi-annually May 1 and November 1.	804,243	
Golden Warbler Paving. Applicable rate of interest: 2.34% until January 1, 2018 then 2.84%. Average annual principal payments of $4,690 due until May 1, 2026. Interest is paid semi-annually May 1 and November 1.	24,538	

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

Paramount Area Paving. Applicable rate of interest: 2.34% until January 1, 2018 then 2.84%. Average annual principal payments of $7,309 due until May 1, 2026. Interest is paid semi-annually May 1 and November 1.	$	38,238
Pine Warbler Paving. Applicable rate of interest: 2.81% until January 1, 2018 then 3.42%. Average annual principal payments of $14,095 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.		76,830
Mexican Canary Paving. Applicable rate of interest: 2.81% until January 1, 2018 then 3.42%. Average annual principal payments of $9,308 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.		50,733
Godwit Paving. Applicable rate of interest: 2.81% until January 1, 2018 then 3.42%. Average annual principal payments of $6,872 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.		37,565
Pelican Paving. Applicable rate of interest: 2.81% until January 1, 2018 then 3.42%. Average annual principal payments of $5,225 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.		28,482
Furley Paving. Applicable rate of interest: 2.81% until January 1, 2018 then 3.42%. Average annual principal payments of $6,243 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.		34,029
Royal Highlands Area I Paving. Applicable rate of interest: 3.92%. Average annual principal payments of $37,859 due until May 1, 2028 Interest is paid semi-annually May 1 and November 1.		278,167
Royal Highlands Driveway Aprons. Applicable rate of interest: 3.92%. Average annual principal payments of $8,391 due until May 1, 2028. Interest is paid semi-annually May 1 and November 1.		61,652
Maberly Paving. Applicable rate of interest: 3.92%. Average annual principal payments of $13,124 due until May 1, 2028. Interest is paid semi-annually May 1 and November 1.		96,432
Taylor St Millings. Applicable rate of interest: 3.86%. Average annual principal payments of $5,904 due until May 1, 2028. Interest is paid semi-annually May 1 and November 1.		43,072
Sweetgum Road Millings. Applicable rate of interest: 3.86%. Average annual principal payments of $9,233 due until May 1, 2028. Interest is paid semi-annually May 1 and November 1.		67,363
Painted Bunting Paving. Applicable rate of interest: 3.86%. Average annual principal payments of $10,101 due until May 1, 2028. Interest is paid semi-annually May 1 and November 1.		73,696
Carnes Area Paving. Applicable rate of interest: 3.86%. Average annual principal payments of $20,090 due until May 1, 2028. Interest is paid semi-annually May 1 and November 1.		146,579
Jackdaw Road Paving. Applicable rate of interest: 4.09%. Average annual principal paymemts of $4,928 due until May 1, 2029. Interest paid semi-annually May 1 and November 1		37,035
Jaybird Road Paving. Applicable rate of interest: 4.09%. Average annual principal paymemts of $15,289 due until May 1, 2029. Interest paid semi-annually May 1 and November 1		114,901

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

Kodiak Wren Road Paving. Applicable rate of interest: 4.09%. Average annual principal paymemts of $6,478 due until May 1, 2029. Interest paid semi-annually May 1 and November 1	$ 48,684	
Old Squaw Avenue Paving. Applicable rate of interest: 4.09%. Average annual principal paymemts of $12,859 due until May 1, 2029. Interest paid semi-annually May 1 and November 1	96,639	
Quill Paving. Applicable rate of interest: 4.09%. Average annual principal paymemts of $3,396 due until May 1, 2029. Interest paid semi-annually May 1 and November 1	25,522	
Wood Owl Road Paving. Applicable rate of interest: 3.14%. Average annual principal paymemts of $14,010 due until May 1, 2029. Interest paid semi-annually May 1 and November 1	114,960	
Tinamou Area Paving. Applicable rate of interest: 3.14%. Average annual principal paymemts of $19,150 due until May 1, 2029. Interest paid semi-annually May 1 and November 1	157,137	
Alberta Street Paving. Applicable rate of interest: 3.14%. Average annual principal paymemts of $10,860 due until May 1, 2029. Interest paid semi-annually May 1 and November 1	89,112	
White Road Paving. Applicable rate of interest: 3.03%. Average annual principal paymemts of $18,592 due until May 1, 2029. Interest paid semi-annually May 1 and November 1	151,761	
		$ 3,202,028
Non-revolving line of credit dated March 11, 2020 with a bank for $15,000,000 to be used to finance improvement projects. The minimum draw for a project is $50,000 and the resulting note is to be amortized over 3, 5, 7, 10, or 15 years, as determined at the time of the draw. Payment of principal and interest on these notes is secured by a covenant to budget and appropriate legally available non-ad valorem revenues or special assessments levied and collected for the project. The master notes and the draws are secured by and payable solely from non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance. The term to make draws froom this line of credit has expired, and thus there is no unused amount available to the County. As of year-end th efollowing notes had been executed under this agreement:		
Marsh Wren Avenue Paving. Applicable rate of interest: 2.327%. Average annual principal payments of $5,961 due until May 1, 2030. Interest is paid semi-annuallly May 1 and November 1.	$ 54,149	
Nordica Road Paving. Applicable rate of interest: 2.327%. Average annual principal payments of $4,968 due until May 1, 2030. Interest is paid semi-annually May 1 and November 1.	45,132	
Piping Plover Area Road Paving. Applicable rate of interest: 2.327%. Average annual principal payments of $17,752 due until May 1, 2030. Inteerest is paid semi-annually May 1 and November 1.	161,259	
Royal Highlands Area L Road Paving. Applicable rate of interest: 2.327% Average annual principal payments of $18,782 due until May 1, 2030. Interest is paid semi-annually May 1 and November 1.	170,621	

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

Dolquieb Lane Area Road Paving. Applicable rate of interest: 2.327%. Average annual principal payments of $19,424 due until May 1, 2030. Interest is paid semi-annually May 1 and November 1.	176,455	
Michigan Avenue Road Paving. Applicable rate of interest: 2.06%. Average annual principal payments of $16,017 due until May 1, 2031. Interst is paid semi-annually May 1 and November 1.	160,171	
Hurrican Drive Road Paving. Applicable rate of interest: 2.06%. Average annual principal payments of $14,737 due until May 1, 2031. Interst is paid semi-annually May 1 and November 1.	147,367	
Station 5 - Fire. Applicable rate of interest: 2.06%. Average annual principal payments of $490,000 due until May 1, 2031. Interst is paid semi-annually May 1 and November 1.	4,900,000	
Station 6 - Fire. Applicable rate of interest: 2.06%. Average annual principal payments of $50,000 due until May 1, 2031. Interst is paid semi-annually May 1 and November 1.	500,000	
		6,315,154
Non-Ad Valorem Refunding Revenue Note, Series 2012 dated November 13, 2012 with a bank for $24,430,000 is a direct borrowing to be used to refinance Capital Improvement and Refunding Bonds, Series 2002 and a portion of Capital Improvement and Refunding Bonds, Series 2004. Payment of principal and interest on this note is secured by and payable solely from Non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance.		
Applicable rate of interest: 2.572%. Average annual principal payments of $1,987,624 due until February 1, 2028. Interest is paid semi-annually February 1 and August 1.		$ 9,920,000

Governmental Activities - Internal Service Funds

Non-revolving line of credit dated October 22, 2015 with a bank for $15,000,000 to be used to finance improvement projects. The minimum draw for a project is $50,000 and the resulting note is to be amortized over 3, 5, 7, 10 or 15 years, as determined at the time of the draw. Payment of principal and interest on these notes is secured by covenant to budget and appropriate legally available non-ad valorem revenues or special assessments levied and collected for the project. The master notes and the draws are secured by and payable solely from Non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance. The term to make draws from this line of credit has expired, and thus there is no unused amount available to the County. As of year-end the following notes had been executed under this agreement:

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

Vehicle purchases. Applicable rate of interest: 2.16% until January 1, 2018 then 2.63%. Average annual principal payments of $200,000 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.	$ 376,513	
Vehicle purchases. Applicable rate of interest 2.81% until January 1, 2018 then 3.42%. Average annual principal payments of $69,076 due until May 1, 2024. Interest is paid semi-annually May 1 and November 1.	762,586	
Vehicle purchase. Applicable rate of interest 2.19% until January 1, 2018 principal payments of $139,164 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	434,578	
Vehicle purchases. Applicable rate of interest 3.723%. Average annual payments of $140,571 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	591,883	
		$ 2,165,560
Non-revolving line of credit dated March 11, 2020 with a bank for $15,000,000 to be used to finance improvement project. The minimum draw for a project is $50,000 and the resulting note is to be amortized over 3, 5, 7, 10, or 15 years, as determined at the time of the draw. Payment of principal and interest on these notes is secured by convenant to budget and appropriate legally available non-ad valorem revenues or special assessments levied and collected for the project. The master notes and the draws are secured by and payable solely from non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance. The term to make draws from this line of credit has expired, and thus there is no unused amount available to the County. As of year-end the following notes had been executed under this agreement:		
Vehicle purchases. Applicable rate of interest: 2.104%. Average annual principal payments of $252,280 due until May 1, 2030. Interest is paid semi-annually May 1 and November 1.	$ 2,300,064	
Vehicle purchases. Applicable rate of interest: 1.73%. Average annual principal payments of $60,820 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.	367,066	
Vehicle purchases. Applicable rate of interest: 1.98%. Average annual principal payments of $99,024 due until May 1, 2030. Interest is paid semi-annually May 1 and November 1.	897,097	
		3,564,227
Total Governmental Activites Loans and Notes		$ 27,561,293

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

Below is a summary of debt service requirements until maturity for the Governmental Activities Loans & Notes Payable:

Year ended September 30	Principal	Interest	Total
2022	$ 4,180,108	$ 708,746	$ 4,888,854
2023	4,267,295	618,732	4,886,027
2024	3,870,084	498,933	4,369,017
2025	3,481,793	388,665	3,870,458
2026	3,106,881	288,260	3,395,141
2027-2031	8,655,132	425,234	9,080,366
Total	$ 27,561,293	$ 2,928,570	$ 30,489,863

Business-Type Activities

The following is a summary of Loans & Notes at September 30, 2021:

Aviation Operations Non-revolving line of credit dated October 22, 2015 with a bank for $15,000,000 to be used for construction of multiple T-Hangar buildings known as Southeast T-Hangar Construction Phase III. The minimum draw for a project is $50,000 and the resulting note is to be amortized over 3, 5, 7, 10, or 15 years, as determined at the time of the draw. The master notes and the draws are secured by and payable solely from Non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance. The term to make draws from this line of credit has expired, and thus there is no unused amount available to the County. Applicable rate of interest: 3.92%. Average annual principal payments of $190,000 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	$ 833,326

Below is a summary of debt service requirements until maturity for the Business-Type Activities Loans & Notes:

Year ended September 30	Principal	Interest	Total
2022	$ 196,474	$ 32,666	$ 229,140
2023	204,176	24,965	229,141
2024	212,179	16,961	229,140
2025	220,497	8,644	229,141
Total	$ 833,326	$ 83,236	$ 916,562

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

2. LEASES PAYABLE

Governmental Activities

Installment purchase used to finance a vehicle and equipment for the Sheriff's Office:

Applicable rate of interest: 0%. Annual payments of $155,410 payable until 2026.	$450,885

3. BONDS PAYABLE

Governmental Activities

NON-AD VALOREM REFUNDING REVENUE BONDS, SERIES 2010

Non-Ad Valorem Refunding Revenue Bonds, Series 2010 dated February 19, 2010 in the aggregate amount of $9,980,000 were issued as a direct placement during the fiscal year ended September 30, 2010. Of the total bonds issued, the portion attributable to the Governmental Fund is $5,700,000. The bonds were issued to legally defease all of the outstanding Capital Improvement Revenue Refunding Bonds, Series 1998 and a portion of the Water and Sewer Refunding Revenue Bonds, Series 1998, and to pay certain costs and expenses relating to the issuance of the Series 2010 Bonds, including the premium for a financial guaranty insurance policy.

The Series 2010 Bonds are payable solely from the County's covenant to budget and appropriate in its annual budget Non-Ad Valorem revenues sufficient to pay principal and interest when due and pay all required deposits to the Rebate Fund. For the fiscal year 2021, pledged revenues in the amount of $52 million provided a coverage ratio of 14.38 times the annual debt service for the combined Non-Ad Valorem Refunding Revenue Bonds, Series 2010 and the Non-Ad Valorem Refunding Revenue Note, Series 2012.

Interest on the bonds is payable February 1 and August 1 of each year, commencing August 2010. The bonds carry interest rates varying from 2.0% to 4.125%, depending upon maturity date. Bonds maturing on or before February 1, 2020 are not subject to optional redemption prior to their respective stated dates of maturity. Bonds maturing on February 1, 2021 and thereafter are subject to redemption prior to their respective dates of maturity.

The following are the debt service requirements until maturity for the governmental activity bonds outstanding as of September 30, 2021:

	Non-Ad Valorem Refunding Revenue Bonds Series 2010	
Year	**Principal**	**Interest**
2022	395,000	42,031
2023	415,000	25,831
2024	425,000	8,766
Total	$ 1,235,000	$ 76,628

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities

Water & Sewer District

HOLLAND SPRINGS BONDS

Revenue bonds (“Series E Bonds”) were issued to finance the construction of the Holland Springs water project, in the amount of $659,450. The direct placement bonds were scheduled to mature April 1, 2025 with interest thereon at the rate of 7% per year payable each April 1 and October 1 beginning October 1, 1985. During the fiscal year ended September 30, 1989, an amended agreement was executed whereby $619,500 of these revenue bonds were canceled in exchange for connection fee credits to the developer in a like amount. The remaining $39,950 of bonds remain outstanding and payable in accordance with the original bond provisions. The bonds are payable from Net Revenues only up to an amount per annum equal to twenty-five percent (25%) of that portion of the revenues in the immediately preceding fiscal year derived from the Holland Springs system in excess of $20,000, as certified by the Consulting Engineer.

In the event that insufficient revenues to pay principal of and interest on the Series E Bonds are so derived from the Holland Springs system at the maturity date of the Series E Bonds, the lien of the Series E Bonds on Net Revenues shall be extinguished, and the County shall be under no obligation to provide for the payment of the principal or interest on the Series E Bonds. As of year-end, insufficient revenues have been generated to require payment of principal or interest on these bonds. As such, these bonds have not been included in the following schedule of debt service requirements.

WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 2021 BONDS

Taxable Water and Sewer Refunding Revenue Bonds, Series 2021A in the amount of $25,565,000, and Water and Sewer Refunding Revenue Bonds, Series 2021B in the amount of $37,135,000 (collectively the "Series 2021 Bonds") dated April 15, 2021, were issued as a direct placement during the fiscal year ended September 30, 2021.

Interest on the Series 2021 Bonds is payable June 1 and December 1 of each year, commencing December 2021.

The Series 2021 Bonds are payable solely from and secured by a lien upon and pledge of Net Revenues and Connection Fees of the System. For the fiscal year 2021, Pledged Funds in the amount of $24.6 million provided a coverage ratio of 8.56 times the annual debt service for the combined bonds.

The Series 2021 Bonds maturing before June 1, 2032 are not subject to optional redemption prior to their respective stated dates of maturity. Bonds maturing on or after June 1, 2032 are subject to redemption prior to their respective stated dates of maturity at the option of the County.

Taxable Water and Sewer Refunding Revenue Bonds, Series 2021A

The Taxable Water and Sewer Refunding Revenue Bonds, Series 2021A were issued to provide funds together with other legally available monies of the County, sufficient to refund all outstanding Water and Sewer Refunding Revenue Bonds, Series 2013A, and to pay certain costs and expenses relating to the issuance of the Series 2021A Bonds.

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

The Water and Sewer Refunding Bonds, Series 2021B were issued to provide funds, together with other legally available monies of the County, sufficient to prepay all of the County's outstanding loans with the Florida Department of Environmental Protection under the State Revolving Fund Program, and to pay certain costs and expenses relating to the issuance of the Series 2021B Bonds.

The Taxable Water and Sewer Refunding Revenue Bonds, Series 2021A carry interest varying from .315% to 2.441% depending upon maturity date.

Interest on the bonds is payable June 1 and December 1 of each year, commencing December 2021. The bonds carry interest rates varying from 0.3% to 5.0%, depending upon maturity date. Bonds maturing on or before June 1, 2023 are not subject to optional redemption prior to their respective stated dates of maturity. Bonds maturing after June 1, 2032 are subject to redemption prior to their respective dates of maturity.

Water and Sewer Refunding Revenue Bonds, Series 2021B

Water and Sewer Refunding Revenue Bonds, Series 20121B dated April 15, 2021 in the aggregate amount of $37,135,000 were issued as a direct placement during the fiscal year ended September 30, 2021. The bonds were issued to prepay outstanding county loans with the Florida Department of Environmental Protection under the State Revolving Fund program and pay certain costs associated with the issuance of the Series 2021B bonds.

The Water and Sewer Refunding Revenue Bonds, Series 2021B carry interest varying from 3.00% to 5.00% depending upon maturity date.

The Series 2021B Bonds are payable solely from and secured by a lien upon and pledge of the Net Revenues and Connection Fees of the County’s water and sewer system. For the fiscal year 2021, pledged revenues in the amount of $25 million provided a coverage ratio of 8.56 times the annual debt service for the combined Water and Sewer Refunding Revenue Bonds, Series 2013A, and the Water and Sewer portion of the Non-Ad Valorem Refunding Revenue Bonds, Series 2010.

Interest on the bonds is payable June 1 and December 1 of each year, commencing December 2013. The bonds carry interest rates varying from 3.0% to 5.0%, depending upon maturity date. Bonds maturing on or before June 1, 2023 are not subject to optional redemption prior to their respective stated dates of maturity. Bonds maturing after June 1, 2032 are subject to redemption prior to their respective dates of maturity.

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

The following are the debt service requirements until maturity for the Hernando County Water and Sewer District revenue bonds, excluding the Holland Springs Bonds, as noted previously:

	Taxable Water and Sewer Refunding Revenue Bonds Series 2021A		Water and Sewer Refunding Revenue Bonds Series 2021B		Water and Sewer Refunding Revenue Bonds Total	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 1,805,000	$ 437,706	$ 1,395,000	$ 1,723,330	$ 3,200,000	$ 2,161,036
2023	1,850,000	396,289	2,150,000	1,540,800	4,000,000	1,937,089
2024	1,855,000	389,537	2,235,000	1,454,800	4,090,000	1,844,337
2025	1,865,000	378,611	2,325,000	1,365,400	4,190,000	1,744,011
2026	1,885,000	359,699	2,415,000	1,272,400	4,300,000	1,632,099
2027-2031	9,880,000	1,349,185	14,020,000	4,424,250	23,900,000	5,773,435
2032-2036	6,425,000	307,649	11,625,000	1,268,250	18,050,000	1,575,899
2037	-	-	970,000	29,100	970,000	29,100
Total	$ 25,565,000	$ 3,618,676	$ 37,135,000	$ 13,078,330	$ 62,700,000	$ 16,697,006

The following is a reconciliation of total principal due on the Water and Sewer District's revenue bonds as of September 30, 2021, per the Statement of Net Position and the preceding amortization schedule:

Principal per amortization schedule	$ 62,700,000
Unamortized premium as of September 30, 2021	8,039,125
Bonds not included in amortization schedule, as noted above:	
Holland Springs Bonds	39,950
Total Carrying Value, Revenue Bonds	70,779,075
Current Portion, Revenue Bonds	(3,200,000)
Current Portion of unamortized premium	(515,880)
Long-Term Portion, Revenue Bonds	$ 67,063,195

4. DEFEASED BONDS

In prior years, the County defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on old bonds. Accordingly, the trust account assets and the liability for the defeased bonds were not included in the County's financial statements. As of September 30, 2021, there were defeased bonds outstanding from 2021 refundings in the amount of $24,380,000 for Water and Sewer Refunding Revenue Bonds, Series 2013A.

5. DEBT COMPLIANCE

Various bond indentures contain significant limitations and restrictions on the County regarding annual debt service requirements, the use of certain restricted accounts, minimum sinking fund balances, and minimum revenue bond coverage. Management believes that the County has complied with all material financial related covenants.

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

6. CONDUIT DEBT OBLIGATIONS

Periodically, Hernando County has issued Industrial Revenue Development Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Hernando County is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2021 there was one series of outstanding Industrial Revenue Development Bonds, with an outstanding principal amount of $11,132,500.

NOTE I – RETIREMENT SYSTEM

General Information about the Florida Retirement System (FRS)
The Florida Retirement System (FRS) was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Essentially all regular employees are eligible to enroll as members of the state-administered FRS. Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112 Part IV, Florida Statutes; Chapter 238, Florida Statutes and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and escribed in detail. Such provisions may be amended at any time by further action from Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined-benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

NOTE I – RETIREMENT SYSTEM (CONTINUED)

For the year ended September 30, 2021, the County's contributions to all Plans totaled $15,992,038. For further information of contributions by plan for each of the Constitutional Officers, see the schedule below:

	Florida Retirement System (FRS)	Health Insurance Subsidy (HIS)	Investment Plan	Total
Board of County Commissioners	$ 6,769,713	$ 744,982	$ 420,438	$ 7,935,133
Clerk of Circuit Court	508,202	76,758	22,638	607,598
Property Appraiser	287,395	35,077	21,610	344,082
Tax Collector	322,323	36,820	3,198	362,341
Sheriff	5,797,888	541,738	284,997	6,624,623
Supervisor of Elections	102,416	8,932	6,913	118,261
	$ 13,787,937	$ 1,444,307	$ 759,794	$ 15,992,038

Payables to the Pension Plan—The County reported a payable of $1,805,176 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2021.

1. FRS PENSION PLAN

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing, multiple-employer qualified defined benefit pension plan, with a DROP available for eligible employees. The general classes of membership applicable for the County are as follows:

- *Regular Class*—Members of the Plan who do not qualify for membership in the other classes.
- *Elected County Officer Class*—Members who hold specified elective offices in local government.
- *Senior Management Service Class*—Members in senior management level positions.
- *Special Risk Class*—Members who are employed as law enforcement, fire and rescue and others who meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of the plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustment to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipts of monthly benefit payments while continuing employment with an FRS employer.

NOTE I – RETIREMENT SYSTEM (CONTINUED)

An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal year's earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Certain members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment and Retirement Age/Years of Service	Percent Value
Regular Class Members Initially Enrolled Before July 1, 2011:	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 years of service	1.68
Regular Class Members Initially Enrolled on or After July 1, 2011:	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 years of service	1.68
Elected County Officers	3.00
Circuit and County Court Judges	3.33
Senior Management Service Class	2.00
Special Risk Class	
Service from December 1, 1970 thru September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

NOTE I – RETIREMENT SYSTEM (CONTINUED)

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2020-2021 fiscal year (September 30th) were as follows:

	Year Ended June 30, 2021 Percent of Gross Compensation		Year Ended June 30, 2022 Percent of Gross Compensation	
Class	**Employee**	**Employer**	**Employee**	**Employer**
FRS, Regular	3.00	8.28	3.00	9.10
FRS, Special Risk Regular	3.00	22.73	3.00	24.17
FRS, Elected County Officers	3.00	47.46	3.00	49.70
FRS, Senior Management Service	3.00	25.57	3.00	27.29
DROP—Applicable to Members from All of the Above Classes	0.00	15.32	0.00	16.62

Notes: (1) These rates include the normal cost and unfunded actuarial liability contributions but do not include the 1.66% contribution for the Retiree Health Insurance Subsidy and the fee of 0.06% for administration of the FRS Investment Plan and provision of educational tools for both plans.

The County contributions, including employee contributions, to the Plan totaled $13,787,937 for the fiscal year ended September 30, 2021. This excludes the HIS and Investment Plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2021, the County reported a liability of $26,061,739 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The County's proportionate share of the net pension liability was based on the County's 2020-21 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2021, the County's proportion was .345012032%, which was a decrease of .02742427 from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the County recognized a negative pension expense of $50,969,748 related to the Plan. This was due to the plan's funded ratio increasing from 78.85% to 96.40% during the plan's fiscal year. At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	$ 3,884,222	$ -
Difference between Expected and Actual Experience	4,467,023	-
Changes in Assumptions	17,832,734	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	90,922,853
Employer Specific Amounts Due to Changes in Employer Proportion	1,895,182	8,381,637
Total	$ 28,079,161	$ 99,304,490

NOTE I – RETIREMENT SYSTEM (CONTINUED)

The deferred outflows of resources related to pensions, totaling $3,884,222, resulting from County contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
2022	$ (13,282,424)
2023	(15,515,810)
2024	(20,016,723)
2025	(25,390,128)
2026	(904,466)
Total	$ (75,109,551)

For information regarding the Net Pension Liability, Deferred Outflows of Resources, and Deferred Inflows of Resources by Constitutional Officer, see the table below:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Board of County Commissioners	$ 12,998,054	$ 13,216,203	$ 48,502,506
Clerk of Circuit Court	921,719	1,172,547	3,276,655
Property Appraiser	552,611	556,638	1,941,813
Tax Collector	597,877	690,865	2,150,477
Sheriff	10,804,740	12,207,012	42,757,696
Supervisor of Elections	186,738	235,896	675,343
	$ 26,061,739	$ 28,079,161	$ 99,304,490

Actuarial Assumptions. The total pension liability in the July 1, 2021 actuarial valuation was determined using the individual entry age cost method and the following actuarial assumptions:

Inflation	2.40%
Salary Increases	3.25% Average, Including Inflation
Discount Rate	6.80%
Long-term Expected Rate of Return, Net of Investment Expense	6.80%
Municipal Bond Index	N/A

Mortality rates were based on the PUB2010 Base Table, varying by member, category & sex, projected generationally with SCALE MP 2018.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

NOTE I – RETIREMENT SYSTEM (CONTINUED)

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment or the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
Total	100.0%			
Assumed Inflation-Mean			2.4%	1.2%

Discount Rate. The discount rate used to measure the total pension liability in the July, 2020 valuation was 6.80%. The Plan's fiduciary net pension position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
Employer's Proportionate Share of Net Pension Liability (Asset)	$ 116,549,837	$ 26,061,739	$ (49,576,168)

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

2. HIS PENSION PLAN

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature established and amends the contribution requirements and benefit terms of the HIS program. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs.

NOTE I – RETIREMENT SYSTEM (CONTINUED)

Benefits Provided. For the fiscal year ended June 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplies by $5. The minimum HIS payment is $30 and the maximum payment is $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under the State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the Plan fiscal years ended June 30, 2021 and 2020, the contribution rates were 1.66% of payroll, pursuant to Section 112.363, Florida Statutes. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide a full subsidy benefit to all participants, benefits may be reduced or cancelled.

The County's contributions to the HIS Plan totaled $1,396,091 for the fiscal year ended September 30, 2021. This excludes the Pension Plan and Investment Plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2021, the County reported a liability of $29,288,844 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The County's proportionate share of the net pension liability was based on the County's 2020-21 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2021, the County's proportion was .2387709%, which was an increase of .00264948 from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the County recognized a negative pension expense of $226,985 related to the Plan. At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	$ 386,797	$ -
Difference between Expected and Actual Experience	980,079	12,268
Changes in Assumptions	2,301,448	1,206,775
Net Difference between Project and Actual Earnings on Pension Plan Investments	30,533	-
Employer Specific Amounts Due to Changes in Employer Proportion	1,054,782	527,615
Total	$ 4,753,639	$ 1,746,658

NOTE I – RETIREMENT SYSTEM (CONTINUED)

The deferred outflows of resources related to pensions, totaling $386,797, resulting from County contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
2022	$ 815,732
2023	284,821
2024	489,761
2025	570,516
2026	377,688
Thereafter	81,666
Total	$ 2,620,184

For information regarding the Net Pension Liability, Deferred Outflows of Resources, and Deferred Inflows of Resources by Constitutional Officer, see the table below:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Board of County Commissioners	$ 15,347,517	$ 2,296,593	$ 987,114
Clerk of Circuit Court	1,519,083	226,191	98,915
Property Appraiser	724,924	105,910	40,103
Tax Collector	739,889	159,670	47,516
Sheriff	10,776,183	1,913,896	561,623
Supervisor of Elections	181,248	51,379	11,387
	$ 29,288,844	$ 4,753,639	$ 1,746,658

Actuarial Assumptions. The total pension liability in the July 1, 2021 actuarial valuation, was determined using the individual entry age cost method and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% Average, Including Inflation
Discount Rate	2.16%
Long-term Expected Rate of Return, Net of Investment Expense	N/A
Municipal Bond Index	2.16%

Mortality rates were based on the Generational PUB 2010 with Projection Scale MP 2018.

The actuarial assumptions used in the June 30, 2021 valuation, were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

NOTE I – RETIREMENT SYSTEM (CONTINUED)

Discount Rate. The discount rate used to measure the total pension liability was 2.16%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 2.16%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current rate:

	1% Decrease '(1.16%)	Current Discount Rate '(2.16%)	1% Increase '(3.16%)
Employer's Proportionate Share of Net Pension Liability	$ 33,860,739	$ 29,288,844	$ 25,543,196

Pension Plan Fiduciary Net Pension. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

3. FRS-DEFINED CONTRIBUTION PENSION PLAN

The County contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to the individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officials, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the Investment members' accounts during the 2020-21 fiscal year are as follows:

NOTE I – RETIREMENT SYSTEM (CONTINUED)

	Year Ended June 30, 2021 Percent of Gross Compensation		Year Ended June 30, 2022 Percent of Gross Compensation	
Class	**Employee**	**Employer**	**Employee**	**Employer**
FRS, Regular	3.00	3.30	3.00	3.30
FRS. Special Risk Regular	3.00	11.00	3.00	11.00
FRS, Elected County Officers	3.00	8.34	3.00	8.34
FRS, Senior Management Service	3.00	4.67	3.00	4.67

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Plan is transferred to the Investment Plan, the member must have the years of service required for Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeit benefits of Investment Plan members. For the fiscal year September 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

Pension expense for the County's Investment Plan totaled $759,794 for the fiscal year ended September 30, 2021.

NOTE J – POST EMPLOYMENT BENEFITS OTHER THAN PENSION

1. SUMMARY AND PLAN DESCRIPTION

In addition to the retirement plan described in Note I, the County provides post-retirement health care benefits in accordance with Section 112.0801, Florida Statutes, to all employees who retire from employment with the County. This is administered via a single-employer defined benefit healthcare plan (the "Plan"). In most cases, the retiree pays 100% of the premium cost for the retiree to participate in the County's insurance program. Because retirees are paying for insurance at the County group rate, the cost is lower than age adjusted rates they would acquire on their own. When a single premium is established for both active employees and retirees, the retiree 'benefits' from an abnormally low premium. Governmental Accounting Standards Board (GASB) Statement No. 45 describes such an arrangement as an 'implicit rate subsidy' and mandates that it be treated as Other Post-Employment Benefits (OPEB) even though the employer makes no payments directly on behalf of retirees. The Plan provides healthcare benefits including medical coverage, prescription drug benefits, vision care, dental care and life insurance coverage to both active and eligible retired employees. Dental and vision care benefits are immaterial and are not believed to result in an OPEB; therefore, they are not included in the OPEB calculation. The Plan does not issue a separate financial report.

NOTE J – POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

Currently, there are no direct subsidies provided by any of the County agencies to retired employees. The Sheriff's Office offered a subsidy to help pay the premium required to continue coverage under the County's plan, but effective November 1, 2010, that was discontinued.

Eligibility for participation in the Plan is limited to full time employees of the County, employees who are active participants in the Plan at the time of retirement, who retire and are either vested with the Florida Retirement System (FRS), are vested in the FRS and are age 62, have 30 years of creditable service before age 62, or meet alternative criteria if disabled or a member of a Special Risk Class. Surviving spouses or dependents of participating retirees may continue in the Plan if eligibility criteria specific to those classes are met. In an open session, the County approves the Plan rates for the enrollment period, and may amend the Plan with changes to the benefits, premiums and/or levels of participant contribution at any time.

The actuarial valuation of the OPEB liabilities was determined as of September 30, 2020 which is the same as the measurement date. These liabilities are used for the reporting period ending September 30, 2021.

Actuarial Valuation Date	9/30/2020
Measurement Date	9/30/2020
County's Reporting Date	9/30/2021

At September 30, 2018, the date of the latest actuarial valuation, plan participation consisted of:

Active Plan Participants	1,381
Retirees and Beneficiaries Receiving Benefits	96
Total Membership	1,477

2. FUNDING POLICY

Currently, the County's OPEB benefits are unfunded. The County has the authority to establish and amend a funding policy; however, no Trust contributions are legally or contractually required, and no assets are accumulated in a trust that meets the criteria of GASB Statement 75.

3. TOTAL OPEB LIABILITY

The components of the County's OPEB Liability at the Measurement Date of September 30, 2020 are as follows:

Total OPEB Liability	$ 20,304,347
OPEB Plan Fiduciary Net Position	-
County's Net OPEB Liability	$ 20,304,347
OPEB Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%

NOTE J – POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

4. CHANGES IN TOTAL OPEB LIABILITY

The changes in the OPEB Liability for the Measurement Period Ended September 30, 2021 are as follows:

Total OPEB Liability:		
Service Cost	$	1,158,078
Interest on Total OPEB Liability		559,255
Changes of Benefit Terms		-
Difference between Expected and Actual Expense Liability		119,256
Changes in Assumptions and Other Inputs		(291,981)
Benefit Payments		(837,449)
Net Change in Total OPEB Liability		707,159
Total OPEB Liability-Beginning		19,597,188
Total OPEB Liability-Ending	$	20,304,347
Covered Employee Payroll	$	76,535,704
Total OPEB Liability as a Percentage of Covered Employee Payroll		26.53%

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the total OPEB liability, calculated using the discount rate of 2.41%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (1.41%) or one percentage-point higher (3.41%) than the current discount rate:

	1% Decrease 1.41%	Current Discount Rate Assumption 2.41%	1% Increase 3.41%
Total OPEB Liability	$ 21,907,468	$ 20,304,347	$ 18,809,346

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates

The following table presents the total OPEB liability of the County using the discount rate of 6.25% decreasing to 3.99%, as well as what the County's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower (5.25%) or one percentage-point higher (7.25%) than the current discount rate.

	1% Decrease (5.25% decreasing to 2.99%)	Current Discount Rate Assumption (6.25% decreasing to 3.99%)	1% Increase (7.25% decreasing to 4.99%)
Total OPEB Liability	$ 18,079,154	$ 20,304,347	$ 23,010,639

NOTE J – POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

5. OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the measurement period, the average of the expected remaining service lives for purposes of recognizing the applicable combined deferred outflows and inflows of resources established in the measurement period is 11.8 years.

For the year ended September 30, 2021, the County recognized OPEB expense of $1,398,898.

OPEB Expense:	
Service Cost	$ 1,158,078
Interest on Total OPEB Liability	559,255
Current-Period Benefit Changes	-
OPEB Plan Administrative Expense	-
Outflow(Inflow) of Resources due to Liability	(178,408)
Total OPEB Expense	$ 1,538,925

At September 30, 2021, the County has Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources	Net Deferred Amounts
Differences between Expected and Actual Experience	$ 2,387,366	$ -	$ 2,387,366
Changes in Assumptions and Other Inputs	1,400,670	5,144,318	(3,743,648)
Benefits Paid After the Measurement Date	1,024,189	-	1,024,189
	$ 4,812,225	$ 5,144,318	$ (332,093)

Deferred Inflows of Resources by Year are recognized in future OPEB expenses:

Fiscal Year Ended September 30	Deferred Inflow of Resources
2022	$ (178,408)
2023	(178,408)
2024	(178,408)
2025	(178,408)
2026	(178,408)
Thereafter	(464,242)
	$ (1,356,282)

Estimated Deferred Outflow of Resources due to benefits paid after the measurement date is $1,024,189.

NOTE J – POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

Change from Prior Reporting Year (includes Changes in Assumptions and Differences between Expected and Actual Experience):

	Deferred Outflow of Resources	Deferred Inflow of Resources
Prior Year End Balance	$ 4,918,442	$ 5,442,958
Additions/Reductions	(106,217)	(298,640)
Current Year End Balances	$ 4,812,225	$ 5,144,318

6. ACTUARIAL METHODS AND ASSUMPTIONS

The total OPEB liability at September 30, 2021 was based on actuarial valuation data, from the Measurement Date of September 30, 2020, using the following actuarial assumptions:

Actuarial cost method	Entry Age Normal
Inflation rate	2.25%
Discount rate	2.41%
Salary Increase Rates	3.4%-7.8%
Retirement Age	FRS actuarial calculated
Mortality Rates	Tables of Regular and Special Risk Class members of 7/1/2020 Florida Retirement System actuarial valuation
Healthcare Cost Trend Rates	Getzen Model, trend starting at 6.25% (1.5% for premiums to reflect actual increase) for 2021, 6.00% for 2022 and gradually decreasing to an ultimate trend rate of 3.99% plus a 0.0% increase for excise tax
Aging factors	2013 SOA Study “Health Care Costs-From Birth to Death”
Expenses	Administrative expenses included in the per capita health costs

NOTE K – ARBITRAGE REBATE LIABILITY

Hernando County calculates and records the estimated liability for arbitrage rebate on its outstanding bonds. The rebate calculations are done pursuant to Internal Revenue Code Section 148. The amount to be rebated is calculated as the excess of amounts earned on investments of bond proceeds over amounts that would have been earned if investments had been invested at a rate equal to the rate of yield on the bond issue, plus any income attributable to such excess. The regulations provide that the first rebate payment must be made not later than sixty (60) days after the end of the fifth bond year of the issue; the last installment payment must be made within sixty (60) days after the day on which the issue’s last obligation is redeemed. As of September 30, 2021, there is no estimated rebate liability on any of the County’s bond issues.

NOTE L – PROPERTY TAXES

Property tax collections, sales, and liens are governed by Chapter 197 of the Florida Statutes.

The Just/Market Value of all properties in the County is established by the Property Appraiser as of January 1 of each year for the subsequent fiscal year. Taxable Value is computed after deducting from Assessed Value various exemptions including governmental, educational, religious, institutional and qualified personal exemptions e.g.; homestead, widow or widower, blind, disabled, and various veteran’s exemptions.

NOTE L – PROPERTY TAXES (CONTINUED)

All property taxes are levied and become due and payable on November 1 of each year, and are delinquent on April 1 of the following year. Discounts are allowed for early payment of 4%, 3%, 2% and 1% in November through February, respectively. Delinquent taxes on real property may be paid after the date of delinquency but prior to the sale of a tax certificate by paying all taxes, costs, advertising charges, and interest of 18% per annum. For all real property with delinquent taxes, the Tax Collector advertises as required by Statute and sells tax certificates. All unsold certificates are issued to the County.

Any person owning real property upon which a tax certificate has been sold may redeem the property by paying the face amount of the tax certificate plus interest and costs associated with the sale of the certificate.

After taxes have been delinquent (April 1) for two years, the owner of a tax certificate may file an application for tax deed sale. The County is able to do the same for two years after taxes were due (November 1). All taxes imposed on any property become a first lien; superior to all other liens, as of January 1, of the year the taxes are levied.

NOTE M – RISK MANAGEMENT

The County's risk management activities are recorded in the Internal Service Funds (Risk Management, Workers' Compensation, County and Sheriff Health Insurance). The purpose of these funds is to administer workers' compensation, unemployment and disability insurance, property and liability insurance and health insurance. These funds account for the risk financing activities of the County but do not constitute a transfer of risk from the County.

Significant losses are covered by commercial insurance for all major programs, except workers' compensation. The County and the Sheriff are self-insured for health benefits. For insured programs, there have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or prior three years.

The Workers' Compensation fund is a self-insurance program for workers' compensation claims on losses up to $1,250,000 per occurrence and is indemnified against losses in excess of these amounts. The Workers' Compensation fund has indemnified each fund against any losses in a given year in excess of the fee charged. In the event actual losses are less than the fee charged, such amounts will be retained in the Workers' Compensation fund. Claim settlements and losses are accrued and subsequently paid from the Workers' Compensation fund. As of September 30, 2021, claims accrued, including an estimate for claims incurred but not reported, were $7,420,000. The County records an estimated liability for workers' compensation. Claims liabilities are based on estimates of the ultimate cost of reported claims and an estimate for claims incurred but not reported based on historical experience.

On October 1, 2011, the Sheriff's Office established a self-insurance program under Florida Statute 112.08 to reduce employee medical costs. The program is administered by an outside third party, and uses a combination of self-insurance and specific and aggregate stop-loss coverage to minimize risk exposure. It is accounted for in an Internal Service Fund. Fund revenues are primarily contributions from other funds, retirees, and employees, for amounts needed to pay insurance premiums, anticipated self-insured losses, and administrative expenses.

NOTE M – RISK MANAGEMENT (CONTINUED)

On October 1, 2014, the Board of County Commissioners established a County self-insurance program under Florida Statute 112.08 to reduce employee medical costs. The program facilitates self-insurance for the Board, Clerk of Court and Comptroller, Supervisor of Elections, Tax Collector and Property Appraiser. The program is administered by an outside third party, and uses a combination of self-insurance and aggregate stop-loss coverage to minimize risk exposure. It is accounted for in an Internal Service Fund. Fund revenues are primarily contributions from other funds, retirees, and employees for amounts needed to pay insurance premiums, anticipated self-insured losses, and administrative expenses.

CLAIMS LIABILITIES

	Workers' Compensation	County Health Insurance	Sheriff Health Insurance	Total Claims Liabilities
Liability balance September 30, 2019	$ 4,490,000	$ 604,406	$ 324,362	$ 5,418,768
Claims incurred	976,891	9,597,076	6,786,137	17,360,104
Claims paid	(566,891)	(9,576,878)	(6,759,919)	(16,903,688)
Liability balance September 30, 2020	4,900,000	624,604	350,580	5,875,184
Claims incurred	4,125,064	10,394,630	6,696,811	21,216,505
Claims paid	(1,605,064)	(10,313,176)	(6,588,350)	(18,506,590)
Liability balance September 30, 2021	$ 7,420,000	$ 706,058	$ 459,041	$ 8,585,099
Cash available to pay claims September 30, 2021 Reported in governmental activities	$ 8,145,891	$ 7,513,733	$ 7,171,941	

NOTE N – CLOSURE AND POSTCLOSURE CARE COSTS

The County's active landfills are at the Northwest facility, and include a Class 1 landfill (Cells 1, 2 & 3) and a Construction & Demolition (C&D) landfill. State and federal laws and regulations require the Waste Management Division (the Division) to place final covers on the active County landfills when they stop accepting waste and to perform certain maintenance and monitoring functions at the site. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Division reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. As of September 30, 2021, the Division has accrued a total of $10,767,109 in liabilities related to estimated closure and postclosure care costs.

Cells 1 and 2 at the Class 1 landfill were partially closed in 2014 at a cost of $3,158,604. Remaining closure costs of $6,343,409 as shown in the table below, are primarily for Cell 3. Cell 3 is approximately 62% filled at September 30, 2021 and has a remaining design life of approximately 7 years. Postclosure maintenance and monitoring functions will be required for thirty years after closure. Remaining estimated postclosure costs for the Class 1 landfill (all Cells) are $8,309,160. The class 1 landfill (all Cells) is approximately 79% filled at September 30, 2021. The County will recognize the remaining costs that have not been accrued (closure costs of $2,385,160 and postclosure costs of $1,768,222) as the remaining estimated capacity is filled.

NOTE N – CLOSURE AND POSTCLOSURE CARE COSTS (CONTINUED)

The C&D landfill is approximately 100% filled at September 30, 2021. Postclosure maintenance and monitoring functions will be required for five years after closure. Remaining estimated closure and postclosure costs for the C&D landfill are $168,379 and $99,994, respectively.

All cost estimates are in current dollars. Actual costs may be higher or lower due to inflation, changes in technology or processes, or changes in regulations.

Following is a table showing the remaining costs and amount accrued for the combined Northwest facility:

Landfill	Estimated Remaining Closure Costs	Percent Accrued	Closure Accrued Liability at 9/30/21	Estimated Remaining Postclosure Costs	Percent Accrued	Postclosure Accrued Liability at 9/30/21	Total Accrued Liability at 9/30/21
NW Cells 1, 2 & 3	$ 6,343,409	62.39%	$ 3,957,799	$ 8,309,160	78.72%	$ 6,540,937	$ 10,498,736
NW C & D	168,379	100.00%	168,379	99,994	100.00%	99,994	268,373
	$ 6,511,788		$ 4,126,178	$ 8,409,154		$ 6,640,931	$ 10,767,109

Amortization expense for 2021 was an increase of $771,001 for the Class 1 landfill and an increase of $3,396 for the C&D landfill. This expense increased significantly for the Class 1 landfill due to a 6% increase in capacity used.

The Division is required by state and federal laws and regulations to make contributions to a trust to finance closure and postclosure care. The Division believes it is in compliance with these requirements, and at September 30, 2021, cash and investments of $9,649,608 are held for these purposes. These are reported as restricted assets on the Statement of Net Position. The Division expects that future inflation costs will be paid from the interest earnings on these contributions.

NOTE O – DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

The deferred outflows of resources and deferred inflows of resources in the Statement of Net Position and Statement of Governmental Funds Balance Sheet are aggregated. Following are details of the aggregated amounts.

	Governmental Activities	Business-Type Activities
Statement of Net Position		
Deferred Outflows of Resources:		
Pensions	$ 31,249,237	$ 1,583,563
Other Post Employment Benefits	4,227,186	585,039
Deferred charge on debt refunding	484,186	-
	$ 35,960,609	$ 2,168,602
Deferred Inflows of Resources:		
Pensions	$ 93,605,766	$ 7,445,382
Other Post Employment Benefits	4,522,564	621,754
	$ 98,128,330	$ 8,067,136
Statement of Governmental Funds Balance Sheet		
Deferred Inflows of Resources:		
Taxes, applicable to a future period	$ 1,922,494	
Ambulance fees, applicable to a future period	8,180,912	
Other items, applicable to a future period	146,819	
Total Governmental Funds	$ 10,250,225	

NOTE P – SEGMENT INFORMATION

The County has four enterprise funds and has elected to separately report each as a major fund in the Basic Financial Statements. For this reason, segment information is not provided in the notes.

NOTE Q – CONTINGENCIES

1. GENERAL LITIGATION

As part of the ordinary course of operations, the County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Currently, the County is at varying stages in certain actions against it. Although the outcome of these actions is not presently determinable, in the opinion of the County Attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

NOTE Q – CONTINGENCIES (CONTINUED)

2. GRANTS AND CONTRACTS

The County participates in various federal and state assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal and state regulations, including the expenditure of resources for allowable purposes. Failure to comply may result in questions concerning the allowability of related direct and indirect charges pursuant to such agreements. Any disallowance resulting from a federal or state audit may become a liability of the County.

It is believed that the ultimate disallowance pertaining to these regulations, if any, will be immaterial to the overall financial condition of the County.

3. DISASTER ASSISTANCE

Disaster funding received from the FEMA Public Assistance Program (CFDA 97.036) is based on Project Worksheets (PW's) that outline the eligible expenses and the scope of the project. The County encountered damages related to both Hurricane Hermine in August of 2016 and Hurricane Irma in September of 2017 in which it was declared eligible for funding under this program. The Florida Division of Emergency Management (FDEM) entered into a Federally Funded Agreement for disaster assistance related to Hurricane Hermine in January 2017 and Hurricane Irma in December 2018. In addition, during fiscal year 2020 the County recieved Federally Funded Agreement for disaster assistance under the FEMA Public Assistance Program related to COVID-19. Currently these events are in varying stages of validation, obligation, and close-out.

The Federal Government approved the Coronavirus Aid Relief and Economic Security (CARES) Act to aid with the response and recovery from the COVID-19 pandemic. Subsequently, the County received multiple agreements under various programs funded under this Act. During fiscal year 2021, the County received funds from the Coronavirus Local Fiscal Recovery Fund awarded by the American Rescue Plan Act (ARPA) to further support their response to and recovery from the COVID-19 public health emergency.

NOTE R – RESTATED BEGINNING NET POSITION

Effective October 1,2020, Hernando County adopted GASB Statement No. 84, *Fiduciary Activities*. Implementation of the statement establishes criteria for identifying fiduciary activities and enhances the value provided by the information reported for assessing the government's accountability and stewardship. The financial statements of custodial funds held by the County have been restated to comply with the liability recognition criteria of the Statement as follows:

	Net Position Beginning of Year	Cumulative Effect of Restatement	Net Position Beginning of Year, Restated
Fiduciary Net Position	$ -	$ 995,937	$ 995,937

HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB)
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
September 30, 2021

	2018	2019	2020	2021
Total OPEB Liability:				
Service Cost	$ 1,181,694	$ 1,137,228	$ 887,762	$ 1,158,078
Interest on Total OPEB Liability	589,509	682,764	674,524	559,255
Changes of Benefit Terms	-	-	-	-
Difference between Expected and Actual Expense	-	3,055,234	-	119,256
Changes in Assumptions and Other Inputs	(725,447)	(5,912,172)	1,686,520	(291,981)
Benefit Payments	(552,150)	(468,206)	(750,886)	(837,449)
Net Change in Total OPEB Liability	$ 493,606	(1,505,152)	2,497,920	707,159
Total OPEB Liability-Beginning	18,110,814	18,604,420	17,099,268	19,597,188
Total OPEB Liability-Ending	$ 18,604,420	$ 17,099,268	$ 19,597,188	$ 20,304,347
Covered Employee Payroll	$ 79,723,027	$ 71,544,598	$ 74,406,382	$ 76,535,704
Total OPEB Liability as a Percentage of Covered Employee Payroll	23.34%	23.90%	26.34%	26.53%

Note: No Plan Assets are accumulated in a Trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Changes in Assumptions: The discount rate was changed from 2.75% as of the beginning of the measurement period to 2.41% as of September 30, 2021. This change is reflected in Note J, Schedule of Changes in Total OPEB Liability. There were no benefit changes during the year reported.

Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. Additional information will be provided annually until ten years' data is presented.

HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB)
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
September 30, 2021

Valuation Date	September 30, 2020
Measurement Date	September 30, 2020

Methods and Assumptions Used to Determine Total OPEB Liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Discount Rate	2.41%
Salary Increases	Salary increase rates used in the July 1, 2020 actuarial valuation of the Florida Retirement System; 3.4%-7.8%, including inflation.
Retirement Age	Retirement rates used in the July 1, 2020 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2008 through 2013.
Mortality	Mortality tables used for Regular and Special Risk Class members in the July 1, 2020 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2008 through 2013 and include generational projections.
Healthcare Cost Trend Rates	For the Board of County Commissioners Plan, based on the Getzen Model, with trend starting at 6.25% (1.5% for premiums to relfect actual increase) for 2021, 6.00% for 2022 and gradually trending to an ultimate trend rate of 3.99% plus 0% increase for excise tax. For the Sheriff Plan, based on the Getzen Model, with trend starting at 6.25% (21.0% for premiums to reflect actual increase) for 2021, 6.00% for 2022and gradually trending to an ultimate trend rate of 3.99%.
Aging Factors	Based on the 2013 SOA study “Health Care Costs-From Birth to Death”
Expenses	Administrative expenses are included in the per capita health costs.

HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT SYSTEM-SCHEDULE OF COUNTY'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
September 30, 2021

Last Eight Fiscal Years

FLORIDA RETIREMENT SYSTEM PENSION PLAN

Year Ended June 30,	County's Proportion of the FRS Net Pension Plan	County's Proportion Share of the FRS Net Pension Plan Liability	County's Covered Payroll (FYE June 30)	County's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.323724689%	$ 19,751,966	$ 63,870,645	30.92%	96.09%
2015	0.336186138%	43,422,948	67,871,564	63.98%	92.00%
2016	0.374836315%	94,646,463	72,504,583	130.54%	84.88%
2017	0.366968106%	108,546,704	73,706,909	147.27%	83.89%
2018	0.367093765%	110,570,546	77,006,547	143.59%	84.26%
2019	0.373614200%	128,667,529	80,431,045	159.97%	82.61%
2020	0.372436302%	161,419,382	82,071,964	198.55%	78.85%
2021	0.345012032%	26,061,739	84,464,514	30.86%	96.40%

HEALTH INSURANCE SUBSIDY PENSION PLAN

Year Ended June 30,	County's Proportion of the HIS Net Pension Plan	County's Proportion Share of the HIS Net Pension Liability	County's Covered Payroll (FYE June 30)	County's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.214659060%	$ 20,064,413	$ 63,870,645	31.41%	0.99%
2015	0.223082288%	22,750,520	67,871,564	33.52%	0.50%
2016	0.234274954%	27,303,775	72,504,583	37.66%	0.97%
2017	0.230722126%	24,669,874	73,706,909	33.47%	1.64%
2018	0.235431734%	24,918,358	77,006,547	32.36%	2.15%
2019	0.240008828%	26,854,586	80,431,045	33.16%	2.63%
2020	0.236121420%	28,830,041	82,071,964	35.46%	3.00%
2021	0.238770916%	29,288,844	84,464,514	34.68%	3.56%

Note: The amounts shown above for both tables as reported on the date indicated have a measurement date three months prior. Covered payroll is for the year shown. Additional information will be provided annually until ten years' data is presented.

HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT SYSTEM-SCHEDULE OF COUNTY'S CONTRIBUTIONS
September 30, 2021

Last Eight Fiscal Years

FLORIDA RETIREMENT SYSTEM PENSION PLAN

Year Ended September 30,	Contractually Required Contribution	FRS Contribution in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	County's Covered Payroll (FYE September 30)	FRS Contributions as a Percentage of Covered Payroll
2014	$ 9,065,698	$ (9,065,698)	-	$ 64,431,818	14.07%
2015	8,393,369	(8,393,369)	-	68,825,669	12.20%
2016	9,279,559	(9,279,559)	-	72,387,348	12.82%
2017	9,637,808	(9,637,808)	-	74,200,644	12.99%
2018	10,692,565	(10,692,565)	-	77,625,482	13.77%
2019	11,780,902	(11,780,902)	-	80,988,686	14.55%
2020	12,792,391	(12,792,391)	-	84,190,948	15.20%
2021	13,787,937	(13,787,937)	-	87,067,438	15.84%

HEALTH INSURANCE SUBSIDY PENSION PLAN

Year Ended September 30,	Contractually Required Contribution	HIS Contribution in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	County's Covered Payroll (FYE September 30)	HIS Contributions as a Percentage of Covered Payroll
2014	$ 939,152	$ (939,152)	-	$ 64,431,818	1.46%
2015	933,326	(933,326)	-	68,825,669	1.36%
2016	1,195,301	(1,195,301)	-	72,387,348	1.65%
2017	1,233,196	(1,233,196)	-	74,200,644	1.66%
2018	1,286,008	(1,286,008)	-	77,625,482	1.66%
2019	1,342,774	(1,342,774)	-	80,988,686	1.66%
2020	1,396,091	(1,396,091)	-	84,190,948	1.66%
2021	1,444,307	(1,444,307)	-	87,067,438	1.66%

Note: Additional information will be provided until ten years' data is presented.

NOTE 1 – SCHEDULES OF NET PENSION LIABILITY AND SCHEDULES OF CONTRIBUTIONS

Changes in Benefit Terms from the year ended June 30, 2020 to June 30, 2021:

- FRS—No significant changes.
- HIS—No significant changes.

Changes in Assumptions from the year ended June 30, 2020 to June 30, 2021:

- **FRS:** No significant changes.
- **HIS:** Both the discount rate and Municipal Bond Index rate changed from 2.21% to 2.16%.

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Combining and Individual Fund Statements and Schedules

Nonmajor Governmental Funds

Special Revenue Funds

Stormwater Management

To account for the proceeds of ad valorem taxes and other revenues for funding Stormwater Management.

State Housing Initiative Partnership

To account for the grant proceeds and associated expenditures of a low-income housing assistance program.

Court-Related Funds

To account for the proceeds of revenues received for the purpose of funding court-related technology, court improvements, court innovations, juvenile alternative programs, law library, legal aid, youth court and treatment of alcohol and other drug abuse.

Municipal Service Benefit Units Special Revenue Fund

To account for the proceeds of assessments levied for the purpose of funding road improvements, street lighting, fire hydrant maintenance, and other services within the various Municipal Service Benefit Units of the County.

Miscellaneous Special Revenue Funds

To account for the revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government and which, therefore, cannot be diverted to other uses. Included in this fund are the following: Hernando/Citrus Metropolitan Planning Organization, Florida Boating Improvement Program, Health Department, State and Local Mosquito Control, Law Enforcement Trust Fund, Crime Prevention, Hernando County Sheriff Revenue Fund, Federal Forfeiture-Justice Fund, Federal Forfeiture-Treasury Fund, Tourist Development Tax, Affordable Housing, Kass Circle Neighborhood Community Redevelopment Agency, Landscape Enhancement, Dori Slosberg Driver Education Safety and Library Estate Fund.

Clerk of Court & Comptroller Special Revenue Funds

To account for the funds received in the Clerk of Circuit Court's Records Modernization Fund and Fines and Forfeitures Fund.

Property Appraiser Special Revenue Funds

To account for the funds received in the Property Appraiser's Graphic Information Systems Fund, Addressing Fund, Addressing Fees Fund, GIS Business Units Fund and the County Fees and Commissions Fund.

Sheriff Special Revenue Funds

To account for the funds received in the Federal Forfeitures, E911 Fund, Inmate Welfare, Inmate Revenue, 800MHz Fund, Sheriff's Law Enforcement Education Fund, Child Saver Program Fund, Grants and Contributions Fund.

Debt Service Funds

Non-Ad Valorem Refunding Revenue Bonds 2010

To account for the debt service requirements of the Non-Ad Valorem Refunding Revenue Bonds, Series 2010.

Non-Ad Valorem Refunding Revenue Note 2012

To account for the debt service requirements of the Non-Ad Valorem Refunding Revenue Note, Series 2012.

Capital Project Funds

Restore Act

To account for the capital outlay expenditures under the Restore Act. The Restore Act, passed by Congress in 2012, allocates penalties and fines resulting from the Deepwater Horizon oil spill to Gulf Coast States and local governments.

HERNANDO COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2021

	Special Revenue Funds		
	Stormwater Management	**State Housing Initiative Partnership**	**Court-Related Fund**
ASSETS			
Cash and Cash Equivalents	$ -	$ -	$ -
Pooled Cash and Investments	6,084,510	2,135,999	6,684,960
Cash with Fiscal Agent	69,729	-	-
Accounts Receivable (net)	94	65,523	101,742
Due from Other Funds	26,128	-	-
Due from Other Governments	3,175	-	56,139
Prepaid Items	-	-	17,430
Total Assets	**6,183,636**	**2,201,522**	**6,860,271**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts Payable	168,111	37,643	104,086
Retainage Payable	7,754	-	-
Accrued Liabilities	7,265	-	19,020
Due to Other Funds	1,387	-	-
Due to Other Governments	-	-	-
Unearned Revenue	-	-	-
Deposits	-	-	-
Advances from Other Funds	-	-	-
Total Liabilities	184,517	37,643	123,106
Deferred Inflows of Resources			
Unavailable Revenues	10,593	-	-
Fund Balances			
Nonspendable:			
Prepaid Items	-	-	17,430
Restricted for:			
Grant Funded Programs	-	2,163,879	-
Court Programs	-	-	6,719,735
Special Assessment Projects	-	-	-
Environment Conservation	5,988,526	-	-
Bond covenants or debt service	-	-	-
Public Safety	-	-	-
Capital Projects	-	-	-
Other Purposes	-	-	-
Committed to:			
Other Purposes	-	-	-
Assigned to:			
Public Safety	-	-	-
Other Purposes	-	-	-
Total Fund Balances	5,988,526	2,163,879	6,737,165
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 6,183,636**	**$ 2,201,522**	**$ 6,860,271**

See accompanying independent auditors' report.

Special Revenue Funds		
Municipal Service Benefit Units	**Miscellaneous Special Revenue Funds**	**Clerk of Court and Comptroller**
$ 250	$ 400	$ -
5,705,535	10,285,599	3,282,764
-	-	-
7,739	650,868	-
99,050	406,752	-
-	290,330	38,554
-	409	81,120
5,812,574	**11,634,358**	**3,402,438**
594,302	166,540	6,849
-	625	-
-	38,027	25,366
151,644	10,660	-
-	-	848,061
-	8,513	-
-	-	275,088
-	450,000	-
745,946	674,365	1,155,364
-	699	-
-	409	78,663
-	116,710	-
-	-	-
3,271,307	-	-
-	-	-
718,181	-	-
-	-	-
1,077,140	-	-
-	3,963,611	2,168,411
-	455,692	-
-	6,412,690	-
-	10,182	-
5,066,628	10,959,294	2,247,074
$ 5,812,574	**$ 11,634,358**	**$ 3,402,438**

Continued

HERNANDO COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2021

	Special Revenue Funds			Debt Service Funds
	Property Appraiser Special Revenue Funds	Sheriff Special Revenue Funds	Total Special Revenue Funds	Non-Ad Valorem Refunding Revenue Bonds 2010
ASSETS				
Cash and Cash Equivalents	$ 1,690,024	$ 4,419,750	$ 6,110,424	$ -
Pooled Cash and Investments	-	-	34,179,367	8,638
Cash with Fiscal Agent	-	-	69,729	-
Accounts Receivable (net)	-	15,571	841,537	-
Due from Other Funds	-	-	531,930	-
Due from Other Governments	-	211,079	599,277	-
Prepaid Items	-	-	98,959	-
Total Assets	**1,690,024**	**4,646,400**	**42,431,223**	**8,638**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts Payable	325	674,023	1,751,879	-
Retainage Payable	-	-	8,379	-
Accrued Liabilities	-	27,074	116,752	-
Due to Other Funds	130,425	403,016	697,132	-
Due to Other Governments	490	-	848,551	-
Unearned Revenue	-	-	8,513	-
Deposits	-	-	275,088	-
Advances from Other Funds	-	-	450,000	-
Total Liabilities	131,240	1,104,113	4,156,294	-
Deferred Inflows of Resources				
Unavailable Revenues	-	-	11,292	-
Fund Balances				
Nonspendable:				
Prepaid Items	-	-	96,502	-
Restricted for:				
Grant Funded Programs	-	-	2,280,589	-
Court Programs	-	-	6,719,735	-
Special Assessment Projects	-	-	3,271,307	-
Environment Conservation	-	-	5,988,526	-
Bond covenants or debt service	-	-	718,181	8,638
Public Safety	-	3,542,287	3,542,287	-
Capital Projects	-	-	1,077,140	-
Other Purposes	-	-	6,132,022	-
Committed to:				
Other Purposes	1,558,784	-	2,014,476	-
Assigned to:				
Public Safety	-	-	6,412,690	-
Other Purposes	-	-	10,182	-
Total Fund Balances	1,558,784	3,542,287	38,263,637	8,638
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 1,690,024**	**$ 4,646,400**	**$ 42,431,223**	**$ 8,638**

See accompanying independent auditors' report.

Debt Service Funds		Capital Project Funds	
Non-Ad Valorem Refunding Revenue Note 2012	Total Debt Service Funds	Restore Act Projects	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ 6,110,424
3,455	12,093	-	34,191,460
-	-	-	69,729
-	-	-	841,537
-	-	-	531,930
-	-	16,570	615,847
-	-	-	98,959
3,455	**12,093**	**16,570**	**42,459,886**
-	-	700	1,752,579
-	-	-	8,379
-	-	-	116,752
-	-	15,870	713,002
-	-	-	848,551
-	-	-	8,513
-	-	-	275,088
-	-	-	450,000
-	-	16,570	4,172,864
-	-	-	11,292
-	-	-	96,502
-	-	-	2,280,589
-	-	-	6,719,735
-	-	-	3,271,307
-	-	-	5,988,526
3,455	12,093	-	730,274
-	-	-	3,542,287
-	-	-	1,077,140
-	-	-	6,132,022
-	-	-	2,014,476
-	-	-	6,412,690
-	-	-	10,182
3,455	12,093	-	38,275,730
$ 3,455	**$ 12,093**	**$ 16,570**	**$ 42,459,886**

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2021

	Special Revenue Funds			
	Stormwater Management	State Housing Initiative Partnership	Court-Related Funds	Municipal Service Benefit Units
Revenues				
Taxes	$ 1,098,322	$ -	$ -	$ -
Intergovernmental	47,352	554,711	365,334	-
Charges for Services	26,433	-	1,249,841	-
Fines and Forfeitures	-	-	-	-
Special Assessments	-	-	-	9,662,696
Interest	8,815	1,875	9,506	9,382
Miscellaneous	6,178	894,557	2,590	52,438
Total Revenues	1,187,100	1,451,143	1,627,271	9,724,516
Expenditures				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	2,563
Physical Environment	392,810	-	-	7,238,791
Transportation	-	-	-	1,158,755
Economic Environment	-	168,675	-	-
Human Services	-	-	-	-
Culture and Recreation	-	-	-	-
Court Operations	-	-	1,550,419	-
Debt Service				
Principal	-	-	-	704,275
Interest and Fiscal Charges	-	-	-	151,841
Capital Outlay	762,035	-	744,720	-
Total Expenditures	1,154,845	168,675	2,295,139	9,256,225
Excess of Revenues Over (Under) Expenditures	**32,255**	**1,282,468**	**(667,868)**	**468,291**
Other Financing Sources (Uses)				
Transfers In	15,535	-	452,956	99,050
Transfers Out	(2,600)	(10,000)	(9,100)	(493,529)
Issuance of Long-Term Debt	-	-	-	307,538
Total Other Financing Sources (Uses)	12,935	(10,000)	443,856	(86,941)
Net Change in Fund Balance	**45,190**	**1,272,468**	**(224,012)**	**381,350**
Fund Balances at Beginning of Year	5,943,336	891,411	6,961,177	4,685,278
Fund Balances at End of Year	**$ 5,988,526**	**$ 2,163,879**	**$ 6,737,165**	**$ 5,066,628**

See accompanying independent auditors' report.

Special Revenue Funds	
Miscellaneous Special Revenue Funds	Clerk of Court and Comptroller
$ 2,589,742	$ -
769,741	311,814
25,317	3,777,043
263,954	1,136,787
-	-
9,739	7,058
52,182	253
3,710,675	5,232,955
2,757	122,216
282,268	-
3,784	-
577,653	-
859,197	-
1,729,071	-
22,530	-
-	4,747,135
-	-
-	-
100,871	87,380
3,578,131	4,956,731
132,544	**276,224**
5,429,321	-
(2,427,449)	-
-	-
3,001,872	-
3,134,416	**276,224**
7,824,878	1,970,850
$ 10,959,294	**$ 2,247,074**

Continued

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2021

	Special Revenue Funds			Debt Service Funds
	Property Appraiser Special Revenue Funds	Sheriff Special Revenue Funds	Total Special Revenue Funds	Non-Ad Valorem Refunding Revenue Bonds 2010
Revenues				
Taxes	$ -	$ -	$ 3,688,064	$ -
Intergovernmental	1,357,717	299,985	3,706,654	-
Charges for Services	154,912	5,745,706	10,979,252	-
Fines and Forfeitures	-	165,077	1,565,818	-
Special Assessments	-	-	9,662,696	-
Interest	724	51,678	98,777	12
Miscellaneous	-	112,686	1,120,884	-
Total Revenues	1,513,353	6,375,132	30,822,145	12
Expenditures				
Current				
General Government	1,225,104	-	1,350,077	8
Public Safety	-	4,265,381	4,550,212	-
Physical Environment	-	-	7,635,385	-
Transportation	-	-	1,736,408	-
Economic Environment	-	-	1,027,872	-
Human Services	-	-	1,729,071	-
Culture and Recreation	-	-	22,530	-
Court Operations	-	-	6,297,554	-
Debt Service				
Principal	-	-	704,275	380,000
Interest and Fiscal Charges	-	-	151,841	57,764
Capital Outlay	3,732	177,138	1,875,876	-
Total Expenditures	1,228,836	4,442,519	27,081,101	437,772
Excess of Revenues Over (Under) Expenditures	**284,517**	**1,932,613**	**3,741,044**	**(437,760)**
Other Financing Sources (Uses)				
Transfers In	-	3,436,854	9,433,716	437,294
Transfers Out	(130,425)	(4,645,064)	(7,718,167)	-
Issuance of Long-Term Debt	-	-	307,538	-
Total Other Financing Sources (Uses)	(130,425)	(1,208,210)	2,023,087	437,294
Net Change in Fund Balance	**154,092**	**724,403**	**5,764,131**	**(466)**
Fund Balances at Beginning of Year	1,404,692	2,817,884	32,499,506	9,104
Fund Balances at End of Year	**$ 1,558,784**	**$ 3,542,287**	**$ 38,263,637**	**$ 8,638**

See accompanying independent auditors' report.

Debt Service Funds		Capital Project Funds	
Non-Ad Valorem Refunding Revenue Note 2012	Total Debt Service Funds	Restore Act Projects	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ 3,688,064
-	-	81,801	3,788,455
-	-	-	10,979,252
-	-	-	1,565,818
-	-	-	9,662,696
1	13	-	98,790
-	-	-	1,120,884
1	13	81,801	30,903,959
12	20	-	1,350,097
-	-	-	4,550,212
-	-	10,932	7,646,317
-	-	-	1,736,408
-	-	-	1,027,872
-	-	-	1,729,071
-	-	-	22,530
-	-	-	6,297,554
2,856,000	3,236,000	-	3,940,275
355,101	412,865	-	564,706
-	-	70,869	1,946,745
3,211,113	3,648,885	81,801	30,811,787
(3,211,112)	**(3,648,872)**	**-**	**92,172**
3,211,101	3,648,395	-	13,082,111
-	-	-	(7,718,167)
-	-	-	307,538
3,211,101	3,648,395	-	5,671,482
(11)	**(477)**	**-**	**5,763,654**
3,466	12,570	-	32,512,076
$ 3,455	**$ 12,093**	**$ -**	**$ 38,275,730**

HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
IMPACT FEES CAPITAL PROJECT FUND
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Impact Fees	$ 2,245,747	$ 2,245,747	$ 4,550,296	$ 2,304,549
Interest	38,001	38,001	18,558	(19,443)
Total Revenues	2,283,748	2,283,748	4,568,854	2,285,106
Expenditures				
Current				
General Government	-	31,186	31,181	5
Public Safety	24,924	128,921	33,162	95,759
Culture and Recreation	4,680	103,550	43,711	59,839
Capital Outlay	6,806,128	7,270,943	2,408,568	4,862,375
Total Expenditures	6,835,732	7,534,600	2,516,622	5,017,978
Excess of Revenues Over Expenditures	**(4,551,984)**	**(5,250,852)**	**2,052,232**	**7,303,084**
Other Financing Sources (Uses)				
Transfers Out	(793,311)	(1,240,551)	(835,480)	405,071
Reserve for Contingencies	(10,077,369)	(7,705,235)	-	7,705,235
Total Other Financing Sources (Uses)	(10,870,680)	(8,945,786)	(835,480)	8,110,306
Net Change in Fund Balance	**(15,422,664)**	**(14,196,638)**	**1,216,752**	**15,413,390**
Fund Balance at Beginning of Year	15,422,664	14,196,638	14,196,638	-
Fund Balance at End of Year	**$ -**	**$ -**	**$ 15,413,390**	**$ 15,413,390**

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
STORMWATER MANAGEMENT
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Taxes	$ 1,079,257	$ 1,079,257	$ 1,098,322	$ 19,065
Intergovernmental	1,250,004	1,250,004	47,352	(1,202,652)
Charges for Services	50,001	50,001	26,433	(23,568)
Interest	-	-	8,815	8,815
Miscellaneous	6,350	6,350	6,178	(172)
Total Revenues	2,385,612	2,385,612	1,187,100	(1,198,512)
Expenditures				
Current				
Physical Environment	408,198	484,328	392,810	91,518
Capital Outlay	6,468,751	6,728,946	762,035	5,966,911
Total Expenditures	6,876,949	7,213,274	1,154,845	6,058,429
Excess of Revenues Over (Under) Expenditures	**(4,491,337)**	**(4,827,662)**	**32,255**	**4,859,917**
Other Financing Sources (Uses)				
Transfers In	10,000	10,000	15,535	5,535
Transfers Out	(2,600)	(2,600)	(2,600)	-
Reserve for Contingencies	(1,316,059)	(1,123,074)	-	1,123,074
Total Other Financing Sources (Uses)	(1,308,659)	(1,115,674)	12,935	1,128,609
Net Change in Fund Balance	**(5,799,996)**	**(5,943,336)**	**45,190**	**5,988,526**
Fund Balance at Beginning of Year	5,799,996	5,943,336	5,943,336	-
Fund Balance at End of Year	**$ -**	**$ -**	**$ 5,988,526**	**$ 5,988,526**

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
STATE HOUSING INITIATIVE PARTNERSHIP
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Intergovernmental	$ 219,000	$ 219,000	$ 554,711	$ 335,711
Interest	-	-	1,875	1,875
Miscellaneous	200,000	200,000	894,557	694,557
Total Revenues	419,000	419,000	1,451,143	1,032,143
Expenditures				
Current				
Economic Environment	419,000	419,000	168,675	250,325
Total Expenditures	419,000	419,000	168,675	250,325
Excess of Revenues Over (Under) Expenditures	**-**	**-**	**1,282,468**	**1,282,468**
Other Financing Sources (Uses)				
Transfers Out	-	(10,000)	(10,000)	-
Reserve for Contingencies	-	(881,411)	-	881,411
Total Other Financing Sources (Uses)	-	(891,411)	(10,000)	881,411
Net Change in Fund Balance	**-**	**(891,411)**	**1,272,468**	**2,163,879**
Fund Balance at Beginning of Year	-	891,411	891,411	-
Fund Balance at End of Year	**$ -**	**$ -**	**$ 2,163,879**	**$ 2,163,879**

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COURT-RELATED FUNDS
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Intergovernmental	$ 690,129	$ 878,802	$ 365,334	$ (513,468)
Charges for Services	931,353	931,353	1,249,841	318,488
Fines and Forfeitures	324	324	-	(324)
Interest	1,001	1,001	9,506	8,505
Miscellaneous	-	-	2,590	2,590
Total Revenues	1,622,807	1,811,480	1,627,271	(184,209)
Expenditures				
Current				
Court Operations	2,067,461	2,259,852	1,550,419	709,433
Capital Outlay	1,540,260	1,536,542	744,720	791,822
Total Expenditures	3,607,721	3,796,394	2,295,139	1,501,255
Excess of Revenues Over (Under) Expenditures	**(1,984,914)**	**(1,984,914)**	**(667,868)**	**1,317,046**
Other Financing Sources (Uses)				
Transfers In	452,956	452,956	452,956	-
Transfers Out	(9,100)	(9,100)	(9,100)	-
Reserve for Contingencies	(5,454,534)	(5,420,119)	-	5,420,119
Total Other Financing Sources (Uses)	(5,010,678)	(4,976,263)	443,856	5,420,119
Net Change in Fund Balance	**(6,995,592)**	**(6,961,177)**	**(224,012)**	**6,737,165**
Fund Balance at Beginning of Year	6,995,592	6,961,177	6,961,177	-
Fund Balance at End of Year	**$ -**	**$ -**	**$ 6,737,165**	**$ 6,737,165**

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MUNICIPAL SERVICE BENEFIT UNITS
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Special Assessments	$ 9,703,450	$ 9,703,450	$ 9,662,696	$ (40,754)
Interest	71,001	71,001	9,382	(61,619)
Miscellaneous	42,160	42,160	52,438	10,278
Total Revenues	9,816,611	9,816,611	9,724,516	(92,095)
Expenditures				
Current				
Public Safety	42,597	42,597	2,563	40,034
Physical Environment	7,399,594	7,399,594	7,238,791	160,803
Transportation	1,173,338	1,233,122	1,158,755	74,367
Debt Service				
Principal	704,373	704,478	704,275	203
Interest and Fiscal Charges	152,060	152,065	151,841	224
Capital Outlay	3,996	-	-	-
Total Expenditures	9,475,958	9,531,856	9,256,225	275,631
Excess of Revenues Over (Under) Expenditures	**340,653**	**284,755**	**468,291**	**183,536**
Other Financing Sources (Uses)				
Transfers In	77,000	77,000	99,050	22,050
Transfers Out	(493,536)	(493,536)	(493,529)	7
Issuance of Long-Term Debt	-	-	307,538	307,538
Reserve for Contingencies	(4,607,729)	(4,738,563)	-	4,738,563
Total Other Financing Sources (Uses)	(5,024,265)	(5,155,099)	(86,941)	5,068,158
Net Change in Fund Balance	**(4,683,612)**	**(4,870,344)**	**381,350**	**5,251,694**
Fund Balance at Beginning of Year	4,683,612	4,870,344	4,685,278	(185,066)
Fund Balance at End of Year	**$ -**	**$ -**	**$ 5,066,628**	**$ 5,066,628**

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MISCELLANEOUS SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Taxes	$ 1,875,251	$ 1,963,251	$ 2,589,742	$ 626,491
Intergovernmental	912,012	1,014,255	769,741	(244,514)
Charges for Services	1,012,473	47,082	25,317	(21,765)
Fines and Forfeitures	235,997	139,997	263,954	123,957
Interest	41,397	41,397	9,739	(31,658)
Miscellaneous	66,408	15,888	52,182	36,294
Total Revenues	4,143,538	3,221,870	3,710,675	488,805
Expenditures				
Current				
General Government	-	-	2,757	(2,757)
Public Safety	1,412,035	2,055,035	282,268	1,772,767
Physical Environment	5,931	5,931	3,784	2,147
Transportation	670,291	770,069	577,653	192,416
Economic Environment	996,748	1,197,475	859,197	338,278
Human Services	1,959,040	1,955,288	1,729,071	226,217
Culture and Recreation	63,195	65,237	22,530	42,707
Debt Service				
Principal	-	27,563	-	27,563
Interest and Fiscal Charges	-	10,495	-	10,495
Capital Outlay	2,912,720	1,986,254	100,871	1,885,383
Total Expenditures	8,019,960	8,073,347	3,578,131	4,495,216
Excess of Revenues Over (Under) Expenditures	**(3,876,422)**	**(4,851,477)**	**132,544**	**4,984,021**
Other Financing Sources (Uses)				
Transfers In	3,541,424	3,571,375	5,429,321	1,857,946
Transfers Out	(2,280,706)	(2,427,449)	(2,427,449)	-
Reserve for Contingencies	(4,149,260)	(4,117,328)	-	4,117,328
Total Other Financing Sources (Uses)	(2,888,542)	(2,973,402)	3,001,872	5,975,274
Net Change in Fund Balance	**(6,764,964)**	**(7,824,879)**	**3,134,416**	**10,959,295**
Fund Balance at Beginning of Year	6,764,964	7,824,879	7,824,878	(1)
Fund Balance at End of Year	**$ -**	**$ -**	**$ 10,959,294**	**$ 10,959,294**

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CLERK OF COURT AND COMPTROLLER
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Intergovernmental	$ 351,493	$ 298,321	$ 311,814	$ 13,493
Charges for Services	3,431,816	3,431,816	3,777,043	345,227
Fines and Forfeitures	1,053,640	1,053,640	1,136,787	83,147
Interest	35,000	35,000	7,058	(27,942)
Miscellaneous	-	-	253	253
Total Revenues	4,871,949	4,818,777	5,232,955	414,178
Expenditures				
Current				
General Government	244,720	253,720	122,216	131,504
Court Operations	5,214,849	5,152,677	4,747,135	405,542
Capital Outlay	87,380	87,380	87,380	-
Total Expenditures	5,546,949	5,493,777	4,956,731	537,046
Excess of Revenues Over (Under) Expenditures	**(675,000)**	**(675,000)**	**276,224**	**951,224**
Other Financing Sources (Uses)				
Reserve for Contingencies	(695,000)	(695,000)	-	695,000
Total Other Financing Sources (Uses)	(695,000)	(695,000)	-	695,000
Net Change in Fund Balance	**(1,370,000)**	**(1,370,000)**	**276,224**	**1,646,224**
Fund Balance at Beginning of Year	1,370,000	1,370,000	1,970,850	600,850
Fund Balance at End of Year	**$ -**	**$ -**	**$ 2,247,074**	**$ 2,247,074**

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PROPERTY APPRAISER SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Intergovernmental	$ 1,357,717	$ 1,357,717	$ 1,357,717	$ -
Charges for Services	23,696	23,696	154,912	131,216
Interest	-	-	724	724
Total Revenues	1,381,413	1,381,413	1,513,353	131,940
Expenditures				
Current				
General Government	1,352,881	1,352,881	1,225,104	127,777
Capital Outlay	28,532	28,532	3,732	24,800
Total Expenditures	1,381,413	1,381,413	1,228,836	152,577
Excess of Revenues Over (Under) Expenditures	**-**	**-**	**284,517**	**284,517**
Other Financing Sources (Uses)				
Transfers Out	-	-	(130,425)	(130,425)
Total Other Financing Sources (Uses)	-	-	(130,425)	(130,425)
Net Change in Fund Balance	**-**	**-**	**154,092**	**154,092**
Fund Balance at Beginning of Year	-	-	1,404,692	1,404,692
Fund Balance at End of Year	**$ -**	**$ -**	**$ 1,558,784**	**$ 1,558,784**

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SHERIFF SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Intergovernmental	$ 319,979	$ 319,979	$ 299,985	$ (19,994)
Charges for Services	4,264,650	4,264,650	5,745,706	1,481,056
Fines and Forfeitures	146,000	146,000	165,077	19,077
Interest	3,800	3,800	51,678	47,878
Miscellaneous	104,620	104,620	112,686	8,066
Total Revenues	4,839,049	4,839,049	6,375,132	1,536,083
Expenditures				
Current				
Public Safety	4,175,319	5,535,339	4,265,381	1,269,958
Capital Outlay	155,195	344,151	177,138	167,013
Total Expenditures	4,330,514	5,879,490	4,442,519	1,436,971
Excess of Revenues Over (Under) Expenditures	**508,535**	**(1,040,441)**	**1,932,613**	**2,973,054**
Other Financing Sources (Uses)				
Transfers In	2,223,820	3,573,032	3,436,854	(136,178)
Transfers Out	(2,749,650)	(2,749,650)	(4,645,064)	(1,895,414)
Reserve for Contingencies	(2,463,090)	(2,342,647)	-	2,342,647
Total Other Financing Sources (Uses)	(2,988,920)	(1,519,265)	(1,208,210)	311,055
Net Change in Fund Balance	**(2,480,385)**	**(2,559,706)**	**724,403**	**3,284,109**
Fund Balance at Beginning of Year	2,480,385	2,559,706	2,817,884	258,178
Fund Balance at End of Year	**$ -**	**$ -**	**$ 3,542,287**	**$ 3,542,287**

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON-AD VALOREM REFUNDING REVENUE BONDS 2010
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Interest	$ -	$ -	$ 12	$ 12
Total Revenues	-	-	12	12
Expenditures				
Current				
General Government	25	25	8	17
Debt Service				
Principal	380,000	380,000	380,000	-
Interest and Fiscal Charges	57,799	57,799	57,764	35
Total Expenditures	437,824	437,824	437,772	52
Excess of Revenues Over (Under) Expenditures	**(437,824)**	**(437,824)**	**(437,760)**	**64**
Other Financing Sources (Uses)				
Transfers In	437,296	437,296	437,294	(2)
Reserve for Contingencies	(8,544)	(8,576)	-	8,576
Total Other Financing Sources (Uses)	428,752	428,720	437,294	8,574
Net Change in Fund Balance	**(9,072)**	**(9,104)**	**(466)**	**8,638**
Fund Balance at Beginning of Year	9,072	9,104	9,104	-
Fund Balance at End of Year	**$ -**	**$ -**	**$ 8,638**	**$ 8,638**

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON-AD VALOREM REFUNDING REVENUE NOTE 2012
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Interest	$ -	$ -	$ 1	$ 1
Total Revenues	-	-	1	1
Expenditures				
Current				
General Government	-	20	12	8
Debt Service				
Principal	2,856,000	2,856,000	2,856,000	-
Interest and Fiscal Charges	356,097	356,077	355,101	976
Total Expenditures	3,212,097	3,212,097	3,211,113	984
Excess of Revenues Over (Under) Expenditures	**(3,212,097)**	**(3,212,097)**	**(3,211,112)**	**985**
Other Financing Sources (Uses)				
Transfers In	3,211,108	3,211,108	3,211,101	(7)
Reserve for Contingencies	(2,707)	(2,477)	-	2,477
Total Other Financing Sources (Uses)	3,208,401	3,208,631	3,211,101	2,470
Net Change in Fund Balance	**(3,696)**	**(3,466)**	**(11)**	**3,455**
Fund Balance at Beginning of Year	3,696	3,466	3,466	-
Fund Balance at End of Year	**$ -**	**$ -**	**$ 3,455**	**$ 3,455**

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
RESTORE ACT PROJECTS
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Intergovernmental	$ 1,321,011	$ 1,605,211	$ 81,801	$ (1,523,410)
Total Revenues	1,321,011	1,605,211	81,801	(1,523,410)
Expenditures				
Current				
Physical Environment	409,788	413,988	10,932	403,056
Capital Outlay	911,223	1,191,223	70,869	1,120,354
Total Expenditures	1,321,011	1,605,211	81,801	1,523,410
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	$ -	$ -	$ -	$ -

See accompanying independent auditors' report.

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Internal Service Funds

Central Fueling System
To account for the internal operation of the central fueling division of Hernando County.

Risk Management
To account for the internal operation of the general insurance programs used by the County.

Workers' Compensation
To account for the internal operations of the self-insured workers' compensation program.

Computer Replacement
To account for the management and replacement of County computers.

Vehicle Maintenance
To account for the internal operation of the privatized vehicle maintenance program.

Fleet Replacement
To account for the management and replacement of County vehicles.

County Health Insurance
To account for self-insured medical insurance provided to the employees by the County.

Sheriff Health Insurance
To account for self-insured medical insurance provided to the employees by the Sheriff.

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2021

	Central Fueling System	Risk Management	Workers' Compen-sation
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ -	$ -	$ 200,000
Pooled Cash and Investments	701,252	1,477,041	8,145,891
Accounts Receivable (net)	2,786	-	-
Due from Other Funds	-	-	-
Due from Other Governments	-	2,078	-
Inventories	85,599	-	-
Total Current Assets	789,637	1,479,119	8,345,891
Non-Current Assets:			
Capital Assets, net of accumulated depreciation:			
Capital Assets, being depreciated, net	4,895	-	-
Total Non-Current Assets	4,895	-	-
Total Assets	794,532	1,479,119	8,345,891
Deferred Outflows of Resources	3,260	23,630	17,913
LIABILITIES			
Current Liabilities:			
Accounts Payable	114,345	1,681	103,580
Accrued Liabilities	3,767	4,184	2,505
Due to Other Funds	-	756	370
Unearned Revenues	-	-	-
Due Within One Year	3,853	6,408	3,625,954
Total Current Liabilities	121,965	13,029	3,732,409
Non-Current Liabilities:			
Due in More Than One Year	8,717	16,496	3,850,730
Total Non-Current Liabilities	8,717	16,496	3,850,730
Total Liabilities	130,682	29,525	7,583,139
Deferred Inflows of Resources	40,907	92,818	49,095
NET POSITION			
Net Investment in Capital Assets	4,895	-	-
Unrestricted	621,308	1,380,406	731,570
Total Net Position	$ 626,203	$ 1,380,406	$ 731,570

See accompanying independent auditors' report.

Computer Replacement	Vehicle Maintenance	Fleet Replacement	County Health Insurance	Sheriff Health Insurance	Total
$ -	$ 720	$ -	$ -	$ 7,171,941	$ 7,372,661
320,818	457,364	1,336,581	7,513,733	-	19,952,680
-	314,071	102,999	-	-	419,856
159,769	-	-	-	-	159,769
-	-	-	-	-	2,078
-	119,296	-	-	-	204,895
480,587	891,451	1,439,580	7,513,733	7,171,941	28,111,939
107,178	1,343,529	17,037,110	68	-	18,492,780
107,178	1,343,529	17,037,110	68	-	18,492,780
587,765	2,234,980	18,476,690	7,513,801	7,171,941	46,604,719
-	107,827	8,191	2,414	-	163,235
28,705	737,391	7,214	2,397,142	59,418	3,449,476
-	22,567	62,453	1,813	-	97,289
-	7,396	-	-	-	8,522
-	-	-	-	538,963	538,963
-	24,150	976,439	715,786	459,041	5,811,631
28,705	791,504	1,046,106	3,114,741	1,057,422	9,905,881
-	233,434	4,782,988	11,500	-	8,903,865
-	233,434	4,782,988	11,500	-	8,903,865
28,705	1,024,938	5,829,094	3,126,241	1,057,422	18,809,746
-	441,788	48,846	32,529	-	705,983
107,178	1,343,529	11,307,323	68	-	12,762,993
451,882	(467,448)	1,299,618	4,357,377	6,114,519	14,489,232
$ 559,060	$ 876,081	$ 12,606,941	$ 4,357,445	$ 6,114,519	$ 27,252,225

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2021

	Central Fueling System	Risk Management	Workers' Compen-sation
Operating Revenues			
Charges for Services	$ 1,146,193	$ 4,819,929	$ 1,060,053
Miscellaneous	-	-	44,749
Total Operating Revenues	1,146,193	4,819,929	1,104,802
Operating Expenses			
Personnel Services	96,360	104,712	66,203
Other Services & Charges	983,626	4,679,265	248,105
Claims	-	-	4,125,064
Depreciation	4,613	-	-
Total Operating Expenses	1,084,599	4,783,977	4,439,372
Operating Income (Loss)	61,594	35,952	(3,334,570)
Non-Operating Revenues (Expenses)			
Interest Income	761	288	7,000
Interest Expense	-	-	-
Gain (Loss) on Sale of Capital Assets	(5,083)	-	-
Total Non-Operating Revenues (Expenses)	(4,322)	288	7,000
Income (Loss) Before Transfers	57,272	36,240	(3,327,570)
Transfers In	-	-	3,800,000
Transfers Out	(1,755)	(1,755)	(1,365)
Total Contributions and Transfers	(1,755)	(1,755)	3,798,635
Change in Net Position	55,517	34,485	471,065
Net Position-Beginning	570,686	1,345,921	260,505
Net Position-Ending	$ 626,203	$ 1,380,406	$ 731,570

See accompanying independent auditors' report.

Computer Replacement	Vehicle Maintenance	Fleet Replacement	County Health Insurance	Sheriff Health Insurance	Total
$ 162,335	$ 2,721,409	$ 4,422,074	$ 11,546,836	$ 9,369,546	$ 35,248,375
-	13,041	3,551	398,301	472,603	932,245
162,335	2,734,450	4,425,625	11,945,137	9,842,149	36,180,620
-	727,475	86,991	2,108,388	-	3,190,129
73,894	1,905,619	779,223	1,267,127	1,923,484	11,860,343
-	-	-	10,394,630	6,693,811	21,213,505
102,311	65,863	2,952,076	205	-	3,125,068
176,205	2,698,957	3,818,290	13,770,350	8,617,295	39,389,045
(13,870)	35,493	607,335	(1,825,213)	1,224,854	(3,208,425)
452	395	4,050	9,748	(758)	21,936
-	-	(155,514)	-	-	(155,514)
-	34,146	535,243	-	-	564,306
452	34,541	383,779	9,748	(758)	430,728
(13,418)	70,034	991,114	(1,815,465)	1,224,096	(2,777,697)
-	-	-	1,076,153	-	4,876,153
-	(145,214)	(2,405)	(585)	-	(153,079)
-	(145,214)	(2,405)	1,075,568	-	4,723,074
(13,418)	(75,180)	988,709	(739,897)	1,224,096	1,945,377
572,478	951,261	11,618,232	5,097,342	4,890,423	25,306,848
$ 559,060	$ 876,081	$ 12,606,941	$ 4,357,445	$ 6,114,519	$ 27,252,225

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2021

	Central Fueling System	Risk Management	Workers' Compen-sation
Cash Flows from Operating Activities			
Receipts from Customers	$ 1,145,796	$ 4,817,877	$ 1,060,053
Receipts from Inter-Fund Services	-	-	-
Payments to Suppliers	(1,009,890)	(4,677,144)	(270,281)
Payments to Employees	(81,947)	(112,096)	(70,011)
Claimes Paid	-	-	(1,605,064)
Other Receipts (Payments)	-	-	44,749
Net Cash provided by (used in) Operating Activities	53,959	28,637	(840,554)
Cash Flows from Noncapital Financing Activities			
Transfers From Other Funds	-	-	3,800,000
Transfers to Other Funds	(1,755)	(1,755)	(1,365)
Net Cash Provided by (used for) Noncapital Financing Activities	(1,755)	(1,755)	3,798,635
Cash Flows From Capital and Related Financing Activites			
Additions to Capital Assets	-	-	-
Proceeds from Capital Debt	-	-	-
Principal Paid on Capital Debt	-	-	-
Interest Paid on Capital Debt	-	-	-
Proceeds From Sale of Capital Assets	-	-	-
Net Cash provided by (used fo) Capital and Related Financing Activities	-	-	-
Cash Flows form Investing Activities			
Interest Received	761	288	7,000
Net Cash Provided by Investing Activities	761	288	7,000
Net Increase (Decrease) in Cash and Cash Equivalents	52,965	27,170	2,965,081
Cash and Cash Equivalents at Beginning of Year	648,287	1,449,871	5,380,810
Cash and Cash Equivalents at End of Year	$ 701,252	$ 1,477,041	$ 8,345,891

See accompanying independent auditors' report.

Computer Replacement	Vehicle Maintence	Fleet Replacement	County Health Insurance	Sheriff Health Insurance	Total
$ 2,565	$ 2,407,338	$ 4,319,255	$ 11,702,478	$ 933,922	$ 26,389,284
-	-	-		9,236,984	9,236,984
(45,189)	(1,380,957)	(985,125)	(175,712)	(2,310,754)	(10,855,052)
-	(825,825)	(112,941)	(2,096,950)	-	(3,299,770)
-	-	-	(10,313,176)	(6,585,349)	(18,503,589)
-	13,041	3,551	398,301	472,603	932,245
(42,624)	213,597	3,224,740	(485,059)	1,747,406	3,900,102
-	-	-	1,076,153	-	4,876,153
-	(145,214)	(2,405)	(585)	-	(153,079)
-	(145,214)	(2,405)	1,075,568	-	4,723,074
-	(56,362)	(3,696,632)	-	-	(3,752,994)
-	-	-	-	-	-
-	-	(943,245)	-	-	(943,245)
-	-	(155,514)	-	-	(155,514)
-	34,147	617,250			651,397
-	(22,215)	(4,178,141)	-	-	(4,200,356)
452	395	4,050	9,748	(758)	21,936
452	395	4,050	9,748	(758)	21,936
(42,172)	46,563	(951,756)	600,257	1,746,648	4,444,756
362,990	411,521	2,288,337	6,913,476	5,425,293	22,880,585
$ 320,818	$ 458,084	$ 1,336,581	$ 7,513,733	$ 7,171,941	$ 27,325,341

Continued

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2021

	Central Fueling System	Risk Management	Workers' Compen-sation
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	$ 61,594	$ 35,952	$ (3,334,570)
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (used in) Operating Activities			
Depreciation and Amortization	4,613	-	-
Other Post-Employment Benefits	350	461	349
Pension Adjustments	8,762	(12,248)	(5,889)
(Increase) Decrease in			
Accounts Receivable	(397)	-	-
Due from Other Funds	-	-	-
Due from Other Governments	-	(2,052)	-
Inventories	(71,213)	-	-
Increase (Decrease) in			
Accounts Payable	45,605	1,365	(22,546)
Accrued Liabilities	5,301	4,403	1,732
Due to Other Funds	(656)	756	370
Unearned Revenues	-	-	-
Claims Liabilities	-	-	2,520,000
Total Adjustments	(7,635)	(7,315)	2,494,016
Net Cash Provided by (used in) Operating Activities	$ 53,959	$ 28,637	$ (840,554)

See accompanying independent auditors' report.

Computer Replacement	Vehicle Maintence	Fleet Replacement	County Health Insurance	Sheriff Health Insurance	Total
$ (13,870)	$ 35,493	$ 607,335	$ (1,825,213)	$ 1,224,854	$ (3,208,425)
102,311	65,863	2,952,076	205	-	3,125,068
-	3,412	412	219	-	5,203
-	(82,946)	(5,889)	10,532	-	(87,678)
-	(314,071)	(102,819)	155,642	-	(261,645)
(159,770)	-	-	-	262,397	102,627
-	-	-	-	-	(2,052)
-	(119,296)	-	-	-	(190,509)
28,705	641,800	(205,142)	1,091,415	(387,270)	1,193,932
-	(18,816)	(20,473)	687	-	(27,166)
-	2,158	(760)	-	-	1,868
-	-	-	-	538,963	538,963
-	-	-	81,454	108,462	2,709,916
(28,754)	178,104	2,617,405	1,340,154	522,552	7,108,527
$ (42,624)	$ 213,597	$ 3,224,740	$ (485,059)	$ 1,747,406	$ 3,900,102

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Custodial Funds

Board of County Commissioners Custodial Fund

To account for assets held in trust by the Board of County Commissioners as trustee or agent, including industrial bond escrow funds and impact fees held for the School Board of Hernando County.

Clerk of Circuit Court Custodial Fund

To account for assets held in trust by the Clerk of Circuit Court as trustee or agent, including fines and fees, court registry funds, child support and alimony payments, and juror and witness funds.

Tax Collector Custodial Fund

To account for assets held in trust by the Tax Collector as trustee or agent, including tax and tag funds.

Sheriff Custodial Fund

To account for assets held in trust by the Sheriff as trustee or agent, including service fees.

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
September 30, 2021

	Board of County Commissioners	Clerk of the Circuit Court	Sheriff
ASSETS			
Cash and Cash Equivalents	$ -	$ -	$ 186,422
Pooled Cash and Investments	780,048	4,901,889	-
Due from Other Governments	168	-	-
Total Assets	**780,216**	**4,901,889**	**186,422**
LIABILITIES			
Accounts Payable	760,430	14,975	63,977
Due to Other Governments	-	931,066	40,849
Installment Tax Escrow	-	-	-
Deposits	19,786	-	-
Other Current Liabilities	-	2,624,248	-
Total Liabilities	**780,216**	**3,570,289**	**104,826**
NET POSITION			
Restricted for:			
Individuals and Other Governments	-	1,331,600	81,596
Total Net Position	**$ -**	**$ 1,331,600**	**$ 81,596**

See accompanying independent auditors' report.

Tax Collector	Total
$ -	$ 186,422
7,785,558	13,467,495
437	605
7,785,995	**13,654,522**
30,414	869,796
3,161,749	4,133,664
4,593,832	4,593,832
-	19,786
-	2,624,248
7,785,995	**12,241,326**
-	1,413,196
$ -	**$ 1,413,196**

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES TO FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Fiscal Year Ended September 30, 2021

	Board of County Commissioners	Clerk of the Circuit Court	Sheriff	Tax Collector
Additions				
Tax Collections for Other Governments	$ -	$ -	$ -	$ 76,996,691
State of Florida collections	-	30,888,229	-	-
Other collections	9,590,922	6,064,555	-	-
Miscellaneous	-	-	2,020,788	30,414
Total additions	9,590,922	36,952,784	2,020,788	77,027,105
Deductions				
Payments to State of Florida	-	30,607,743	-	-
Payments of Taxes to Other Governments	-	-	-	76,996,691
Other Payments	9,590,922	5,954,786	1,993,784	-
Miscellaneous	-	-	-	30,414
Total deductions	9,590,922	36,562,529	1,993,784	77,027,105
Change in net position	-	390,255	27,004	-
Net Position-beginning of the year, as originally stated	-	-	-	-
Net Postion-restatement (Note R)	-	941,345	54,592	-
Net Position-beginning of the year, as restated	-	941,345	54,592	-
Net Position-end of year	$ -	$ 1,331,600	$ 81,596	$ -

The notes to the financial statements are an integral part of this statement.

	Total
$	76,996,691
	30,888,229
	15,655,477
	2,051,202
	125,591,599
	30,607,743
	76,996,691
	17,539,492
	30,414
	125,174,340
	417,259
	-
	995,937
	995,937
$	1,413,196

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STATISTICAL TABLES

This section contains the following:

The statistical data is information gathered by the Clerk of Circuit Court and relates to the physical, economic, social and political characteristics of the County. It is intended to provide financial report users with a broader and more complete understanding of the County and its financial affairs than is possible from the Financial Statements and supporting schedules included in the Financial Section. Many of these tables cover multiple fiscal years and present data from outside the accounting records. Therefore, the Statistical Section data has not been subjected to independent audit.

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STATISTICAL SECTION

This part of Hernando County's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government 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.

Schedule 1

Hernando County, Florida
Net Position by Component

Last Ten Fiscal Years
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2012	**2013**	**2014**	**2015 (1)**	**2016**
Governmental activities					
Net Invested in Capital Assets	$ 285,954	$ 290,020	$ 292,320	$ 303,506	$ 306,373
Restricted	88,847	82,667	72,678	61,254	62,476
Unrestricted (Deficit)	30,767	24,747	32,333	(28,753)	(42,266)
Total Governmental Activities Net Position	$ 405,568	$ 397,434	$ 397,331	$ 336,007	$ 326,583
Business-type activities					
Net Invested in Capital Assets	$ 170,908	$ 171,017	$ 168,614	$ 171,560	$ 174,660
Restricted	10,743	10,312	10,442	9,597	12,753
Unrestricted	25,030	28,386	33,505	37,215	42,892
Total Business-type Activities Net Position	$ 206,681	$ 209,715	$ 212,561	$ 218,372	$ 230,305
Primary government					
Net Invested in Capital Assets	$ 456,862	$ 461,037	$ 460,934	$ 475,066	$ 481,033
Restricted	99,590	92,979	83,120	70,851	75,229
Unrestricted	55,797	53,133	65,838	8,462	626
Total Primary Government Net Position	$ 612,249	$ 607,149	$ 609,892	$ 554,379	$ 556,888

(1) GASB 68 was implemented in 2015, requiring a reduction in beginning net position of $37,122,821 (governmental) and $4,813,564 (business-type). Prior years have not been restated in this schedule.

2017	2018	2019	2020	2021
$ 304,605	$ 304,941	$ 306,203	$ 331,520	$ 312,258
57,323	60,066	78,821	90,385	102,989
(46,513)	(61,512)	(86,050)	(90,418)	(46,020)
$ 315,415	$ 303,495	$ 298,974	$ 331,487	$ 369,227
$ 171,817	$ 172,789	$ 178,095	$ 188,883	$ 202,054
17,783	18,818	40,140	51,337	20,932
49,047	54,634	43,391	32,345	76,324
$ 238,647	$ 246,241	$ 261,626	$ 272,565	$ 299,310
$ 476,422	$ 477,730	$ 484,298	$ 520,403	$ 514,312
75,106	78,884	118,961	141,722	123,921
2,534	(6,878)	(42,659)	(58,073)	30,303
$ 554,062	$ 549,736	$ 560,600	$ 604,052	$ 668,537

Schedule 2

Hernando County, Florida
Changes in Net Position

Last Ten Fiscal Years (a)
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2012	2013	2014	2015	2016
Expenses					
Governmental Activities:					
General government	$ 17,511	$ 20,629	$ 21,044	$ 22,134	$ 24,583
Public safety	69,359	69,196	74,079	74,105	86,582
Physcial Environment	1,114	1,316	988	1,195	1,230
Transportation	20,939	19,119	19,983	20,187	23,236
Economic Environment	2,691	2,377	1,689	2,355	3,095
Human Services	10,404	8,819	10,009	8,762	7,275
Culture and Recreation	5,004	5,326	5,173	5,146	5,714
Court Operations	5,609	6,140	6,656	6,868	6,773
Interest on Long-term Debt	1,654	1,224	1,144	1,062	1,038
Total governmental activities expenses	134,285	134,146	140,765	141,814	159,526
Business-type activities					
Water and Sewer District	25,976	25,147	25,505	25,882	27,673
Aviation Operations	2,232	2,561	2,914	2,242	2,567
Waste Management	6,040	6,902	6,918	3,348	6,447
Building Department	1,794	1,724	1,990	2,218	2,786
Zoning Department	378	350	359	-	-
Total business-type activities expenses	36,420	36,684	37,686	33,690	39,473
Total primary government expenses	$ 170,705	$ 170,830	$ 178,451	$ 175,504	$ 198,999
Program Revenues					
Governmental activities:					
Charges for services					
General government	$ 12,666	$ 10,116	$ 13,730	$ 14,238	$ 12,050
Public safety	19,961	18,180	27,931	29,063	31,168
Highways and streets	630	79	306	214	345
Health and sanitation	4,194	4,327	3,165	4,856	5,398
Human services	2	115	54	96	-
Culture and recreation	238	231	245	229	250
Conservation of natural resources	809	811	851	833	915
Economic development	4,399	4,978	5,120	5,059	4,832
Operating grants and contributions	3,864	4,528	2,408	5,033	4,935
Capital grants and contributions	3,652	4,323	1,887	3,006	1,777
Total governmental activities program revenues	50,415	47,688	55,697	62,627	61,670
Business-type activities:					
Charges for services:					
Watrer abd Sewer District	24,491	25,275	26,568	28,569	31,032
Avaiation Operations	1,558	1,878	1,629	1,607	1,806
Waste Management	7,085	7,331	7,420	7,668	7,653
Building Department	1,921	1,792	1,900	2,602	2,970
Zoning Department	274	247	320	-	-
Operating grants and contributions	85	75	245	294	94
Capital grants and contributions	2,409	2,036	1,549	2,531	5,306
Total business-type activities program revenues	37,823	38,634	39,631	43,271	48,861
Total primary government program revenues	$ 88,238	$ 86,322	$ 95,328	$ 105,898	$ 110,531

(a) In fiscal year 2015, the Zoning Department was moved to the General Fund.

2017	2018	2019	2020	2021
$ 26,219	$ 28,208	$ 30,156	$ 30,576	$ 28,309
92,685	99,101	112,625	120,003	96,101
1,304	1,402	6,395	8,128	8,325
24,465	25,206	26,166	27,506	27,643
3,487	2,856	2,565	4,808	5,943
7,504	7,936	8,312	8,444	9,204
5,712	6,220	6,845	6,418	6,665
7,163	7,384	7,664	7,525	7,940
1,074	1,162	1,225	1,094	887
169,613	179,475	201,953	214,502	191,017
30,933	31,357	32,681	34,129	33,721
2,233	2,257	2,695	3,028	3,071
7,594	9,792	8,957	12,227	9,230
2,807	3,258	3,540	4,142	4,162
-	-	-	-	-
43,567	46,664	47,873	53,526	50,185
$ 213,180	$ 226,139	$ 249,826	$ 268,028	$ 241,202
$ 12,419	$ 13,428	$ 14,555	$ 15,481	$ 12,809
31,312	35,831	46,038	47,217	49,221
865	503	101	223	264
5,692	6,307	13,234	13,510	13,862
66	-	18	19	24
231	242	278	215	239
1,037	1,051	961	890	1,177
4,848	5,090	5,059	4,413	4,953
5,993	5,361	6,393	32,962	14,807
4,728	6,035	4,546	7,952	5,957
67,191	73,848	91,183	122,882	103,314
33,832	33,861	35,858	38,933	41,625
1,701	1,895	1,972	2,120	2,183
7,803	7,896	8,168	9,032	9,406
2,915	3,547	3,677	3,803	4,453
-	-	-	-	-
110	107	1,521	842	165
4,469	6,629	7,870	8,533	16,127
50,830	53,935	59,066	63,263	73,960
$ 118,021	$ 127,783	$ 150,249	$ 186,145	$ 177,273

Schedule 2

Hernando County, Florida
Changes in Net Position

Last Ten Fiscal Years (a)
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2012	2013	2014	2015	2016
Net (Expense)/Revenue					
Governmental Activities	$ (83,870)	$ (86,458)	$ (85,068)	$ (79,187)	$ (97,856)
Business-type Activities	1,404	1,950	1,945	9,581	9,388
Total Primary Government Net Expense	$ (82,466)	$ (84,508)	$ (83,123)	$ (69,606)	$ (88,468)
General Revenues and Other Changes in Net Position					
Governmental Activities					
Taxes					
Property Taxes	$ 56,605	$ 57,141	$ 59,178	$ 58,984	$ 61,572
Fuel Taxes	6,216	6,058	6,089	6,242	8,146
Sales Taxes	7,367	7,638	8,029	8,697	9,100
Other Taxes	1,768	1,804	1,667	2,530	2,560
State Shared Revenue	4,013	4,227	4,428	4,756	4,889
Investment Earnings	2,209	73	1,475	1,671	1,437
Miscellaneous	1,787	1,460	4,351	1,274	1,378
Gain on Sale of Capital Assets	-	-	28	221	349
Extraordinary Item	-	-	-	-	-
Transfers	(77)	(76)	(18)	610	(998)
Total Governmental Activities	79,888	78,325	85,227	84,985	88,433
Business-type Activities					
Investment Earnings	664	31	605	743	701
Gain on Sale of Capital Assets	(1,091)	116	50	46	28
Miscellaneous	(454)	860	900	864	818
Transfers	77	76	18	(610)	998
Total Business-type Activities	(804)	1,083	1,573	1,043	2,545
Total Primary Government	$ 79,084	$ 79,408	$ 86,800	$ 86,028	$ 90,978
Changes in Net Position					
Governmental Activities	$ (3,981)	$ (8,133)	$ 159	$ 5,798	$ (9,423)
Business-type Activities	600	3,033	3,518	10,624	11,933
Total Primary Government	$ (3,381)	$ (5,100)	$ 3,677	$ 16,422	$ 2,510

2017	2018	2019	2020	2021
$ (102,422)	$ (105,627)	$ (110,771)	$ (91,620)	$ (87,703)
7,263	7,271	11,192	9,738	23,775
$ (95,159)	$ (98,356)	$ (99,579)	$ (81,882)	$ (63,928)
$ 62,915	$ 69,647	$ 72,134	$ 86,534	$ 91,910
8,722	8,970	8,872	8,328	8,841
9,337	9,878	10,241	10,458	12,286
2,597	2,710	2,455	2,597	2,570
5,102	5,335	5,601	5,317	6,133
562	532	5,190	4,126	405
1,597	1,682	1,613	4,640	2,936
205	53	-	-	564
-	-	-	-	-
217	154	145	119	(201)
91,254	98,961	106,251	122,119	125,443
348	245	3,514	2,610	175
(11)	315	13	47	1,914
958	1,057	812	676	681
(217)	(154)	(145)	(119)	201
1,078	1,463	4,194	3,214	2,971
$ 92,332	$ 100,424	$ 110,445	$ 125,333	$ 128,414
$ (11,168)	$ (6,666)	$ (4,520)	$ 30,499	$ 37,740
8,341	8,734	15,385	12,952	26,745
$ (2,827)	$ 2,068	$ 10,865	$ 43,451	$ 64,485

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Schedule 3

Hernando County, Florida
Fund Balance of Government Funds
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	$ 187	$ 145	$ 46	$ 829	$ 4,570	$ 7,503	$ 5,890	$ 3,909	$ 1,469	$ 811
Restricted	2,783	981	312	142	341	771	1,015	1,046	1,676	913
Committed	4,968	4,436	4,812	5,374	5,320	5,717	5,913	7,677	7,052	7,510
Assigned	8,500	3,350	5,712	4,000	3,000	-	28	-	339	4,791
Unassigned	10,225	9,825	12,034	12,992	9,443	6,860	9,760	9,346	48,035	51,771
Total General Fund	$ 26,663	$ 18,737	$ 22,916	$ 23,337	$ 22,674	$ 20,851	$ 22,606	$ 21,978	$ 58,571	$ 65,796
All other Governmental Funds										
Nonspendable	$ 674	$ 574	$ 78	$ 65	$ 57	$ 51	$ 51	$ 181	$ 128	$ 157
Restricted	83,527	79,282	69,625	59,257	59,914	53,754	58,082	58,082	81,497	92,823
Committed	965	966	1,017	1,140	1,247	1,286	1,353	1,625	1,823	2,014
Assigned	7,410	7,473	9,220	10,164	8,104	15,252	12,207	11,864	13,412	14,714
Total all other Government Funds	$ 92,576	$ 88,295	$ 79,940	$ 70,626	$ 69,322	$ 70,343	$ 71,693	$ 71,752	$ 96,860	$ 109,708

Schedule 4

Hernando County, Florida
Changes in Fund Balances of Governmental Funds

Last Ten Fiscal years
(modified accrual basis of accounting)
(dollars expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	$ 64,669	$ 65,009	$ 66,892	$ 67,733	$ 72,115	$ 74,178	$ 81,305	$ 83,660	$ 97,420	$ 103,329
Licenses and Permits	157	62	60	390	446	504	529	625	579	611
Intergovernmental	24,855	24,149	20,716	23,624	23,916	27,279	28,931	29,157	56,962	40,671
Charges for Services	18,020	18,276	21,034	28,395	26,403	25,585	29,449	32,234	33,764	36,749
Fines and Forfeitures	974	1,060	1,692	1,621	1,543	1,540	1,732	1,643	1,653	1,764
Special Assessments	11,388	11,348	19,155	19,140	20,404	21,479	23,056	36,458	36,730	37,266
Impact Fees	146	(6)	422	892	1,299	2,733	3,129	3,176	3,264	4,550
Interest	2,012	99	1,334	1,460	1,281	486	454	4,580	3,732	383
Miscellaneous	5,646	2,513	8,535	2,552	2,553	2,428	2,690	2,975	6,843	4,562
Total Revenues	$ 127,867	$ 122,510	$ 139,840	$ 145,807	$ 149,960	$ 156,212	$ 171,275	$ 194,508	$ 240,947	$ 229,885
Expenditures										
Current										
General government	$ 15,891	$ 18,563	$ 18,516	$ 20,258	$ 21,271	$ 21,946	$ 23,999	$ 24,519	$ 24,113	$ 27,806
Public safety	67,047	67,047	70,449	75,963	78,707	81,327	86,506	92,621	97,700	102,462
Physical Environment	1,057	1,140	966	1,131	1,094	1,144	1,188	6,170	7,913	8,161
Transportation	12,666	13,037	13,500	13,584	14,932	15,720	15,600	15,851	17,215	18,408
Economic Environment	2,646	2,350	1,639	2,298	3,031	3,415	2,771	2,478	4,701	5,957
Human Services	9,054	7,402	8,538	7,043	5,520	5,710	6,094	6,448	6,577	7,670
Culture and Recreation	4,228	4,500	4,316	4,615	4,758	4,852	5,291	5,783	5,482	6,243
Court Operations	5,461	6,034	6,525	6,708	6,585	6,952	7,222	7,490	7,358	7,856
Debt service										
Principal	3,204	3,319	3,085	2,888	3,854	4,075	4,185	4,322	4,576	4,964
Interest and other charges	1,627	963	1,078	990	978	975	987	1,035	912	671
Capital outlay	15,095	14,227	15,663	19,297	13,475	12,268	14,878	14,151	17,190	20,395
Total Expenditures	$ 137,976	$ 138,582	$ 144,275	$ 154,775	$ 154,205	$ 158,384	$ 168,721	$ 180,868	$ 193,737	$ 210,593
Excess of revenues over (under) expenditures	(10,109)	(16,072)	(4,435)	(8,968)	(4,245)	(2,172)	2,554	13,640	47,210	19,292

Schedule 4

Hernando County, Florida
Changes in Fund Balances of Governmental Funds (Continued)

Last Ten Fiscal years
(modified accrual basis of accounting)
(dollars expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Financing Sources (Uses)										
Transfers in	$ 12,851	$ 10,276	$ 6,812	$ 6,046	$ 10,989	$ 14,063	$ 14,640	$ 15,961	$ 16,208	$ 14,480
Transfers Out	(12,964)	(10,889)	(8,266)	(7,834)	(9,469)	(15,061)	(15,333)	(16,977)	(17,482)	(19,404)
Sale of capital assets	-	-	-	-	-	-	53	-	-	-
Additions to Long-Term Debt	196	29,786	1,713	1,864	757	2,368	1,189	1,056	1,516	5,708
Proceeds og Refunding Bonds	-	-	-	-	-	-	-	-	-	-
Premium on Refunding Bonds	-	-	-	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	(25,308)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	83	3,865	259	76	2,277	1,370	549	40	242	784
Net Change in Fund Balances	$ (10,026)	$ (12,207)	$ (4,176)	$ (8,892)	$ (1,968)	$ (802)	$ 3,103	$ 13,680	$ 47,452	$ 20,076
Debt Service as a Percentage of Noncapital Expenditures	3.8%	3.4%	3.2%	2.8%	3.6%	3.5%	3.4%	3.2%	3.1%	3.0%

Schedule 5

Hernando County, Florida
General Government State Shared Revenues by Source

Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year	Local Government Half-Cent Sales Tax	State Revenue Sharing Proceeds	Constitutional Fuel Tax	County Fuel Tax	Local Option 1 - 6 cents	State Housing Initiative Partnership	Other Revenues
2012	$ 7,354	$ 3,653	$ 1,702	$ 737	$ 4,277	$ -	$ -
2013	7,608	3,838	1,657	731	4,136	428	-
2014	8,000	4,063	1,701	734	4,143	-	-
2015	8,647	4,392	1,724	756	4,257	864	-
2016	9,099	4,519	1,780	787	4,571	878	-
2017	9,306	4,735	1,836	808	4,594	1,167	-
2018	9,823	4,971	1,880	826	4,753	796	237
2019	10,113	5,224	1,947	843	4,754	360	237
2020	10,334	4,913	1,747	758	4,402	404	237
2021	12,179	5,726	1,848	809	4,727	555	237

(a) Note that these revenue sources are a componenet of Intergovernmental Revenues on the financial statements. Other Components of Intergovernmental Revenues include federal, state, and local government grants.

Schedule 6

Hernando County, Florida
Fair Market, Assessed Value and Taxable Value of Property

Last Ten Fiscal Years
(dollars expressed in thousands)

	Fair Market (a)(i)		Assessed Value (b)(i)		Exemptions (c)(i)		Taxable Value (d)(i)				
Tax Roll Year	Real Property (f)	Personal Property (g)	Real Property (f)	Personal Property (g)	Real Property (f)	Personal Property (g)	Real Property (f)	Personal Property (g)	Centrally Assessed (h)	Total	Total Direct Tax Rate (e)
2012	$ 9,949,202	$ 1,691,643	$ 9,269,516	$ 1,645,987	$ 3,332,500	$ 339,564	$ 5,937,016	$ 1,306,423	$ 7,325	$ 7,250,764	8.2396
2013	9,989,311	1,602,911	9,341,160	1,594,242	3,349,573	627,890	5,991,587	966,351	7,626	6,965,564	8.4478
2014	10,349,863	1,606,000	9,531,618	1,604,589	3,350,771	608,798	6,180,847	995,791	7,842	7,184,480	8.4775
2015	10,800,268	1,585,644	9,795,639	1,584,744	3,403,429	600,482	6,392,210	984,263	7,869	7,384,342	8.5941
2016	11,208,262	1,703,765	10,044,161	1,703,015	3,473,220	596,852	6,570,941	1,106,163	8,326	7,685,430	8.5942
2017	12,247,949	1,834,656	10,572,795	1,766,495	3,555,440	600,848	7,017,354	1,165,647	7,483	8,190,484	8.9692
2018	13,300,360	1,846,816	11,165,701	1,776,293	3,646,183	601,446	7,519,519	1,174,846	7,926	8,702,291	8.7342
2019	15,210,973	1,721,661	11,880,508	1,693,762	3,780,811	609,861	8,099,697	1,083,901	7,694	9,191,292	9.7344
2020	16,567,712	1,766,669	12,807,078	1,739,675	3,963,063	612,477	8,844,015	1,127,198	9,594	9,980,807	9.4844
2021	17,656,641	1,817,025	13,794,061	1,790,065	4,121,443	608,847	9,672,619	1,181,218	9,948	10,863,785	9.3844

(a) Florida law requires that 'Just Value' of all property be determined each year. The Florida Supreme Court has declared Just Value to be legally synonymous to Full Cash Value and Fair Market Value. The Just Value or Fair Market Value is the amount it could sell for in a competitive open market, assuming that the buyer and seller both acted knowledgeably and without duress.

(b) Assessed value is different than just/market value for those properties that have assessment limitations on them. Examples of assessment limitations include Save our Homes (SOH) limitation for homestead properties, "greenbelt" for properties which have an agricultural use classification, and pollution control devices.

(c) There are a number of property tax exemptions which include, but are not limited to; homestead, widow/widowers, blind, disabled, veterans, government and institutional.

(d) Taxable value is the resulting value after all applicable exemptions have been deducted from the assessed value of the property. The taxable value is what the millage rates are applied to develop the ad valorem property tax.

(e) Total Direct Tax Rate is the weighted average of the direct rates in each area. See Schedule 7, "Direct and Overlapping Property Tax Rates" for more information.

(f) Real Property means land, buildings, fixtures, and all other improvements to land.

(g) Personal Property commonly known as Tangible Personal Property (TPP) is defined as furniture, fixtures and equipment used in the operation of a business.

(h) Centrally assessed property are the railroad tracks and train cars which cross county lines and are assessed by the Florida Department of Revenue who provide the assessed values to the respective Property Appraiser. No exemptions are applicable to Centrally Assessed Properties.

(i) The year previous to current year may be restated due to changes made subsequent to release of previous year's values.

Data represents the tax roll for the year effective January 1 of the year reflected, billed in October of that year, and is collected to support the fiscal year beginning in that year.

Source: Hernando County Property Appraiser

Schedule 7

Hernando County, Florida
Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
DIRECT RATES (a)										
Countywide										
Hernando County Government:										
General Fund	7.6412	6.8669	6.9912	6.9912	6.9912	6.8912	6.8912	7.8912	7.6412	7.4412
Special Revenue										
Transportation Trust Fund	0.7091	0.7091	0.7091	0.7091	0.7091	0.7091	0.7091	0.7091	0.7091	0.8091
Health Department	0.1102	0.1102	0.1102	0.1102	0.1102	0.1102	0.1102	0.1102	0.1102	0.1102
Total Countywide	8.4605	7.6862	7.8105	7.8105	7.8105	7.7105	7.7105	8.7105	8.4605	8.3605
Maximum Allowed (b)	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
Other										
Hernando County Government:										
Municipal Services Taxing Units										
Stormwater Management Program	0.1139	0.1139	0.1139	0.1139	0.1139	0.1139	0.1139	0.1139	0.1139	0.1139
Emergency Medical Services	0.9100	0.5534	0.5534	0.6700	0.6700	0.6700	0.9100	0.9100	0.9100	0.9100
Fire Services	-	-	-	-	-	0.5000	-	-	-	-
Mosquito Control	-	0.1000	-	-	-	-	-	-	-	-
Total	1.0239	0.7673	0.6673	0.7839	0.7839	1.2839	1.0239	1.0239	1.0239	1.0239
Maximum Allowed Per Taxpayer (b)	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
Total Direct Tax Rates (c)	9.4844	8.4478	8.4775	8.5941	8.5942	8.9692	8.7344	9.7344	9.4844	9.3844
OVERLAPPING RATES (d)										
Countywide										
School Board	5.9130	7.2800	7.1670	7.1960	6.8690	6.6190	6.3400	6.1630	5.9130	6.7770
Southwest Florida Water Management District	0.2669	0.3818	0.3658	0.3488	0.3317	0.3131	0.2955	0.2801	0.2669	0.2535
Not Countywide										
Municipalities										
City of Brooksville	5.9000	6.7317	6.6962	6.6439	6.6426	6.9763	6.2000	6.2000	5.9000	5.9000
City of Weeki Wachee	-	2.7654	2.6237	2.7622	2.8478	2.8470	2.8421	2.8658	-	-

(a) Direct rates support the ad valorem revenue base for County Government operations.

(b) Section 200.071, Florida Statutes, a county may not levy in excess of 10 mills, except for voted levies and for services or facilities provided through a municipal services taxing unit (MSTU).

(c) Total Direct Tax Rate is the weighted average of the direct rates in each area.

(d) Overlapping rates are those rates levied by other local governments who overlap Hernando County's geographic area. Not all rates apply to all Hernando County residents; for example, each incorporated municipality within the County also taxes its respective residents.

(e) On June 11, 2009, a Special Act of the Legislature was passed changing the Spring Hill Fire And Rescue's status to independent of the County and subsequently was dissolved becoming dependent on the County on October 1, 2011.

(f) Data represents the millages used to approve the budget, and calculate taxes to support the following year, but are based on the tax roll which began on January 1 for reflected year.

Source: Hernando County Property Appraiser

Schedule 8

Hernando County, Florida
Principal Propery Taxpayers

Last Fiscal Year Compared to the Fiscal Year Ten Years Earlier
(dollars expressed in thousands)

		2021			2011		
Taxpayer	**Type of Business**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Cemex, Inc.	Cement Manufacturing	$ 267,991	1	2.47%	$ 153,175	2	1.99%
Withlacoochee River Electric Co-op	Electric Utility	226,546	2	2.09%	274,171	1	3.55%
Wal-Mart Regional Distribution	Distribution	111,618	3	1.03%	114,641	3	1.49%
Duke energy (formerly Progress Energy)	Electric Utility	110,990	4	1.02%	60,736	5	0.79%
HCA Health Services of Florida, Inc.	Hospital/Health Care	69,900	5	0.64%	36,868	7	0.48%
Florida Gas Transmissions	Utility	51,669	6	0.48%	25,975	8	0.34%
BW Hibiscus Springs LLC	Apartments	50,884	7	0.47%	-	-	-
Wal-Mart Stores, Inc.	Retail Sales	47,463	8	0.44%	-	-	-
Wal-Mart Stores East LP	Retail Sales	32,481	9	0.30%	-	-	-
Oak Hill Community Hospital	Hospital	31,384	10	0.29%	-	-	-
Bright House Networks	Cable Utility	-	-	-	63,653	4	0.82%
AT&T Telecommunications	Telecommunications	-	-	-	56,405	6	0.73%
Cole MT Spring Hill Florida LLC	Retail Sales	-	-	-	25,762	9	0.33%
Central Power & Lime	Power & Lime	-	-	-	23,394	10	0.30%
Totals		$ 1,000,926		9.21%	$ 834,780		10.82%

Source: Hernando County Property Appraiser

Schedule 9

Hernando County, Florida
Property Tax Levies and Collections

Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year Ended September 30	Certified Taxes Levied for the Fiscal Year (a) (d)	Certificates of Correction by Property Appraiser	Adjusted Taxes Levied for the Fiscal Year (a)	Collected within the Fiscal Year of the Levy (b)				Prior Year Taxes Collected (c)	Total Taxes Collected	
				Levied Collections	Discounts/Penalties	Adjusted Collections	Percentage Collected		Amount	Percentage Collected
2012	$ 77,291	$(1,801)	$ 75,490	$ 73,689	$(2,197)	$ 71,492	94.70%	$ 677	$ 72,169	95.60%
2013	75,403	(2,870)	72,533	72,114	(2,197)	69,917	96.39%	320	70,237	96.83%
2014	83,274	(204)	83,070	82,776	(2,531)	80,245	96.60%	404	80,649	97.09%
2015	85,321	(419)	84,902	84,555	(2,629)	81,926	96.49%	229	82,155	96.76%
2016	88,933	(112)	88,821	88,485	(2,778)	85,707	96.49%	403	86,110	96.95%
2017	92,969	161	93,130	91,320	(2,890)	88,430	94.95%	451	88,881	95.44%
2018	101,714	(120)	101,594	99,973	(3,189)	96,784	95.27%	231	97,015	95.49%
2019	118,155	(116)	118,039	116,432	(3,715)	112,717	95.49%	107	112,824	95.58%
2020	132,568	(152)	132,416	132,321	(4,266)	128,055	96.71%	199	128,254	96.86%
2021	138,406	(105)	138,301	138,149	(4,585)	133,564	96.57%	168	133,732	96.70%

(a) Certified taxes levied is the original tax assessment due to Hernando County before any adjustments are determined by Property Appraiser and/or the Value Adjustment Board, and before any tax amounts are determined to be uncollectible due to insolvencies and/or litigation. Adjusted Taxes Levied reflects changes made throughout the fiscal year. The tax levy represents only the taxes due to the Hernando County financial reporting entity and therefore, excludes taxes due to the School Board, the City of Brooksville, Southwest Florida Water Management District and certain other governmental entities. This corresponds to the Direct Tax Rates section of Schedules 6 and 7.

(b) In accordance with Florida Statutes, property taxes become due and payable on November 1 of each year and are delinquent on April 1 of the following year. A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percent each month thereafter. Taxes collected will not equal 100% of the tax levy due to insolvencies, litigation and county certificates. In the table above, taxes collected November 1, 2020 through March 31, 2021 are reflected as levied for the Fiscal Year Ended September 30, 2021. Tax Certificates for unpaid taxes and assessments for that year will be sold no later than June 1, 2022.

(c) Includes all delinquent tax collections received during the year regardless of the year in which the taxes were originally levied.

(d) Includes non-ad valorem taxes, which are not a part of the tax notice. Non-ad valorem taxes are separately reported as Special Assessments in the Governmental Funds and are part of Charges for Services in the Proprietary Funds.

Source: Hernando County Tax Collector

Schedule 10

Hernando County, Florida
Ratios of Outstanding Debt by Type

Last Ten Fiscal Years
(dollars expressed in thousands, except per capita)

	Governmental Activites			Business-Type Activities				
Fiscal Year Ended September 30	Revenue and Revenue Refunding Bonds (a)	Notes Payable	Capital Leases	Water and Sewer Revenue Bonds (a)	Notes Payable	Total Primary Government	Debt as a Ratio to Personal Income (b)	Debt Per Capita
2012	$ 35,711	$ 916	$ 512	$ 43,915	$ 24,969	$ 106,023	1.91%	$ 613
2013	8,663	29,230	535	40,920	24,195	103,543	1.89%	596
2014 (c)	6,983	30,900	217	40,666	23,196	101,962	2.04%	583
2015	5,209	31,665	54	38,337	40,540	115,805	2.13%	655
2016	3,964	29,852	-	35,949	57,739	127,504	1.97%	712
2017	2,691	29,416	-	33,465	57,955	123,527	1.76%	679
2018	2,345	30,789	-	30,901	55,047	119,082	1.60%	642
2019	1,993	27,135	-	28,228	52,193	109,549	1.42%	574
2020	1,622	27,009	823	26,852	49,274	105,580	1.23%	549
2021	1,240	27,561	451	70,779	833	100,864	-	513

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(a) Bonds are shown net of related deferred gains or losses on bond refundings and net of related unamortized bond issue premiums or discounts.

(b) Due to a time lag in receiving personal income figures, ratios were not reported for the most recent year(s). See Schedule 14, "Demographic and Economic Statistics", for actual personal income and population figures used above. Source: U.S. Department of Commerce Bureau of Economic Analysis

(c) Effective 2014, debt amounts exclude losses which have been reclassified to deferred outflows on the balance sheet in accordance with GASB 65.

Schedule 11

Hernando County, Florida
Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years
(dollars expressed in thousands, except per captia amount)

Fiscal Year Ended September 30	Revenue and Revenue Refunding Bonds	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Taxable Value of Property (a)	General Debt Per Capita (b)
2012	$ 35,711	$ 671	$ 35,040	0.48%	$ 206
2013	8,663	667	7,996	0.11%	50
2014 (c)	6,983	658	6,325	0.09%	40
2015	5,209	82	5,127	0.07%	29
2016	3,964	22	3,942	0.05%	22
2017	2,691	24	2,667	0.03%	15
2018	2,345	9	2,336	0.03%	13
2019	1,993	12	1,981	0.02%	10
2020	1,622	13	1,609	0.02%	9
2021	1,240	12	1,228	0.01%	6

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(a) Bonds are shown net of related deferred gains or losses on bond refundings and net of related unamortized bond issue premiums or discounts.

(b) Taxable Value information can be found on Schedule 6, "Schedule of Fair Market, Assessed Value and Taxable Value of Property" for property value data.

(c) Effective 2014, debt amounts exclude losses which have been reclassifed to deferred outflows on the balance sheet in accordance with GASB 65.

(d) Population data can be found on Schedule 14, "Schedule of Demographic and Economic Statistics".

Schedule 12

Hernando County, Florida
Computation of Direct and Overlapping Debt

Government Unit	Payable from Ad Valorem Taxes	Non-Self-Supporting Revenue Debt	Estimated Percentage Applicable	Amount Applicable to Primary Government
SCHOOL BOARD (1):				
State Board of Education Bonds, Series 2011A Refunding	$ -	$ 100,000		
State Board of Education Bonds, Series 2014A Refunding	-	222,000		
State Board of Education Bonds, Series 2020A Refunding	-	695,000		
Bonds Payable-Unamortized Premium		436,826		
Certificates of Participation, Series 2013A	-	6,261,412		
Certificates of Participation, Series 2016A	-	85,285,000		
Certificates of Participation, Unamortized Premium	-	8,665,198		
Capital Improvement Bonds, Series 2020 Refunding	-	3,400,000		
Total School Board	$ -	$ 105,065,436	100%	$ 105,065,436
CITY OF BROOKSVILLE:				
2006 USDA Loan	$ -	$ 112,000		
Florida Capital Improvement Revenue Note, Series 2011	-	1,426,978		
Patch Truck Loan	-	72,727		
2016 USDA Fire Truck Loan	-	72,457		
2021 Mini Pumper Loan		$ 310,877		
Total City of Brooksville	$ -	$ 1,995,039	5%	$ 99,752
Subtotal Overlapping Debt	$ -	$ 107,060,475		$ 105,165,188
COUNTY BOARD:				
Non-revolving line of credit draws	$ -	$ 17,641,293		
Non-Ad Valorem Refunding Revenue Note, Series 2012	-	9,920,000		
Non-Ad Valorem Refunding Revenue Bonds, Series 2010	-	1,235,000		
Hernando County, Florida Direct Debt	$ -	$ 28,796,293	100%	$ 28,796,293
Total Direct and Overlapping Debt	$ -	$ 135,856,768		$ 133,961,481

Sources: Outstanding debt and applicable percentages provided by each governmental unit.

(1) Outstanding debt obligations for Hernando County School Board at June 30, 2021.

Schedule 13A

Hernando County, Florida
Schedule of Non-Ad Valorem Debt Coverage
Non-Ad Valorem Refunding Revenue Bonds, Series 2010
Non-Ad Valorem Refunding Revenue Note, Series 2012

Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year Ended September 30	Gross Revenues (a)	Expenditures (b)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal (c)	Interest	Total	
2012	$ 31,807	-	$ 31,807	$ 570	$ 164	$ 734	43.33
2013	28,088	-	28,088	600	595	1,195	23.50
2014	34,209	-	34,209	310	761	1,071	31.94
2015	33,869	-	33,869	557	749	1,306	25.93
2016	34,711	-	34,711	1,935	720	2,655	13.07
2017	34,003	-	34,003	1,986	667	2,653	12.82
2018	36,328	-	36,328	2,997	601	3,598	10.10
2019	39,570	-	39,570	3,074	614	3,688	10.73
2020	71,536	-	71,536	3,160	502	3,662	19.53
2021	52,468	-	52,468	3,236	412	3,648	14.38

(a) Gross revenues reflect the pledged revenues for the bonds and notes. Pledged revenues consist of non-ad valorem revenues.

(b) There are no expenditures that relate directly to the gross revenue, but gross revenues not used for the purpose of debt service are used for other purposes in the budget.

Schedule 13B

Hernando County, Florida
Schedule of Revenue Bond Coverage
Taxable Water and Sewer Refunding Revenue Bonds, Series 2021A
Water and Sewer Refunding Revenue Bonds, Series 2021B

Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year Ended September 30	Gross Revenues(a)	Expenses (b)	Net Revenue Available for Debt Service	Connection Fees	Pledged Funds(c)	Debt Service Requirements			Coverage
						Principal (e)	Interest(d)	Total	
2012	$ 24,894	$ 16,086	$ 8,808	$ 538	$ 9,346	$ 2,055	$ 1,982	$ 4,037	2.32
2013	25,623	15,026	10,597	794	11,391	2,125	1,916	4,041	2.82
2014	27,270	15,617	11,653	1,379	13,032	2,015	1,525	3,540	3.68
2015	29,089	16,062	13,027	1,384	14,411	2,150	1,652	3,802	3.79
2016	31,925	17,805	14,120	2,178	16,298	2,210	1,590	3,800	4.29
2017	34,461	17,863	16,598	2,113	18,711	2,305	1,507	3,812	4.91
2018	34,739	19,276	15,463	2,269	17,732	2,563	1,419	3,982	4.45
2019	38,860	20,359	18,501	2,303	20,804	2,674	1,308	3,982	5.22
2020	40,999	22,870	18,129	2,200	20,329	1,377	1,201	2,578	7.89
2021	42,015	20,774	21,241	3,365	24,606	1,830	1,046	2,876	8.56

(a) Pursuant to bond definitions, gross revenues include operating revenue and interest income, but do not include sewer connection fees, water connection fees or special assessment proceeds.

(b) Pursuant to bond definitions, expenses do not include amortizations or depreciation. Similarly, charges associated with replacement of vehicles in lieu of depreciation have not been included.

(c) Effective with the issuance of the Water and Sewer Refunding Revenue Bonds Series 2003, connection fees are included in the definition of pledged funds.

(d) Includes Taxable Water and Sewer Refunding Revenue Bonds, Series 2021A, Water and Sewer Refunding Revenue Bonds, Series 2021B, and the Water and Sewer portion of the Non-Ad Valorem Refunding Revenue Bonds, Series 2010.

(e) For FY 2021, the principal amount is the amount paid for the refunding of Water and Sewer Refunding Revenue Bonds, Series 2013A.

Schedule 14

Hernando County, Florida
Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population (a) City of Brooksville	City of Weeki Wachee	Unincorporated Hernando County	Total	Permanent Households (a)	Personal Income Per Capita (f)	Total Personal Income (in thousands) (c)(f)	Median Age (b)	Citizens With a Bachelors Degree(b)	Public School Enrollment (d)	Unemployment Rate (e)
2012	7,702	12	165,397	173,111	72,106	$ 31,927	$ 5,536,867	47.7	16.2%	21,855	10.4%
2013	7,643	5	166,160	173,808	72,238	31,422	5,481,211	48.0	15.5%	21,541	8.5%
2014	7,687	5	167,263	174,955	72,492	32,324	5,684,266	48.5	14.9%	21,470	8.1%
2015	7,780	5	169,034	176,819	72,951	33,098	6,033,940	48.0	15.5%	21,421	6.5%
2016	8,006	5	171,492	179,503	73,402	34,899	6,371,015	48.4	15.7%	21,613	6.2%
2017	8,074	9	173,799	181,882	75,883	35,601	6,649,676	49.0	16.0%	22,153	4.3%
2018	8,410	9	177,185	185,604	77,493	36,878	7,038,712	48.9	17.1%	23,615	4.3%
2019	8,661	9	179,688	188,358	78,718	38,223	7,412,217	49.1	17.5%	23,770	3.6%
2020	8,983	9	183,194	192,186	80,375	41,385	8,226,932	47.4	12.0%	22,185	5.9%
2021	9,165	-	187,375	196,540	80,484	-	-	48.0	12.6%	23,415	4.2%

(a) Source: Bureau of Economic and Business Research (BEBR), University of Florida. These numbers have been adjusted to reflect BEBR data available through April 1 annually.

(b) Source: Hernando County Planning Department

(c) Source: Bureau of Economic Analysis, US Department of Commerce

(d) Source: Hernando County School Board (Not Including Charter School Enrollment)

(e) Source: Florida Department of Economic Opportunity, December annually (not seasonally adjusted)

(f) Due to a time lag in receiving personal income and population figures, ratios were calculated using income and population figures from the most recently available information.

Schedule 15

Hernando County, Florida
Principal Employers (a)
Non-retail, Non-government

Latest Fiscal Year compared to the Nine Prior Fiscal Years

Employer	Type of Operation	2021 Employees	2021 %	2021 Rank	2020 Employees	2020 %	2020 Rank	2019 Employees	2019 %	2019 Rank
Oak Hill Hospital	Healthcare	1,670	2.29	1	1,541	2.31	1	1,307	1.95	1
Walmart Distribution Center	Distribution Center	1,160	1.59	2	1,160	1.74	2	1,200	1.79	2
Bravera Health (formerly Bayfront Regional Health)	Healthcare	1,038	1.42	3	964	1.44	3	957	1.43	3
Barrette Outdoor Living	Manufacturer	350	0.48	4	313	0.47	5	-	-	-
Cemex (form. Rinker Materials/FCS)	Manufacturer	282	0.39	5	300	0.45	6	350	0.52	6
Accuform Signs Inc	Manufacturer	280	0.38	6	275	0.41	7	307	0.46	5
Micro-Matic	Supplier	188	0.26	7	170	0.25	9	191	0.28	9
Sparton Electronics	Manufacturer	180	0.25	8	180	0.27	8	175	0.26	8
Premio Foods	Manufacturer	136	0.19	9	-	-	-	-	-	-
Monster Transmissions	Supplier	65	0.09	10	-	-	-	-	-	-
Encompass Health (formerly HealthSouth)	Healthcare	-	-	-	459	0.69	4	459	0.68	4
Sun Trust Bank	Service	-	-	-	110	0.16	10	110	0.16	10
Alumi Guard	Trucking	-	-	-	-	-	-	275	0.41	7
Withlacoochee River Electric Coop	Utility	-	-	-	-	-	-	-	-	-
Evergreen Woods	Healthcare	-	-	-	-	-	-	-	-	-
Chapters Health System (form. HPH Hospice)	Healthcare	-	-	-	-	-	-	-	-	-
Totals		5,349	7.34 %		5,472	8.19 %		5,331	7.94 %	
Total Employment		73,060			66,800			67,107		

(a) Percentages shown represent the number of employees as a percent of Hernando County's total employment.
Source: Hernando County Office of Business Development.

Schedule 15

Hernando County, Florida
Principal Employers (a)
Non-retail, Non-government

Latest Fiscal Year compared to the Nine Prior Fiscal Years

Employer	Type of Operation	2018 Employees	2018 %	2018 Rank	2017 Employees	2017 %	2017 Rank	2016 Employees	2016 %	2016 Rank
Oak Hill Hospital	Healthcare	1,307	1.98	1	2,036	3.19	1	2,036	3.20	1
Walmart Distribution Center	Distribution Center	1,200	1.82	2	1,020	1.60	2	1,020	1.60	3
Bayfront Regional Healthcare	Healthcare	939	1.42	3	1,032	1.62	3	1,032	1.62	2
Barrette Outdoor Living	Manufacturer	-	-	-	-	-	-	-	-	-
Cemex (form. Rinker Materials/FCS)	Manufacturer	300	0.45	6	250	0.39	6	250	0.39	6
Accuform Signs Inc	Manufacturer	307	0.47	5	280	0.44	5	280	0.44	5
Micro-Matic	Supplier	162	0.25	9	-	-	-	-	-	-
Sparton Electronics	Manufacturer	180	0.27	8	219	0.34	8	219	0.34	8
Premio Foods										
Encompass Health (form. HealthSouth)	Healthcare	459	0.70	4	355	0.56	4	355	0.56	4
Sun Trust Bank	Service	110	0.17	10	110	0.17	9	110	0.17	9
Withlacoochee River Electric Coop	Utility	-	-	-	80	0.13	10	80	0.13	10
Evergreen Woods	Healthcare	-	-	-	-	-	-	-	-	-
Alumi Guard	Trucking	260	0.39	7	-	-	-	-	-	-
Chapters Health System (form. HPH Hospice)	Healthcare	-	-	-	221	0.35	7	221	0.35	7
Totals		5,224	7.92 %		5,603	8.77 %		5,603	8.79 %	
Total Employment		66,001			63,869			63,720		

(a) Percentages shown represent the number of employees as a percentage of Hernando County's total employment.
Source: Hernando County Office of Business Development.

Schedule 15

Hernando County, Florida
Principal Employers (a)
Non-retail, Non-government

Latest Fiscal Year compared to the Nine Prior Fiscal Years

Employer	Type of Operation	2015			2014			2013			2012		
		Employees	%	Rank	Employees	%	Rank	Employees	%	Rank	Employees	%	Rank
Oak Hill Hospital	Healthcare	1,156	1.84	2	1,136	1.93	1	1,089	1.71	1	1,070	1.70	1
Walmart Distribution Center	Distribution Center	1,200	1.91	1	1,020	1.73	2	1,020	1.60	2	1,008	1.60	3
Bayfront Regional Healthcare	Healthcare	965	1.53	3	965	1.64	3	913	1.44	3	1,018	1.62	2
Encompass Health (formerly HealthSouth)	Healthcare	288	0.46	4	288	0.49	4	355	0.56	4	272	0.43	6
Barrette Outdoor Living	Manufacturer	-	-	-	-	-	-	-	-	-	-	-	-
Cemex (form. Rinker Materials/FCS)	Manufacturer	240	0.38	6	240	0.41	6	250	0.39	6	288	0.46	4
Accuform Signs Inc	Manufacturer	290	0.46	5	274	0.47	5	280	0.44	5	280	0.45	5
Sparton Electronics	Manufacturer	200	0.32	7	215	0.37	7	219	0.34	8	180	0.29	8
Micro-Matic	Supplier	-	-	-	-	-	-	-	-	-	-	-	-
Sun Trust Bank	Service	85	0.14	9	85	0.14	9	110	0.17	9	105	0.17	10
Withlacoochee River Electric Coop	Utility	79	0.13	10	80	0.14	10	80	0.13	10	-	-	-
Evergreen Woods	Healthcare	-	-	-	-	-	-	-	-	-	130	0.21	9
Alumi Guard	Trucking	-	-	-	-	-	-	-	-	-	-	-	-
Chapters Health System (form. HPH Hospice)	Healthcare	119	0.19	8	181	0.31	8	221	0.35	7	221	0.35	7
Totals		4,622	7.35 %		4,484	7.62 %		4,537	7.14 %		4,572	7.27 %	
Total Employment		62,873			58,867			63,581			62,895		

(a) Percentages shown represent the number of employees as a percentage of Hernando County's total employment.
Source: Hernando County Office of Business Development.

Schedule 16

Hernando County, Florida
County Government Employees by Function/Program

Last Ten Fiscal Years

	2012	2013	2014	2015	2016
Function/Program					
Governmental Activities:					
General Government	227	221	227	225	237
Public Safety	566	750	773	776	782
Physical Environment	7	6	7	7	8
Transportation	91	91	92	93	92
Economic Environment	7	7	7	8	10
Human Services	21	21	21	20	19
Culture and Recreation	65	65	66	63	63
Courts	79	84	88	85	78
Business-type Activities:					
Airport	5	5	5	4	4
Water and Wastewater	147	142	139	134	132
Business Development	28	26	28	27	27
Solid Waste	29	29	28	33	32
Total	1,272	1,447	1,481	1,475	1,484

(a) Source: Hernando County Department of Financial Services.

(b) Increase is due to addition of jail employees to the Hernando County Sheriff department.

2017	2018	2019	2020	2021
244	247	236	249	251
782	791	859	859	890
8	1	1	1	1
96	93	90	94	97
10	10	9	9	8
21	23	21	21	23
70	66	61	62	61
83	79	81	77	77
4	4	6	6	5
131	134	136	136	134
31	34	34	35	41
32	31	30	32	33
1,512	1,513	1,564	1581	1621

Schedule 17

Hernando County, Florida
Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year 2012	2013	2014	2015	2016
General Government					
Number of programs broadcast	208	208	206	190	196
Number of employee records managed	859	852	772	771	782
Public Safety					
Total incidents responded to (HCFR)	22,868	27,222	26,254	28,951	30,496
Number of emergency citizen volunteers	825	903	982	1,009	1,440
Number of building permits issued	11,904	10,492	11,104	12,048	12,525
Physical Environment					
Extension Classes/programs	17,863	30,480	20,172	29,730	32,267
Transportation					
Number of signals maintained	88	88	88	85	85
Number of lane miles of roads re-surfaced	64	32	36	42	39
Economic Environment					
Number of successful business projects	8	7	9	8	8
Number of veteran clients served	23,540	6,857	6,918	7,916	8,909
Human Services					
Animals impounded	3,578	3,095	2,923	2,950	2,725
Number of human service requests processed	23,540	8,288	9,099	10,789	6,285
Culture and Recreation					
Registered library card holders	90,623	97,642	102,910	109,366	116,994
Number of participants in the County Recreation programs	19,185	13,799	17,955	20,045	22,049
Court Operations					
Number of judicial cases managed	65,520	63,060	64,290	53,796	51,869
Water and Sewer					
Water consumption in millions of gallons a day	18.4	17.1	16.8	16.7	17.7
Average number of water accounts	61,363	56,975	57,376	60,966	60,978
Number of meter reads	736,400	737,748	740,748	719,986	751,440
Aviation Operations					
Number of airport & industrial park leases	140	140	141	138	133
Waste Management					
Total tons landfilled	104,281	103,733	114,370	114,370	122,259
Tons of Convenience Center Waste Collected	15,701	7,317	6,161	6,161	7,814
Tons of recyclables collected & processed	4,881	4,910	11,976	11,976	11,685

Source: Various County Departments

2017	2018	2019	2020	2021
288	233	230	196	133
795	783	784	777	801
31,704	32,023	30,772	31,646	37,727
1,440	1,462	1,469	1,469	1,477
12,370	14,622	14,725	15,790	19,575
30,770	37,798	40,905	51,938	54,858
86	88	88	89	89
8	72	11	15	15
3	1	2	4	2
6,141	8,418	10,030	3,800	3,453
3,143	2,867	3,156	2,318	2,232
9,558	7,843	6,685	7,065	7,452
122,503	110,813	101,723	92,940	95,172
24,790	23,596	31,516	4,848	5,808
66,156	61,550	59,204	52,225	56,742
18.8	18.3	19	20	20
62,878	61,573	64,100	63,226	63,910
773,101	778,212	787,143	793,812	802,722
173	184	190	188	190
127,047	131,425	130,683	137,799	149,024
7,968	7,986	7,270	8,031	8,632
10,815	10,069	10,088	10,541	10,747

Schedule 18

Hernando County, Florida
Capital Asset and Infrastructure Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2016
General Government					
Number of buildings	151	156	160	165	169
Fleet Vehicles	370	403	423	403	378
Public Safety					
Sheriff's patrol vehicles:	336	323	324	325	336
Radio Towers	5	5	5	5	4
Transportation					
Lane miles	2,380	2,393	2,407	2,457	2,492
Culture and Recreation					
Park acreage - developed	323	323	340	340	340
Park acreage - undeveloped	1,206	1,206	1,206	1,206	1,206
Trails-Jogging/Exercise/Nature	30	30	30	30	30
Playgrounds	14	14	14	14	14
Boat ramps (lanes)	16	16	16	16	16
Picnic shelters	189	189	190	190	190
Number of libraries/branches	6	6	5	5	4
Aviation Operations					
Number of runways	2	2	2	2	2
Runways in linear feet	12,000	12,000	12,000	12,000	12,000
Land (acres)	2,400	2,400	2,400	2,400	2,400
Waste Management					
Volume developed for landfill use (million cubic yards)	6,601,544	6,601,544	6,601,544	6,601,544	6,601,544
Remaining available landfill capacity (cubic yards)	3,255,100	2,941,953	2,704,818	2,452,353	2,435,065
Water					
Trans & dist lines (miles)	1,232	1,232	1,232	1,232	1,232
Maximum daily storage capacity (million gallons)	20.90	20.90	19.08	19.08	19.78
Number of meters in service	56,805	56,805	57,376	58,251	58,281
Sewer					
Number of pumping or lift stations	298	298	301	301	301
Collection & Trans lines (miles)	486	486	501	501	513
Reclaimed water trans & dist lines (miles)	4.30	4.30	4.30	4.30	4.30
Number of manholes	6,945	6,945	6,952	7,106	7,165

(a) Source: Various County Departments

2017	2018	2019	2020	2021
177	176	160	159	158
392	398	421	432	412
348	365	376	391	391
4	4	4	4	4
2,516	2,556	2,771	2,776	2,795
340	340	340	340	340
1,206	1,206	1,206	1,206	1,206
30	30	30	30	30
13	13	12	12	12
8	8	8	8	8
190	190	190	192	192
4	4	4	4	4
2	2	2	2	2
12,000	12,000	12,000	12,000	12,000
2,400	2,400	2,400	2,400	2,400
6,601,544	6,601,544	6,601,544	6,601,544	6,601,544
2,059,982	1,878,573	1,701,456	1,512,854	1,309,446
1,709	1,096	1,019	1,070	1,070
19.78	19.78	19.77	19.77	19.77
63,139	64,153	64,335	65,008	65,592
307	298	299	310	312
515	507	515	515	518
4.30	4.30	14.60	14.60	14.60
7,200	7,200	7,300	7,300	7,300

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COMPLIANCE SECTION

This section contains the following:

Single Audit Reports
and Grant Compliance

Bond Compliance Information

Affidavit

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Single Audit Reports and Grant Compliance

MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Board of County Commissioners
Hernando County, 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hernando County, Florida (the "County") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 24, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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*.

We have issued a management letter to the Board of County Commissioners, Hernando County, Florida, dated March 24, 2022, presenting certain required disclosures and comments pursuant to the Chapter 10.550, *Rules of the Auditor General*.

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.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 24, 2022

MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUDIANCE AND CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*

Honorable Board of County Commissioners
Hernando County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the compliance of Hernando County, Florida (the "County") with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Compliance Supplement* and the requirements described in the Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2021. The County's major federal programs and state projects are 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 grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance, 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 federal program or major state project identified in the accompanying Schedule of Findings and Questioned Costs occurred. An audit includes examining, on a test basis, evidence about the County'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 each major federal program and state project. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program or major state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance and 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 County'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 federal program 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 federal program or state 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 federal program or state 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 the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General.* Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 24, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purposes of additional analysis, as required by the Uniform Guidance, Chapter 69I-5, *Schedule of Expenditures of State Financial Assistance,* Rules of the Department of Financial Services, and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 24, 2022

HERNANDO COUNTY, FLORIDA
Schedule of Federal Awards and State Financial Assistance
Year Ended September 30, 2021

Federal/State/Pass Through Grantor Grant Program Name		Assistance Listing	Grant ID	Expenditures
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Pass Through	FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY			
	Community Development Block Grant (CDBG)/State's Program	14.228	17DB-OL-05-37-01-H 07	$ 122,409
Total	*DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT*			*122,409*
DEPARTMENT OF JUSTICE				
Pass Through	FLORIDA OFFICE OF ATTORNEY GENERAL			
	Crime Victim Assistance (VOCA)	16.575	2020-HCSO-00654	98,121
Direct				
	Violence Against Women	16.588	2020-VD-BX-1648	63,955
Pass Through	FLORIDA COALITION AGAINST DOMESTIC VIOLENCE			
	STOP Violence Against Women	16.588	LN091	73,497
	STOP Violence Against Women	16.588	LN184	18,596
	Subtotal CFDA 16.588			*156,048*
Direct				
	Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	2018-DJ-BX-0671	31,564
	Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	2020-DJ-BX-0818	29,517
Pass Through	FLORIDA DEPARTMENT OF LAW ENFORCEMENT			
	Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	2020-JAGC-HERN-1-Y5-123	7,093
	Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	2020-JAGC-HERN-2-Y5-090	44,203
	Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	2020-JAGC-HERN-3-5R-157	40,787
	Subtotal CFDA 16.738			*153,164*
Total	*DEPARTMENT OF JUSTICE*			*407,333*
DEPARTMENT OF TRANSPORTATION				
Direct				
	Airport Improvement Program	20.106	3-12-0008-022-2019	222,546
	Airport Improvement Program	20.106	3-12-0008-023-2020	277,476
	Airport Improvement Program	20.106	3-12-0008-024-2020	68,783
	Airport Improvement Program	20.106	3-12-0008-025-2020 CARES	54,219
	Airport Improvement Program	20.106	3-12-0008-026-2021 CRRSA	4,431
	Subtotal CFDA 20.106			*627,455*
	Highway Planning & Construction Cluster:			
Pass Through	FLORIDA DEPARTMENT OF TRANSPORTATION			
	Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G1Y83; FPN 433714-1-58/68-01/02	1,130
	Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G1L11; FPN 436709-1-58/68-01/02	291,090
	Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G1L10; FPN 436712-1-58/68-01/02	264,484
	Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G1518; FPN 439509-1-38-01	9,700
	Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G1B58; FPN 439508-1-38-01	96,000
	Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G1U02; FPN 437484-1-38-01/02	11,059
	Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G1B18; FPN 436711-1-58/68-01/02	103,089
	Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G1F82; FPN 436710-1-58/68-01/02	35,783
	Highway Planning & Construction- Federal Aid Highway Program (PL)	20.205	G1M00; FPN 439335-3-14-01	461,369
	Subtotal CFDA 20.205			*1,273,704*
	Total Highway Planning & Construction Cluster (CFDA 20.205)			*1,273,704*
Pass Through	FLORIDA DEPARTMENT OF TRANSPORTATION			
	Metropolitan Transportation Planning (Section 5305d)	20.505	G1I78; FPN 401983-1-14-20	67,046
	Metropolitan Transportation Planning (Section 5305d)	20.505	G1W20; FPN 401983-1-14-21	42,148
	Subtotal CFDA 20.505			*109,194*
	Federal Transit Cluster:			

HERNANDO COUNTY, FLORIDA
Schedule of Federal Awards and State Financial Assistance
Year Ended September 30, 2021

Federal/State/Pass Through Grantor Grant Program Name		Assistance Listing	Grant ID	Expenditures
Direct				
	Urbanized Area Formula Program (Section 5307)	20.507	FL-2017-062; X940 (X015)	$ 34,793
	Urbanized Area Formula Program (Section 5307)	20.507	FL-2017-094; X951 (X016)	96,261
	Urbanized Area Formula Program (Section 5307)	20.507	FL-2018-031; X970 (X017)	18,688
	Urbanized Area Formula Program (Section 5307)	20.507	FL-2018-105; X998	4,803
	Urbanized Area Formula Program (Section 5307)	20.507	FL-2019-082; Y037	996,547
	Urbanized Area Formula Program (Section 5307)	20.507	FL-2020-092; Y091 CARES	1,618,801
	Urbanized Area Formula Program (Section 5307)	20.507	FL-2020-118; Y105	333,203
	Subtotal CFDA 20.507			*3,103,096*
	Bus & Bus Facilities Formula Program	20.526	FL-2020-023-00	449,935
	Total Federal Transit Cluster (CFDA 20.507 & 20.526)			*3,553,031*
Pass Through	FLORIDA DEPARTMENT OF TRANSPORTATION			
	Formula Grants for Rural Areas (Section 5311)	20.509	GOT52; FPN 401982-1-84-18	46,913
	Formula Grants for Rural Areas (Section 5311)	20.509	G1568; FPN 401982-1-84-19	100,000
	Formula Grants for Rural Areas (Section 5311)	20.509	G1H23; FPN 401982-1-84-20	58,821
	Subtotal CFDA 20.509			*205,734*
Total	*DEPARTMENT OF TRANSPORTATION*			*5,769,118*
DEPARTMENT OF TREASURY				
Direct				
	Gulf Restore- Direct Component	21.015	1RDCGR110034-01-00	1,400
	Gulf Restore- Direct Component	21.015	1RDCGR110125-01-00	70,869
	Subtotal CFDA 21.015			72,269
Pass Through	FLORIDA HOUSING FINANCE CORPORTATION			
	Coronavirus Relief Fund	21.019	060-2020	299,856
Pass Through	FLORIDA DIVISION OF EMERGENCY MANAGEMENT			
	Coronavirus Relief Fund	21.019	Y2277	7,884,861
	Subtotal CFDA 21.019			8,184,717
Total	*DEPARTMENT OF TREASURY*			*8,256,986*
GULF COAST ECOSYSTEM RESTORATION COUNCIL				
Pass Through	*THE GULF CONSORTIUM*			
	Oil Spill Impact Program	*87.052*	*200110141.01; GNTSP20FL0110*	*9,532*
Total	*GULF COAST ECOSYSTEM RESTORATION COUNCIL*			*9,532*
US ELECTION ASSISTANCE COMMISSION				
Pass Through	FLORIDA DEPARTMENT OF STATE DIVISION OF ELECTIONS			
	Help America Vote Act Requirements Payments (HAVA)	90.401	2018-2019-003-HER	18,646
Pass Through	FLORIDA DEPARTMENT OF STATE DIVISION OF ELECTIONS			
	Help America Vote Act Requirements Payments (HAVA) Election Secuity Grants	*90.404*	2020-001-HER	*81,121*
	Help America Vote Act Requirements Payments (HAVA) Election Secuity Grants	*90.404*	2021-001-HER	*42,021*
	Subtotal CFDA 90.404			*123,142*
Total	*US ELECTION ASSISTANCE COMMISSION*			*141,788*
DEPARTMENT OF HEALTH & HUMAN SERVICES				
Direct				
	Substance Abuse & Mental Health Service Administration (SAMHSA)	93.243	H79TI081928; 6H79TI081928	264,376.00
	Substance Abuse & Mental Health Service Administration (SAMHSA)	93.243	H79TI081928; 5H79TI081928	94,520
	Subtotal CFDA 93.243			358,896

HERNANDO COUNTY, FLORIDA
Schedule of Federal Awards and State Financial Assistance
Year Ended September 30, 2021

Federal/State/Pass Through Grantor Grant Program Name		Assistance Listing	Grant ID	Expenditures
Direct				
	Provider Relief Fund	93.498	DS-39710308422	$ 176,332
Pass Through	FLORIDA DEPARTMENT OF REVENUE			
	Child Support Enforcement	93.563	COC27	213,492
Total	*DEPARTMENT OF HEALTH & HUMAN SERVICES*			*748,720*
DEPARTMENT OF HOMELAND SECURITY				
Pass Through	FLORIDA DIVISION OF EMERGENCY MANAGEMENT			
	Disaster Grants - Public Assistance	97.036	17-PA-W1-05-37-02-054	621
Pass Through	FLORIDA DIVISION OF EMERGENCY MANAGEMENT			
	HAZARD MITIGATION GRANT PRG (HMGP)	97.039	H0186; 4337-30-R	2,269
	HAZARD MITIGATION GRANT PRG (HMGP)	97.039	H0359; 4337-148-R	18,750
	HAZARD MITIGATION GRANT PRG (HMGP)	97.039	H0454; 4337-074-R	21,000
	HAZARD MITIGATION GRANT PRG (HMGP)	97.039	H0175; 4337-76-R	160,559
	Subtotal CFDA 97.039			202,578
Pass Through	FLORIDA DIVISION OF EMERGENCY MANAGEMENT			
	Emergency Management Performance Grant	97.042	G0085	14,802
	Emergency Management Performance Grant	97.042	G0110	76,512
	Emergency Management Performance Grant	97.042	G0286	5,799
	Subtotal CFDA 97.042			*97,113*
Total	*DEPARTMENT OF HOMELAND SECURITY*			*300,312*
TOTAL EXPENDITURES OF FEDERAL AWARDS				***$ 15,756,198***
FLORIDA EXECUTIVE OFFICE OF THE GOVERNOR				
	Emergency Management Program (EMPA)	31.063	A0151	$ 101,543
	Emergency Management Program (EMPA)	31.063	A0175	16,545
	Subtotal CFSA 31.063			*118,088*
Total	*FLORIDA EXECUTIVE OFFICE OF THE GOVERNOR*			*118,088*
FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION				
	Statewide Water Quality Restoration Projects	37.039	LPA0016	3,000,000
	Florida Springs Grant Program	37.052	LP27016	581,730
	Florida Springs Grant Program	37.052	LPA0016	5,125,827
	Subtotal CSFA 37.052			5,707,557
Total	*FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION*			*8,707,557*
FLORIDA HOUSING FINANCE CORPORATION				
	State Housing Initiatives Partnership Program (SHIP)	40.901	2018/2019	195,600
	State Housing Initiatives Partnership Program (SHIP)	40.901	2019/2020	(151,158)
	State Housing Initiatives Partnership Program (SHIP)	40.901	2020/2021	115,429
	State Housing Initiatives Partnership Program (SHIP)	40.901	2021/2022	18,804
	Subtotal CSFA 40.901			*178,675*
Total	*FLORIDA HOUSING FINANCE CORPORATION*			*178,675*

HERNANDO COUNTY, FLORIDA
Schedule of Federal Awards and State Financial Assistance
Year Ended September 30, 2021

Federal/State/Pass Through Grantor Grant Program Name		Assistance Listing	Grant ID	Expenditures
FLORIDA DEPARTMENT ARGICULTURE & CONSUMER SERVICES				
	Mosquito Control	42.003	27506	$ 50,993
Total	*FLORIDA DEPARTMENT ARGICULTURE & CONSUMER SERVICES*			*50,993*
FLORIDA DEPARTMENT OF FINANCIAL SERVICES				
	Local Government Fire Service Grants	43.009	FM450	42,586
Total	*FLORIDA DEPARTMENT OF FINANCIAL SERVICES*			42,586
FLORIDA DEPARTMENT OF STATE				
	State Aid to Libraries	45.030	18-ST-19	32,850
	State Aid to Libraries	45.030	19-ST-19	302,614
	State Aid to Libraries	45.030	20-ST-19	368,982
	Subtotal CSFA 45.030			704,446
Total	*FLORIDA DEPARTMENT OF STATE*			*704,446*
FLORIDA DEPARTMENT OF TRANSPORTATION				
	Commission for Transportation Disadvantaged Planning Grant	55.002	G1Y33	2,665
	Commission for Transportation Disadvantaged Planning Grant	55.002	G1Y07	2,539
	Commission for Transportation Disadvantaged Planning Grant	55.002	G1N49	13,269
	Commission for Transportation Disadvantaged Planning Grant	55.002	G1N24	13,096
	Subtotal CSFA 55.002			*31,570*
	Aviation Development Grants	55.004	G0U70; FPN 441991-1-94-01	593,750
	Aviation Development Grants	55.004	G0U71; FPN 442899-1-94-01	16,492
	Aviation Development Grants	55.004	G1961; FPN 444806-1-94-01	38,841
	Aviation Development Grants	55.004	G1J37; FPN 447079-1-94-01	71,532
	Aviation Development Grants	55.004	G1L38; FPN 444774-1-94-01	104,950
	Aviation Development Grants	55.004	G1O94; FPN 438513-1-94-01	55,853
	Aviation Development Grants	55.004	G1O95; FPN 438514-1-94-01	3,859
	Aviation Development Grants	55.004	G1U46; FPN 444468-1-94-01	1,200
	Subtotal CSFA 55.004			*886,477*
	Public Transit Block Program	55.010	GOT99; FPN 408104-1-84-18	11,850
	Local Transportation Projects	55.039	G1522; FPN 443372-1-34-01	9,523
	Local Transportation Projects	55.039	G1521; FPN 443369-1-34/54-01	89,059
	Local Transportation Projects	55.039	G1G22; FPN 445742-1-94-01	71,344
	Subtotal CSFA 55.039			169,926
Total	*FLORIDA DEPARTMENT OF TRANSPORTATION*			*1,099,823*
FLORIDA DEPARTMENT OF HEALTH				
	Emergency Medical Services (EMS) Matching Awards	64.003	M9013	38,041
	County Grant Awards (EMS)	64.005	C9027	16,329
Total	*FLORIDA DEPARTMENT OF HEALTH*			*54,370*
FISH AND WILDLIFE CONSERVATION COMMISSION				
	LAKE TOWNSEN BOAT RAMP IMP	77.006	18075	45,903
Total	*FISH AND WILDLIFE CONSERVATION COMMISSION*			*45,903*
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE				***$ 11,002,441***

HERNANDO COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTERMBER 30, 2021

Note 1 - General

The accounting policies and presentation of the accompanying schedule of expenditures of federal awards and state financial assistance of Hernando County, Florida (the County) have been designed to conform with generally accepted accounting principles applicable to governmental units, including the reporting and compliance requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) (federal awards), and Chapter 10.550, Rules of the Auditor General of the State of Florida.

The County reporting entity is defined in Note A to the County's basic financial statements for the year ended September 30, 2021. All federal awards and state financial assistance received directly from federal or state agencies, as well as federal awards and state financial assistance passed through other governmental agencies, are included in the schedule.

Note 2 - Basis of Accounting

The accompanying schedule of expenditures of federal awards and state financial assistance is presented using the same basis of accounting as the fund in which the grant is recorded, generally the accrual or modified accrual basis, as described in Note A to the County's financial statements.

Note 3 - Loans Outstanding

The County has the following loan balances outstanding at September 30, 2021:

Program	CSFA Number	Loan Outstanding
State Housing Initiatives Partnership (SHIP)	40.901	$ 13,820,302

Only current year loans issued to eligible recipients are included as expenditures on the accompanying schedule. The County has recorded the gross amount of the loan offset entirely by an allowance for uncollectible receivables.

Note 4 - Contingencies

Grant funds received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to the disallowance of expenditures. Based upon prior experience, the County does not believe that such disallowances, if any, would have a material effect on the financial position of the County.

Note 5 – Expenditures & Program Income

The amounts shown as current year expenditures on the accompanying schedule represent only the grant portion of the program/project costs. The total expenditures of the program/project may be more than shown. The only exception to this is the funding received under Assistance Listing 93.498- Provider Relief Fund and 97.036- FEMA Public Assistance Program (See Note 7 for additional details). In accordance with the OMB Compliance Supplement, fiscal year 2019-20 expenditures totaling $176,332 were included on the fiscal year 2020-21 schedule.

Negative expenditures reported on the Schedules of Expenditures of Federal Awards and State Financial Assistance may be the result of a correction from entries included in a prior fiscal year. While current expenditures for a grant may be negative, the aggregate of all expenditures during the entire period of performance will be positive.

Program income generated by and expended on a Federal or State award during the period of performance is included on this schedule if the program income is added to the award amount or if specifically directed by the awarding agency and/or required by program guidance. Program income that reduces the total allowable expenditures (deduction method) is not included.

HERNANDO COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTERMBER 30, 2021

The amounts shown as current year expenditures on the accompanying schedule represent only the grant portion of the program/project costs. The total expenditures of the program/project may be more than shown. Program income generated by and expended on a Federal or State award during the period of performance is included on this schedule if the program income is added to the award amount or if specifically directed by the awarding agency and/or required by program guidance. Program income that reduces the total allowable expenditures (deduction method) is not included.

Note 6 – Indirect Costs

Hernando County Board of County Commissioners elected to use the 10% de minimis cost rate in fiscal year 2021 as covered in 2 CFR 200.414.

Note 7 – Disaster Public Assistance

Disaster funding received from the FEMA Public Assistance Program (Assistance Listing 97.036) is based on Project Worksheets (PWs) that outline the eligible expenses and the scope of the project. Expenditures recorded on this schedule are contingent on when a funding agreement is executed, funds are obligated and approved, and the County has incurred eligible expenditures. PWs are categorized as either “small” or “large” based on the total expenses. “Small” PWs are reported based on the amount obligated, while “large” PWs are determined by actual eligible expenditures. Approximately $621 of eligible expenditures incurred in prior years were reported on the schedule this year. See Note A of the ACFR for additional details regarding the accounting of funds received under this program.

Note 8- Subrecipients

The County sub-awarded funds totaling $212,224 under Assistance Listing 21.019 Coronavirus Relief Fund grant #Y2277 during fiscal year 2020-21.

HERNANDO COUNTY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2021

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	**Unmodified Opinion**	
Internal control over financial reporting:		
• Significant deficiency(ies) identified?	___ Yes	_X_ None reported
• Material weakness(es) identified?	___ Yes	_X_ No
Noncompliance material to financial statements noted?	___ Yes	_X_ No

Federal Awards and State Financial Assistance

Internal control over major federal programs and state projects:		
• Significant deficiency(ies) identified?	___ Yes	_X_ None reported
• Material weakness(es) identified?	___ Yes	_X_ No
Type of auditor's report issued on compliance for major Federal programs and State projects:	**Unmodified Opinion**	
Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the *Uniform Guidance* or Chapter 10.557, *Rules of the Auditor General?*	___ Yes	_X_ No

Identification of Major Federal Program(s) and State Project(s):

AL Number(s)	Name of Federal Program(s)
20.507 & 20.526	Federal Transit Cluster
21.019	Coronavirus Relief Fund
20.205	Highway Planning and Construction Cluster

CSFA Number(s)	Name of State Project(s)
37.039	Statewide Water Quality Restoration Projects
37.052	Florida Springs Grant Program

Dollar threshold used to distinguish between Type A and Type B programs/projects:	
Federal	$ 750,000
State	$ 750,000

Auditee qualified as low-risk auditee?	_X_ Yes	___ No

HERNANDO COUNTY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

For the Year Ended September 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS SECTION

None reported.

SECTION III - FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS SECTION

Federal

None reported.

State

None reported.

SECTION IV - PRIOR-YEAR AUDIT FINDINGS

Federal

None reported.

State

None reported.

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Hernando County Board of County Commissioners
Other Supplemental Information
Schedule of Deepwater Horizon Oil Spill - Related Receipts & Expenditures
For the Fiscal Year Ending September 30, 2021

Assistance Listing	Program	Funding Agency	Pass-Thru	Project	Award Identifier	Expenditures	Revenue Federal
21.015	Gulf RESTORE - DIRECT COMPONENT	Department of Treasury	N/A	Bayou Drive Repair & Restoration	1 RDCGR110034-01-00	$ 1,400	$ 1,400
21.015	Gulf RESTORE - DIRECT COMPONENT	Department of Treasury	N/A	Linda Pedersen Park Improvements	1 RDCGR110125-01-00	70,869	70,869
87.052	RESTORE Council Oil Spill Impact Program	Gulf Coast Ecosystem Restoration Council	Gulf Consortium	Artifical Reef Program	GNTSP20FL0110	9,532	9,532
						$ 81,801	$ 81,801

Note 1: Expenditures included on this schedule are subject to Federal Single Audit requirements of 2CFR Part 200 and will be reported on the County's Schedule of Expenditures of Federal Awards.

Note 2: Assistance Listing 21.015 was authorized under the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012, Title 31, Part 34, 126 Stat. 588, 33 U.S.C 1321 (t)(1).

Note 3: Assistance Listing 87.052 was authorized under the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States (RESTORE) Act of 2012, Title 33, Part 1321(t)(3), Section 1603(3), Public Law 112-141, Statute 126,588, 33 US Code 1321(t)(2).

MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Board of County Commissioners
Hernando County, Florida

Report on the Financial Statements

We have audited the financial statements of Hernando County, Florida (the "County") as of and for the year ended September 30, 2021, and have issued our report thereon dated March 24, 2022.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and Chapter 10.550, *Rules of the Auditor General.*

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards,* Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance and on Schedule of Expenditures of Federal Awards and State Financial Assistance in Accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General;* Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards,* AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General.* Disclosures in those reports and schedule, which are dated March 24, 2022, 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. In connection with the preceding audit, there were no findings or recommendations.

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 this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General,* require that we apply appropriate procedures and report the results of our determination as to whether or not the County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the County'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.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statues, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the County has identified the Kass Circle Community, the Hernando County Law Library, Hernando County Port Authority and the Hernando County Water and Sewer District as dependent special districts included within the reporting entity. These special district's do not have employees, independent contractors, construction projects or budget variances.

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

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

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 24, 2022

MSL
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

Honorable Board of County Commissioners
Hernando County, Florida

We have examined Hernando County, Florida's (the "County") compliance with the requirements of Sections 218.415, 365.172(10), and 365.172(2)(d), Florida Statutes, during the year ended September 30, 2021. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance 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 County complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the County's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 24, 2022

MSL
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

Honorable Board of County Commissioners
Hernando County, Florida

We have examined Hernando County, Florida's (the "County") compliance with the requirements of Title 33 U.S. Code s. 1321(t), during the year ended September 30, 2021. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance 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 County complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the County's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 24, 2022

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Bond Compliance

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
September 30, 2021
(UNAUDITED)

BOND COMPLIANCE INFORMATION

TAXABLE WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 2021A
WATER AND SEWER REFUNDING REVENUE BONDS SERIES 2021B

HISTORIC GROWTH OF WATER AND WASTEWATER SYSTEM CUSTOMERS

The following table sets forth data regarding the Historic Growth of Water and Wastewater System Customers for the last ten fiscal years for Hernando County, Florida:

	Number of Active Accounts (1)	
Fiscal Year	Water	Sewer
2012	56,777	26,811
2013	56,975	26,897
2014	57,376	27,127
2015	58,251	27,688
2016	58,281	27,688
2017	59,952	28,778
2018	62,756	30,770
2019	61,425	29,631
2020	63,018	30,606
2021	63,910	31,415
Average Annual Compound Growth Rate	1.34%	1.82%

(1) Figures represent number of active accounts at the close of each Fiscal Year ended September 30.

Source: Hernando County Utilities Department

HISTORIC WATER CONSUMPTION FLOWS

The following table sets forth data regarding the Historic Water Consumption Flows for the last ten fiscal years for Hernando County, Florida:

Fiscal Year	Average Daily Flow (MGD)	Peak Day Flow (MGD)
2012	18.380	25.137
2013	17.088	24.999
2014	16.762	24.426
2015	16.725	23.957
2016	17.707	24.664
2017	18.766	27.684
2018	18.306	26.074
2019	18.832	26.680
2020	19.505	26.695
2021	19.867	31.118

Source: Hernando County Utilities Department

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
September 30, 2021
(UNAUDITED)

HISTORIC WASTEWATER TREATMENT PLANT FLOWS

The following table sets forth data regarding the Historic Wastewater Treatment Plant Flows for the last ten fiscal years for Hernando County, Florida:

Fiscal Year	Average Daily Flow (MGD)
2012	3.966
2013	3.978
2014	4.128
2015	4.191
2016	4.470
2017	4.802
2018	4.546
2019	4.645
2020	4.453
2021	4.586

Source: Hernando County Utilities Department

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
September 30, 2021
(UNAUDITED)

WATER SYSTEM RATES
Monthly User Rates

	2021	2022	2023	2024
Monthly Base Charge:				
Residential Single-Family Service and Residential Irrigation Service:				
Base Charge All Meter Sizes	$ 8.41	$ 8.75	$ 8.94	$ 9.19
Commercial, Residential Multi-Family and Commercial Irrigation Service:				
Meter Size:				
5/8"	$ 8.41	$ 8.75	$ 8.97	$ 9.19
3/4"	12.63	13.14	13.47	13.81
1"	21.04	21.88	22.43	22.99
1-1/2"	42.08	43.76	44.55	45.97
2"	67.32	70.01	71.76	73.55
3"	134.62	140.00	143.50	147.09
4"	210.34	218.75	224.22	229.83
6"	420.68	437.51	448.45	459.66
8"	673.09	700.01	717.51	735.45
10"	967.56	1,006.26	1,031.42	1,057.21
12"	1,808.92	1,881.28	1,928.31	1,976.52
Consumption Charge (Per 1,000 Gallons):				
Residential Single-Family Service:				
0-5,000	$ 1.48	$ 1.54	$ 1.58	$ 1.62
5,000-10,000	1.74	1.81	1.86	1.91
10,001-20,000	2.61	2.71	2.78	2.85
20,001-30,000	3.47	3.61	3.70	3.79
30,001-50,000	5.21	5.42	5.56	5.70
50,001-75,000	8.68	9.03	9.26	9.49
Above 75,000	12.16	12.65	12.97	13.29
Residential Irrigation Service:				
0-10,000	$ 1.74	$ 1.54	$ 1.58	$ 1.62
10,001-20,000	2.61	2.71	2.78	2.85
20,001-30,000	3.47	3.61	3.70	3.79
30,001-50,000	5.21	5.42	5.56	5.70
50,001-75,000	8.68	9.03	9.26	9.49
Above 75,000	12.16			
Commercial, Residential Multi-Family and Commercial Irrigation Service:				
Block 1	$ 1.74	$ 1.54	$ 1.58	$ 1.62
Block 2	2.61	2.71	2.78	2.85
Block 3	3.47	3.61	3.70	3.79
Block 4	5.21	5.42	5.56	5.70
Block 5	8.68	9.03	9.26	9.49
Block 6	12.16	12.65	12.97	13.29

Source: Hernando County Utilities Department

1) Amounts shown to be applied on a per ERU basis.

Source: *Hernando County Utilities Department*

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
September 30, 2021
(UNAUDITED)

WASTEWATER SYSTEM RATES
Monthly User Rates

	2021	2022	2023	2024
Monthly Base Charge:				
Residential Single-Family Service:				
Base Charge All Meter Sizes	$ 22.11	$ 23.22	$ 24.38	$ 25.60
Commercial, Residential Multi-Family Service:				
Base Charge All Meter Sizes:				
5/8"	$ 22.11	$ 23.22	$ 24.38	$ 25.60
3/4"	33.17	34.83	36.57	38.40
1"	55.29	58.05	60.95	64.00
1-1/2"	110.58	116.11	121.92	128.02
2"	176.94	185.79	195.08	204.83
3"	353.81	371.50	390.08	409.58
4"	552.83	580.47	609.49	639.96
6"	1,105.65	1,160.93	1,218.98	1,279.93
8"	1,769.04	1,857.49	1,950.36	2,047.88
10"	2,543.00	2,670.15	2,803.66	2,943.84
12"	4,754.30	4,992.02	5,241.62	5,503.70
Consumption Charge (Per 1,000 Gallons of Metered Water):				
Residential Single-Family Service	$ 4.92	$ 5.17	$ 5.43	$ 5.70
Commercial, Residential Multi-Family Service: (customer with 5/8" Meter through 10" Meter)	$ 4.92	$ 5.17	$ 5.43	$ 5.70
Commercial, Residential Multi-Family Service: (customer with 12" Meter)	$ 4.92	$ 5.17	$ 5.43	$ 5.70

Source: Hernando County Utilities Department

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
September 30, 2021
(UNAUDITED)

COUNTY SYSTEM RATES (CONTINUED)

Connection Fee ERU

Set forth below is a table which summarizes the water and wastewater system Connection Fees for each respective meter size for the last five fiscal years:

		2017		2018		2019		2020		2021	
Meter Size	ERU Meter Factor	Water	Sewer	Water	Sewer	Water	Sewer	Water	Sewer	Water	Sewer
5/8	1	$ 1,147	$ 3,544	$ 1,147	$ 3,544	$ 1,147	$ 3,544	$ 1,147	$ 3,544	$ 1,147	$ 3,544
3/4	1.5	1,721	5,316	1,721	5,316	1,721	5,316	1,721	5,316	1,721	5,316
1	2.5	2,868	8,860	2,868	8,860	2,867	8,860	2,867	8,860	2,867	8,860
1 1/2	5	5,735	17,720	5,735	17,720	5,735	17,720	5,735	17,720	5,735	17,720
2	8	9,176	28,352	9,176	28,352	9,176	28,352	9,176	28,352	9,176	28,352
3	16	18,352	56,704	18,352	56,704	18,352	56,704	18,352	56,704	18,352	56,704
4	25	28,675	88,600	28,675	88,600	28,675	88,600	28,675	88,600	28,675	88,600
6	50	57,350	177,200	57,350	177,200	57,350	177,200	57,350	177,200	57,350	177,200
8	80	91,760	283,520	91,760	283,520	91,760	283,520	91,760	283,520	91,760	283,520
10	115	131,905	407,560	131,905	407,560	131,905	407,506	131,905	407,506	131,905	407,580

COUNTY SYSTEM RATES (CONTINUED)

Other County System Rates and Charges

The County has several other charges that are applicable to miscellaneous or customer-requested services. Set forth in the table below is a summary of other miscellaneous charges imposed by the County that are common in the utility industry, for the last five fiscal years.

Charges/Fee Descriptions	2017	2018	2019	2020	2021
Water Hook-up Fees:					
Meter Size:					
5/8" x 3/4" Water Meter	$ 250	$ 250	$ 250	$ 350	$ 350
5/8" x 3/4" Water Meter Short/Long Tap-In	350	350	350	690	690
1" Water Meter	750	750	750	860	860
1 1/2" Water Meter	1,170	1,170	1,170	1,550	1,550
2" Water Meter	1,400	1,400	1,400	1,685	1,685
3" Compound Water Meter	Contracted	Contracted	Contracted	Contracted	Contracted
4" Compound Water Meter	Contracted	Contracted	Contracted	Contracted	Contracted
6" Compound Water Meter	Contracted	Contracted	Contracted	Contracted	Contracted
8" Compound Water Meter	Contracted	Contracted	Contracted	Contracted	Contracted
Wastewater Hook-Up Fee:					
Residential	N/A	N/A	N/A	N/A	N/A
Commercial	N/A	N/A	N/A	N/A	N/A
Utility Service Fee:					
Workdays - 8:00 a.m. to 5:00 p.m.	$ 35.00	$ 35.00	$ 35.00	$ 35.00	$ 35.00
After 5:00 p.m., Weekends, Holidays	70.00	70.00	70.00	70.00	70.00

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
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(UNAUDITED)

The following two tables set forth a summary of the Hernando County Water and Sewer Capital Improvements and Funding Sources for the next five years.

FIVE-YEAR CAPITAL IMPROVEMENTS PROGRAM

	Fiscal Year Ending September 30,					
	2022	2023	2024	2025	2026	Total
WATER SYSTEM						
Water Production	$ 9,393,576	$ 6,500,000	$ -	$ 430,000	$ 2,900,000	$ 19,223,576
Water Distribution/Storage	2,821,706	1,175,000	4,015,000	900,000	-	8,911,706
Total Water Systems	12,215,282	7,675,000	4,015,000	1,330,000	2,900,000	28,135,282
WASTEWATER SYSTEM						
Treatment and Effluent Disposal	18,766,556	3,100,000	-	-	300,000	22,166,556
W.W. Collection/Effluent Transmission	17,727,586	18,325,000	330,000	3,330,000	2,068,000	41,780,586
Total Wastewater System	36,494,142	21,425,000	330,000	3,330,000	2,368,000	63,947,142
TOTAL – Water & Wastewater System	$ 48,709,424	$ 29,100,000	$ 4,345,000	$ 4,660,000	$ 5,268,000	$ 92,082,424

HERNANDO COUNTY, FLORIDA
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FUNDING SOURCES FOR FIVE-YEAR WATER AND SEWER CAPITAL IMPROVEMENTS PROGRAM

	2022	2023	2024	2025	2026	Total
WATER SYSTEM						
Capital Reserves	$ 3,305,000	$ 1,175,000	$ 3,900,000	$ -	$ -	$ 8,380,000
Renewal & Replacement Fund	4,391,516	-	115,000	900,000	-	$ 5,406,516
Connection Fees	2,863,434	6,500,000	-	430,000	2,900,000	12,693,434
Other Funding Sources	1,655,332					1,655,332
Total Water System	12,215,282	7,675,000	4,015,000	1,330,000	2,900,000	28,135,282
WASTEWATER SYSTEM						
Capital Reserves	17,058,596	4,500,000	-	-	-	21,558,596
Renewal & Replacement Fund	794,389	1,000,000	330,000	3,330,000	2,068,000	7,522,389
Connection Fees	2,953,768	250,000	-	-	300,000	3,503,768
Other Funding Sources	15,687,389	15,675,000	-	-	-	31,362,389
Total Wastewater System	36,494,142	21,425,000	330,000	3,330,000	2,368,000	63,947,142
TOTAL – Water & Wastewater System	$ 48,709,424	$ 29,100,000	$ 4,345,000	$ 4,660,000	$ 5,268,000	$ 92,082,424

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
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HISTORICAL OPERATING RESULTS AND DEBT SERVICE COVERAGE-COUNTY SYSTEM

The following table shows certain historical operating data for the Water and Sewer System for the last five fiscal years. Presentation of such figures is intended to reflect the provisions of the Resolution. The historical figures are derived from the County's audited financial statements.

	Fiscal Year Ending September 30,				
	2017	2018	2019	2020	2021
Water & Wastewater Sales Revenues	$ 33,735,229	$ 34,108,510	$ 36,133,965	$ 38,922,432	$ 41,614,139
Other Operating Revenues	492,740	471,155	519,832	412,227	298,658
Interest Income	232,704	159,142	2,206,169	1,664,166	101,977
Total Gross Revenues (1)	34,460,673	34,738,807	38,859,966	40,998,825	42,014,774
Operating Expenses: (2)					
Personal Services	8,797,541	9,075,201	9,897,899	10,225,603	8,966,060
Other Operating Expenses	9,290,662	10,517,510	10,826,671	13,097,421	12,624,161
Depreciation Equivalent Charges (3)	(225,368)	(316,453)	(366,071)	(453,088)	(816,113)
Total Operating Expenses	17,862,835	19,276,258	20,358,499	22,869,936	20,774,108
Net Revenues (4)	16,597,838	15,462,549	18,501,467	18,128,889	21,240,666
Connection Fees:					
Water Connection Fees	700,853	859,607	807,319	763,215	1,214,679
Wastewater Connection Fees	1,411,720	1,409,732	1,495,310	1,436,950	2,150,737
Total Connection Fees	2,112,573	2,269,339	2,302,629	2,200,165	3,365,416
Pledged Funds (5)	18,710,411	17,731,888	20,804,096	20,329,054	24,606,082
Actual Senior Lien Debt Service	$ 3,991,177	$ 3,983,233	$ 3,982,002	$ 2,577,705	$ 1,830,428
Actual Coverage on Net Revenues (6)	4.16	3.88	4.65	7.03	11.60
Required Coverage	1.10	1.10	1.10	1.10	1.35
Actual Coverage on Pledged Funds (6)	4.69	4.45	5.22	7.89	13.44
Required Coverage	1.20	1.20	1.20	1.20	1.20

(1) Pursuant to the Resolution, does not include Sewer Connection Fees, Water Connection Fees or Special Assessment Proceeds.
(2) Pursuant to the Resolution, does not include amortization or depreciation.
(3) For purposes of this table, charges associated with replacement of vehicles in lieu of depreciation have been eliminated. This is consistent with definition of Operating Expenses in the Resolution, which excludes depreciation, amortization and other similar charges.
(4) Net revenues are defined in the Resolution as Gross Revenues less Operating Expenses.
(5) Pledged Funds are defined in the Resolution as Net Revenues plus Connection Fees, together with certain other funds and accounts which are not accounted for in this table.
(6) Upon issuance of the Series 2021A and 2021B Bonds,required coverage on Net Revenues increased from 1.10 to 1.35 times.For purposes of these calculations, it has been assumed that the Fund Balance equaled $0.

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
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TOP TEN UTILITY CUSTOMERS (BASED ON SALES REVENUE)

The following table shows the ten largest customers of Hernando County for fiscal year ending September 30, 2021:

Customer	Class	Meter Size	Type of Service	System Revenue	% of Total County Sales Revenue
Oak Hill Hospital	Commercial	6”	Water & Sewer	34,921,800	0.8%
Hernando County Jail	Commercial	6”	Water & Sewer	15,746,100	0.4%
Hernando Correctional Institution	Commercial	6”	Water & Sewer	14,414,000	0.3%
Bridgewater Club Apartments	Commercial	6”	Water	13,251,100	0.3%
Oak Hill Hospital Cooling Tower	Commercial	2”	Water & Sewer	9,442,900	0.2%
Atria Evergreen Woods	Commercial	4"	Water & Sewer	5,713,700	0.1%
Spring Hill Hospital Cooling Tower	Commercial	2"	Water & Sewer	4,498,700	0.1%
Brooksville Regional Hospital	Commercial	6"	Water & Sewer	4,488,000	0.1%
Evergreen Woods	Commercial	4”	Water & Sewer	4,506,200	0.1%
Hernando County School Board	Commercial	6"	Water	6,084,500	0.1%
Total				$ 113,067,000	

Source: Hernando County Utilities Department.

NON-AD VALOREM REFUNDING REVENUE BONDS, SERIES 2010

The following table represents the County's determination of non-ad valorem revenues for the last six years (excludes non-ad valorem revenues of the County which are not legally available to pay debt service on the Series 2010 Bonds). Certain of such revenue may heretofore or hereinafter be specifically pledged to secure other indebtedness by the County. Any such debt would be payable from such specific revenue sources prior to payment of debt service on the Series 2010 Bonds. Such table is not intended to represent revenues of the County which would necessarily be available to pay debt service on the Series 2010 Bonds; however, they are an indication of the relative amounts of non-ad valorem revenues of the County which may be available for the payment of principal and interest on the Series 2010 Bonds taking into account general government expenditures. Certain categories may cease to exist altogether and new sources may come about from time to time.

HERNANDO COUNTY, FLORIDA
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HISTORICAL NON-AD VALOREM REVENUES IN GENERAL FUND (1)

	Fiscal Year Ending September 30,					
	2016	2017	2018	2019	2020	2021
Revenues						
Taxes:						
Local Communications Services Tax	$ 1,725,437	$ 1,654,590	$ 1,658,612	$ 1,494,033	$ 1,508,963	$ 1,504,621
Licenses and Permits:						
Other	363,882	437,911	462,182	489,033	485,251	530,672
Intergovernmental:						
Local Governmental Half-Cent Sales Tax (2)	9,098,938	9,305,757	9,823,445	10,113,257	10,333,528	12,179,208
State Revenue Sharing	4,519,219	4,735,465	4,970,666	5,223,897	4,913,385	5,726,289
Other (3)	6,225,361	5,068,030	4,916,876	6,023,774	32,700,262	13,730,732
Charges for Services:						
General Government	7,642,009	7,745,846	8,475,322	9,373,508	13,179,182	10,500,253
Public Safety	1,668,836	1,755,579	2,673,726	2,791,145	476,860	3,752,649
Physical Environment	308,890	342,347	313,140	-	173,550	140,264
Transportation	174,220	153,856	152,677	147,853	120,283	118,139
Human Services	225,273	208,346	204,134	224,203	181,143	194,870
Recreation and Culture	746,590	854,872	854,542	764,664	737,690	1,028,982
Other	25,368	26,640	28,561	29,197	29,720	31,998
Fines and Forfeitures	76,420	106,757	110,167	137,409	128,878	198,608
Interest Income	402,933	204,633	227,855	1,120,746	1,166,271	84,734
Miscellaneous Revenue	1,507,647	1,403,238	1,456,065	1,637,594	5,401,409	2,746,219
Total Sources of Non-Ad Valorem Revenues	$ 34,711,023	$ 34,003,867	$ 36,327,970	$ 39,570,313	$ 71,536,375	$ 52,468,238

(1) Includes non-ad valorem revenues in General Fund only.
(2) This revenue source is pledged as the source of security for payment for the Series 2010 Bonds, Non-Ad Valorem Refunding Revenue Note, Series 2012, and the Non-Revolving Lines of Credit.
(3) Increases/decreases predominantly due to changes in grant funding provided by other governmental agencies.

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
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OTHER OBLIGATIONS PAYABLE FROM NON-AD VALOREM REVENUES

The County has other debt issues outstanding which are secured by and payable from specific non-ad valorem revenues (excluding gas taxes and net revenues of the water and sewer enterprise fund, neither of which are legally available to pay debt service on the Series 2010 Bonds). Such indebtedness is summarized below.

Description	Source of Security	Amount Outstanding (1)	Final Maturity	Maximum Annual Debt Service
Non-Revolving Line of Credit	Covenant to Budget and Appropriate Legally Available Non-Ad Valorem Revenues	$ 18,474,620	5/01/2031	$ 3,230,991
Non-Ad Valorem Refunding Revenue Bonds, Series 2010	Covenant to Budget and Appropriate Legally Available Non-Ad Valorem Revenues	$ 1,235,000	2/01/2024	$ 1,290,806
Non-Ad Valorem Refunding Revenue Note, Series 2012	Covenant to Budget and Appropriate Legally Available Non-Ad Valorem Revenues	$ 9,920,000	2/01/2028	$ 3,159,419
		$ 29,629,620		$ 7,681,216

(1) The amount outstanding on each bond issue is calculated as of September 30, 2021.

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
September 30, 2021
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GENERAL FUND REVENUES AND EXPENDITURES

The Following chart shows information regarding the General Fund for the County's fiscal years ending September 30, 2016 through September 30, 2021:

	Fiscal Year Ending September 30,					
	2016	2017	2018	2019	2020	2021
REVENUES						
Taxes	$ 51,800,500	$ 52,991,102	$ 55,176,696	$ 58,402,513	$ 71,651,035	$ 75,177,661
Licenses and Permits	363,882	437,911	462,182	489,034	485,251	530,672
Intergovernmental	17,392,796	19,109,252	19,718,014	21,360,928	47,947,175	33,094,676
Charges for Services	10,791,186	11,087,486	12,702,102	13,330,570	14,898,428	15,767,155
Fines and Forfeitures	76,420	106,757	110,167	137,409	128,878	198,608
Interest	402,933	204,633	227,855	1,120,746	1,166,271	84,734
Miscellaneous	1,507,647	1,403,238	1,456,065	1,637,594	5,401,409	2,746,219
TOTAL REVENUES	$ 82,335,364	$ 85,340,379	$ 89,853,081	$ 96,478,794	$ 141,678,447	$ 127,599,725
EXPENDITURES						
Current:						
General Government	$ 19,799,462	$ 20,384,193	$ 22,264,779	$ 22,766,601	$ 22,837,187	$ 26,424,780
Public Safety	44,253,671	45,737,271	48,693,366	51,776,924	55,173,881	57,634,971
Physical Environment	264,339	296,056	328,852	444,670	496,058	515,117
Transportation	2,039,001	2,397,631	2,514,283	2,415,463	2,723,307	2,878,645
Economic Environment	468,929	510,631	469,298	558,060	2,949,502	4,928,949
Human Services	4,047,107	4,274,185	4,609,019	4,686,387	4,828,136	5,941,076
Culture and Recreation	4,651,780	4,734,319	5,201,253	5,675,994	5,442,599	6,177,042
Court Operations	1,223,902	1,248,242	1,266,448	1,388,518	1,540,870	1,558,259
Debt Service:						
Principal	469,465	420,070	424,739	441,217	563,348	811,662
Interest and Fiscal Charges	116,433	70,632	66,194	69,632	78,403	75,771
Capital Outlay	2,764,664	3,306,681	3,358,739	3,607,192	4,155,093	7,729,843
TOTAL EXPENDITURES	$ 80,098,753	$ 83,379,911	$ 89,196,970	$ 93,830,658	$ 100,788,384	$ 114,676,115
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 2,236,611	$ 1,960,468	$ 656,111	$ 2,648,136	$ 40,890,063	$ 12,923,610
OTHER FINANCING SOURCES (USES)						
Transfers In (1)	$ 1,192,360	$ 567,136	$ 3,365,406	$ 2,390,979	$ 775,376	$ 357,922
Transfers Out (1)	(4,092,519)	(5,199,978)	(5,412,852)	(5,666,358)	(5,629,608)	(6,055,192)
Additions to Long-Term Debt	-	-	142,399	-	556,530	-
TOTAL OTHER FINANCING SOURCES (USES)	$ (2,900,159)	$ (4,632,842)	$ (1,905,047)	$ (3,275,379)	$ (4,297,702)	$ (5,697,270)
Net Change in Fund Balances	(663,548)	(2,672,374)	(1,248,936)	(627,243)	36,592,361	7,226,340
BEGINNING FUND BALANCE	23,337,835	23,523,455	23,854,816	22,605,880	21,978,637	58,570,998
ENDING BALANCE	$ 22,674,287	$ 20,851,081	$ 22,605,880	$ 21,978,637	$ 58,570,998	$ 65,797,338

(1) Transfers from or to other funds of the County.

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
September 30, 2021
(UNAUDITED)

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Affidavit

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BOARD OF COUNTY COMMISSIONERS
20 NORTH MAIN STREET • ROOM 263 • BROOKSVILLE, FLORIDA 34601
P 352.754.4002 • F 352.754.4477 • W www.HernandoCounty.us

AFFIDAVIT OF IMPACT FEE COMPLIANCE

Hernando County, Florida has complied with Section 163.31801 of Florida Statutes regarding accounting and reporting of Impact Fee collections and expenditures.

Doug Chorvat, Jr.
Acting Financial Services Director
Office of Doug Chorvat Jr., Clerk of Circuit Court and Comptroller

State of Florida
County of Hernando

Subscribed and sworn to (or affirmed) before me on this 17th day of February 2022, by Douglas A Chorvat, Jr proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Darlene M. Christensen 2-17-2022

(Seal) NOTARY PUBLIC STATE OF FLORIDA
DARLENE M. CHRISTENSEN
Commission # GG 983543
Expires June 19, 2024
Bonded Thru Budget Notary Services

HERNANDO COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT

FINANCIAL STATEMENTS

Year Ended September 30, 2021

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MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Doug Chorvat, Jr.
Clerk of the Circuit Court and Comptroller
Hernando County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Hernando County, Florida Clerk of the Circuit Court (the "Clerk") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, as listed in the table of contents.

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 an opinion 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 of 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 Clerk'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 Clerk'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 opinion.

To the Honorable Doug Chorvat, Jr.
Clerk of the Circuit Court and Comptroller
Hernando County, Florida

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the Clerk as of September 30, 2021, and the respective change in financial position, and the budgetary comparison for the general fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

As described in Note 1 to the financial statements, the accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General for Local Governmental Entity Audits*. These financial statements are not intended to be a complete presentation of the financial position of Hernando County, Florida as of September 30, 2021, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in the fiscal year ended September 30, 2021, the Clerk adopted the provisions of Government Accounting Standards Board Statement ("GASBS") Number 84, *Fiduciary Activities*. As a result of the implementation of GASBS 84, the Clerk reported a restatement for the change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying supplemental information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated February 16, 2022, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
February 16, 2022

HERNANDO COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2021

	General	Records Modernization	Fines and Forfeitures	Total
ASSETS				
Cash	$ 9,300	$ -	$ -	$ 9,300
Equity in pooled cash and investments	1,396,416	2,171,682	1,111,082	4,679,180
Accounts receivable	122,336	-	-	122,336
Due from other government agencies	60,686	-	38,554	99,240
Prepaid items	49,394	78,663	2,457	130,514
TOTAL ASSETS	$ 1,638,132	$ 2,250,345	$ 1,152,093	$ 5,040,570
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 75,584	$ 1,912	$ 4,937	$ 82,433
Accrued wages and benefits	128,433	1,359	24,007	153,799
Due to Hernando County, Florida Board of County Commissioners	1,371,925	-	-	1,371,925
Due to other government agencies	-	-	848,061	848,061
Deposits	62,190	-	275,088	337,278
TOTAL LIABILITIES	1,638,132	3,271	1,152,093	2,793,496
FUND BALANCES				
Non-Spendable:				
Prepaid items	-	78,663	-	78,663
Restricted for:				
Record modernization	-	2,168,411	-	2,168,411
TOTAL FUND BALANCES	-	2,247,074	-	2,247,074
TOTAL LIABILITIES AND FUND BALANCE	$ 1,638,132	$ 2,250,345	$ 1,152,093	$ 5,040,570

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

Year Ended September 30, 2021

	General	Records Modernization	Fines and Forfeitures	Total
REVENUES				
Intergovernmental	$ -	$ -	$ 311,814	$ 311,814
Charges for services	1,923,217	748,797	3,028,246	5,700,260
Fines and forfeitures	-	-	1,136,787	1,136,787
Interest income	6,429	4,000	3,058	13,487
Miscellaneous	15,773	-	253	16,026
TOTAL REVENUES	1,945,419	752,797	4,480,158	7,178,374
EXPENDITURES				
General government:				
Personnel services	3,571,942	-	-	3,571,942
Operating expenditures	2,305,070	122,216	-	2,427,286
Court operations:				
Personnel services	-	148,075	2,868,610	3,016,685
Operating expenditures	-	118,902	118,332	237,234
Capital outlay	133,320	87,380	-	220,700
TOTAL EXPENDITURES	6,010,332	476,573	2,986,942	9,473,847
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,064,913)	276,224	1,493,216	(2,295,473)
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Hernando County, Florida, Board of County Commissioners	5,436,838	-	-	5,436,838
Transfers (out):				
Distribution of excess appropriations to the Hernando County, Florida, Board of County Commissioners	(1,371,925)	-	-	(1,371,925)
Distribution of excess court revenue to the State of Florida	-	-	(1,493,216)	(1,493,216)
TOTAL OTHER FINANCING SOURCES (USES)	4,064,913	-	(1,493,216)	2,571,697
NET CHANGE IN FUND BALANCE	-	276,224	-	276,224
FUND BALANCE, BEGINNING OF YEAR	-	1,970,850	-	1,970,850
FUND BALANCE, END OF YEAR	$ -	$ 2,247,074	$ -	$ 2,247,074

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

Year Ended September 30, 2021

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 1,368,130	$ 1,368,130	$ 1,923,217	$ 555,087
Interest income	37,000	37,000	6,429	(30,571)
Miscellaneous	-	-	15,773	15,773
TOTAL REVENUES	1,405,130	1,405,130	1,945,419	540,289
EXPENDITURES				
General government:				
Personnel services	4,017,000	3,898,000	3,571,942	326,058
Operating expenditures	2,517,897	2,708,789	2,305,070	403,719
Capital outlay	223,180	235,180	133,320	101,860
TOTAL EXPENDITURES	6,758,077	6,841,969	6,010,332	831,637
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,352,947)	(5,436,839)	(4,064,913)	1,371,926
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Hernando County, Florida, Board of County Commissioners	5,352,947	5,436,839	5,436,838	(1)
Transfers (out):				
Distribution of excess appropriations to the Hernando County, Florida, Board of County Commissioners	-	-	(1,371,925)	(1,371,925)
TOTAL OTHER FINANCING SOURCES (USES)	5,352,947	5,436,839	4,064,913	(1,371,926)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - RECORDS MODERNIZATION FUND

Year Ended September 30, 2021

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 500,000	$ 500,000	$ 748,797	$ 248,797
Interest income	20,000	20,000	4,000	(16,000)
TOTAL REVENUES	520,000	520,000	752,797	232,797
EXPENDITURES				
General government:				
Operating expenditures	244,720	253,720	122,216	131,504
Court operations:				
Personnel services	340,000	340,000	148,075	191,925
Operating expenditures	522,900	513,900	118,902	394,998
Capital outlay	87,380	87,380	87,380	-
Reserves	695,000	695,000	-	695,000
TOTAL EXPENDITURES	1,890,000	1,890,000	476,573	1,413,427
NET CHANGE IN FUND BALANCE	(1,370,000)	(1,370,000)	276,224	1,646,224
FUND BALANCE, BEGINNING OF YEAR	1,370,000	1,370,000	1,970,850	600,850
FUND BALANCE, END OF YEAR	$ -	$ -	$ 2,247,074	$ 2,247,074

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - FINES AND FORFEITURES FUND

Year Ended September 30, 2021

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 351,493	$ 298,321	$ 311,814	$ 13,493
Charges for services	2,931,816	2,931,816	3,028,246	96,430
Fines and forfeitures	1,053,640	1,053,640	1,136,787	83,147
Interest income	15,000	15,000	3,058	(11,942)
Miscellaneous	-	-	253	253
TOTAL REVENUES	4,351,949	4,298,777	4,480,158	181,381
EXPENDITURES				
Court operations:				
Personnel services	3,336,458	3,269,986	2,868,610	401,376
Operating expenditures	153,243	166,543	118,332	48,211
TOTAL EXPENDITURES	3,489,701	3,436,529	2,986,942	449,587
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	862,248	862,248	1,493,216	630,968
OTHER FINANCING SOURCES (USES)				
Transfers (out):				
Distribution of excess court revenue to State of Florida	(862,248)	(862,248)	(1,493,216)	(630,968)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS

September 30, 2021

ASSETS		
Equity in pooled cash and investments		$ 4,901,889
	TOTAL ASSETS	4,901,889
LIABILITIES		
Accounts payable		14,975
Due to HCBOCC		137,273
Due to other government agencies		793,793
Other current liabilities		2,624,248
	TOTAL LIABILITIES	3,570,289
NET POSITION		
Restricted for:		
Individuals and other governments		$ 1,331,600

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS

Year Ended September 30, 2021

ADDITIONS	
State of Florida collections	$ 30,888,229
HCBOCC collections	1,604,180
Other collections	6,032,572
TOTAL ADDITIONS	38,524,981
DEDUCTIONS	
Payments to HCBOCC	1,466,907
Payments to the State of Florida	30,607,743
Other payments	6,060,076
TOTAL DEDUCTIONS	38,134,726
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	390,255
Net Position-beginning of the year, as originally stated	-
Net Position-restatement (Note 1)	941,345
Net Position-beginning of the year, as restated	941,345
Net Position-end of the year	$ 1,331,600

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Hernando County, Florida (the "County") is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the "Board") and managed by an appointed County Administrator. The Hernando County, Florida Clerk of the Circuit Court (the "Clerk") is an elected constitutional officer as provided for by the Constitution of the State of Florida. Pursuant to Section 28.36, Florida Statutes, the Clerk's budget for the court activities in the Fines and Forfeitures Fund is submitted to the Clerks of Court Operations Corporation ("CCOC").

The Clerk is responsible for the administration and operation of the Clerk's office, including the Circuit and County court systems. The operations of the Clerk are funded primarily from fees and charges authorized under applicable Florida Statutes, or state general appropriations.

Certain costs of the court systems (communications services; existing radio systems; existing multi-agency criminal justice information systems; and the cost of construction or lease, maintenance, utilities, and security of facilities for the trial courts, public defenders' offices, and state attorneys' offices) are required by Article V, *Florida Constitution*, to be funded by the Board. Such costs are not included herein.

For financial reporting purposes, the Clerk is deemed to be part of the primary government of the County and, as such, is included in the County's Annual Comprehensive Financial Report.

Basis of Presentation

The accompanying financial statements include all the funds and accounts of the Clerk's office, but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General - Local Governmental Entity Audits*.

The financial transactions of the Clerk are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balance accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of Presentation *(Continued)*

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. GAAP sets forth minimum criteria (percentage of total assets, liabilities, revenues, or expenditures) for the determination of major funds. Each major fund is reported in a separate column. The Clerk reports the following major governmental funds:

- **General Fund** - The General Fund is used to account for the general operations of the Clerk and includes all transactions which are not accounted for in another fund.
- **Records Modernization Fund** - The Records Modernization Fund was created pursuant to Florida Statutes 631 effective July 1, 1987. The Clerk charges a fee for each instrument recorded in the official records. The fee is deposited into this fund. The money in this fund is to be held by the Clerk and is restricted exclusively for equipment, personnel training, and technical assistance in modernizing the official records system. Effective July 1, 2004, an additional amount is collected pursuant to Section 28.24(12)(e), Florida Statutes, and is used exclusively for funding court-related technology needs. Beginning July 1, 2009, the fund also receives 10% of the Clerk's fees on civil and criminal fines collections to be used for additional court-related operational needs and program enhancements.
- **Fines and Forfeitures Fund** - The Fines and Forfeitures Fund was created pursuant to Florida Statutes 28.36, effective July 1, 2004. The fund accounts for court-related functions pursuant to Florida Statutes 28.35(3)(a). From July 1, 2009 through June 30, 2013, related fees and charges were remitted monthly to the state, and the court-related functions were funded by a monthly state appropriation. Beginning July 1, 2013, the state appropriations were terminated, and related fees and charges (including those received in June 2013) are no longer remitted to the state, but are instead retained to fund court-related functions. Excess revenues are returned to the state.

The Clerk also reports the following fund type:

- **Custodial Funds** - To account for assets held by the Clerk in a trustee capacity or as an agent for individuals, private organizations, and other governments.

With the implementation of Revision 7 to Article V on July 1, 2004, the Clerk's activities are now classified as court-related and non-court-related. Non-court-related activities are reported in the Clerk's General Fund. These activities are funded primarily with service charges for recording instruments and documents into the official records, and through transfers in from the Board. Excess revenues at the end of the year are due back to the Board, and are shown as a liability and transfer out in the General Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of Presentation *(Continued)*

Court-related activities are reported in the Fines and Forfeitures Fund. Excess revenues are due back to the state periodically, except that one month's revenues can be retained for cash flow needs. Based on the legal opinion provided by the CCOC general counsel of the provisions of Section 28.37(3), Florida Statutes, which was adopted as policy by the CCOC Finance and Budget Committee, all excess court-related funds have been included in a fund liability, due to other government agencies.

Measurement Focus and Basis of Accounting

Governmental funds are accounted for using the flow of current financial resources measurement focus. Only current assets and current liabilities, generally, are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The focus on fiduciary type fund financial statements is by fund type, not major fund. The Clerk only has one fiduciary fund type, the custodial fund type. Accordingly, there is only one column in the fiduciary fund financial statements. Custodial funds are accounted for under the economic resources method and accrual basis of accounting.

The modified accrual basis of accounting is used by the governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available to finance liabilities of the current fiscal year). For this purpose, the Clerk considers revenues to be available if they are collected within 45 days of the end of the current period. Grants are the same, as the Clerk considers revenues to be available if they are collected within 45 days of the end of the current period. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences, which are recognized as expenditures to the extent they have matured. Prepaid items are recorded under the consumption method.

Charges for services, interest income, and other revenue are recognized as they are earned and become measurable and available to pay liabilities of the current period.

The general operations of the Clerk are funded principally by fees from third parties and appropriations from the Board. The appropriations from the Board are presented in the Clerk's financial statements as transfers in.

Excess Fees

For the General Fund, Florida Statutes provide that the amount by which revenues and transfers exceed annual expenditures be remitted to the Board immediately following the fiscal year for which the funding was provided or following the fiscal year during which other revenue was recognized. The amount of this distribution is recorded as a liability and as another financing use in the General Fund in the accompanying financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Excess Fees *(Continued)*

For the Fines and Forfeitures Fund, the Clerk makes monthly payments to the state from its budget surplus and is required to return additional net revenues annually. Amounts returned were $1,030,302 and net revenues accrued were $462,914 for a total state distribution of $1,493,216. This distribution is recorded as an "other financing use" in the Fines and Forfeitures Fund. Net revenues are returned to the state on a basis that straddles the fiscal year (i.e., September revenues can be carried over for working capital needs). Amounts recorded as due to other governmental agencies in the Fines and Forfeitures Fund totaling $848,061 included net revenues of $450,893 scheduled to be returned to the state in January 2022 and $397,168 available for carryover.

Equity in Pooled Cash

The Clerk pools substantially all cash and investments. Pooled cash includes cash on hand and on deposit with financial institutions. Short-term investments are with Florida State Board of Administrations' ("SBA") Florida PRIME, Florida Local Government Investment Trust (the "Trust"), and Florida Cooperative Liquid Assets Securities System ("FLCLASS"), all of which are external investment pools. Earnings from pooled cash and investments are allocated to each fund based on a monthly weighted average of the equity balance of each fund. Additionally, all other investments, if any, are reported at fair value.

Compensated Absences

All full-time employees of the Clerk are entitled to annual paid time off ("PTO"). PTO is an employee benefit that combines traditional vacation and sick leave programs into one plan with two components.

The employees are generally allowed to accumulate PTO up to a certain maximum, based on length of employment. Upon termination before retirement, the employee is paid for up to 80% of accrued and unused PTO. Retiring employees receive up to 100% of their accrued PTO balance. PTO payments are included in operating costs when the payments are made to the employees. The Clerk does not, nor is he legally required to, accumulate financial resources for these un-matured obligations. Accordingly, the liability for compensated absences is not reported in the governmental funds but rather is reported in the basic financial statements of the County.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Fund Balances

Generally accepted accounting principles for governments established fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - non-spendable, restricted, committed, assigned, and unassigned:

- **Non-Spendable** - This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.

- **Restricted** - This component of fund balances consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.

- **Committed** - This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., policy) of the organization's governing authority. By statute, the Clerk himself is the governing authority. These committed amounts cannot be used for any other purpose unless the Clerk removes or changes the specified use by taking the same type of action (e.g., policy) he employed to constrain those amounts.

- **Assigned** - This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Clerk has not delegated the responsibility to assign fund balances to any individual or body.

- **Unassigned** - This classification is used for: (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the General Fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Clerk's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Clerk's policy to use committed resources first, then assigned, and then unassigned as needed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported or disclosed in the financial statements and accompanying notes. Actual results could differ from those estimates.

Change in Accounting Principle

GASB Statement No. 84, *Fiduciary Activities*, was implemented by the Clerk during the 2020-21 fiscal year. It established criteria for identifying and reporting fiduciary activities of state and local governments. As a result of implementing this standard, the beginning net position of the fiduciary funds was increased by $941,345.

NOTE 2 - BUDGETARY PROCESS

Generally, Florida Statutes 129.021 and 129.03 govern the preparation, adoption, and administration of the Clerk's annual budget. The Clerk prepares a budget for all funds. Subsequent amendments can be made to these budgets without Board approval, except when they increase the total General Fund budget. The Clerk also prepares an annual budget for the Fines and Forfeiture Fund that is submitted to the CCOC.

Budgets are prepared on a basis consistent with GAAP. The annual budget serves as the legal authorization for expenditures. Budgetary control is maintained at the departmental major object expenditure level. Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at year-end. Budgetary changes within major object expenditures categories are made at the discretion of the Clerk.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable to the fiscal year, whenever legally authorized.

NOTE 3 - CASH AND EQUITY IN POOLED CASH AND INVESTMENTS

Cash and Cash Equivalents

At September 30, 2021, the fair value of the Clerk's cash and cash equivalents was as follows:

	Fair Value	Credit Rating
Cash on Hand	$ 9,300	N/A
Demand Deposits	1,212,284	N/A
Total Cash and Cash Equivalents	$ 1,221,584	

NOTE 3 - CASH AND EQUITY IN POOLED CASH AND INVESTMENTS *(Continued)*

Cash and Cash Equivalents *(Continued)*

The Clerk's bank deposits are held in qualified public depositories ("QPDs") pursuant to Chapter 280, Florida Statutes. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

Investments

The Clerk's investment policy follows guidance set forth in Section 219.075, Florida Statutes, regarding the deposit of funds received and the investment of surplus funds. The policy authorizes the following investments:

External Investment Pools

- Direct Obligations of (or Unconditionally Guaranteed by) the United States (U.S.) Government
- Certain Obligations Issued or Guaranteed by U.S. Agencies
- Certificates of Deposit, Money Market Accounts, etc. in QPDs
- Certain Repurchase Agreements
- Certain Securities Exchange Commission Registered Money Market Funds
- Certain PRIME-rated Commercial Paper
- Certain Domestic Bankers' Acceptances
- Qualified Municipal Debt General Obligation Securities Rated at Least "A or Equivalent"
- Certain Corporate Debt Securities Rated at Least "A or Equivalent"

The primary objective of the investment policy is to assure that investments are of minimum risk. The second criterion is the assurance of liquidity, and the third consideration is yield.

Credit Risk

In an effort to limit credit risk, the Clerk's investment policy identifies and limits investments to only top ratings issued by nationally recognized statistical rating organizations.

Concentration of Investment Risk

To manage concentration of investment risk, the Clerk's investment policy stipulates maximum limitation guidelines for diversification by instrument. A maximum of 80% of the portfolio may be invested in each of the Florida Trust Funds or Florida PRIME. Investment maximum limitations range from 10% to 80% for each of the remaining types of investments.

Custodial Credit Risk

To manage custodial credit risk for investments, the Clerk's investment policy specifies the Clerk will execute a third-party Custodial Safekeeping Agreement with a commercial bank's trust department separately chartered by the U.S. Government or State of Florida. All securities purchased by the Clerk are properly designated as an asset of the Clerk and are held in safekeeping by the bank's trust department.

Interest Rate Risk

To manage interest rate risk, the Clerk maintains a formal investment policy that limits investment maturities not to exceed two years. This coupled with a diversified portfolio limits exposure to fair value losses arising from increasing interest rates.

The Clerk participates in the following external investment pools:

- The State Board of Administration for participation in the Local Government Investment Pool (Florida PRIME^{TM}) created by Section 218.415, Florida Statutes. This investment pool operates under investment guidelines established by Section 215.47, Florida Statutes. The Clerk's investments in Florida PRIME^{TM}, an external investment pool, are reported at amortized cost.

- The Florida Local Government Investment Trust (the "Trust"), which is administered by a Board of Trustees appointed by the Florida Association of Court Clerks and County Comptroller, and the Florida Association of Counties, Inc. The Trust was created in to provide a means for public entities to pool surplus funds to maximize net earnings. The Trust invests in money market and U.S. treasury notes, collateralized mortgage obligations, asset backed securities, agency notes, 2020 ARM pass-through, corporate bonds, government related securities, and certificates of deposit. The Clerk's investment in the Trust's Day to Day Fund is valued at Stable Net Asset Value ("NAV") and is report at amortized costs. The Clerk's investment in the Trust Short-Term Bond Fund is valued at Variable NAV, which approximates fair value.

- FLCLASS, an independent local government investment pool designed to provide a safe and competitive investment alternative for Florida governmental entities. FLCLASS is measured at NAV, which approximates fair value.

NOTE 3 - CASH AND EQUITY IN POOLED CASH AND INVESTMENTS *(Continued)*

Interest Rate Risk *(Continued)*

Following is a list of investments held at September 30, 2021 (Ratings from Standard and Poor's):

	Maturity	Fair Value	Rating
Investments			
Investment Pools:			
Florida Trust - Short-Term Bond Fund	Immediate	$ 1,515,314	AAAf
Florida Trust - Day to Day Fund	Immediate	350,057	AAAmmf
FLCLASS	51 days	3,001,322	AAAm
Florida PRIME Local Government Surplus Trust	48 Days	3,502,092	AAAm
Total Investments		$ 8,368,785	

None of the pools have limitations or restrictions on participant withdrawals, including items such as redemption notices, maximum transaction amounts, and the pool's authority to impose liquidity fees or redemption gates.

The above cash and investments are reported as $9,300, $4,679,180, and $4,901,889 in the governmental funds and custodial funds, respectively.

Fair Value Measurement

The Clerk holds assets that are defined as short-term investments. The Clerk's investments are recorded at fair value unless the investment qualifies as an external investment pool. None of the investments are subject to a fair value hierarchy valuation.

NOTE 4 - CAPITAL ASSETS

Pursuant to Florida Statutes, capital assets used by the Clerk are owned by the Board. The Clerk maintains custodial and record-keeping responsibility for the tangible and intangible capital assets used by the office. The office space used in the Clerk's operations is provided at no cost by the Board.

Capital assets paid for by the Clerk are recorded as expenditures in the governmental funds of the Clerk and are capitalized in the basic financial statements of the County. Donated assets are recorded directly on the County's books at their estimated fair value on the date received. Depreciation is recorded at the County level.

NOTE 5 - LONG-TERM LIABILITY

The following is a summary of changes in general long-term liabilities, which are reported in the basic financial statements of the County:

	Balance October 1, 2020	Additions	Retirements	Balance September 30, 2021	Due Within One Year
Accrued Compensated Balance	$ 309,237	$ 435,903	$ (420,942)	$ 324,198	$ 324,198

The long-term liabilities above are not reported in the financial statements of the Clerk since they have not matured.

NOTE 6 - EMPLOYEE RETIREMENT PLAN

The Clerk participates in the Florida Retirement System ("FRS") for pension benefits. A detailed plan description and any liability for employees of the Clerk are included in the financial statements of the County.

Funding Policy

The Clerk's contributions to the FRS for fiscal years ended September 30, 2019 through 2021 were: $461,270, $533,621, and $607,598, respectively, which were equal to the required contribution for each fiscal year.

Employees are required to contribute 3% towards the FRS. Employee withholdings for this purpose amounted to $109,801, $120,755, and $126,374 for the fiscal years ended September 30, 2019 through 2021, respectively, which were equal to the required contribution for each fiscal year.

NOTE 7 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Pursuant to the requirements of the Florida Statutes, the Clerk participates in the County's plan to provide OPEB benefits to retirees of the Board and constitutional officers. A detailed plan description and any liability for employees of the Clerk are included in the financial statements of the County.

NOTE 8 - RISK MANAGEMENT

The Clerk participates in the insurance programs of the Board, including general liability, workers' compensation, and employee health insurance. These risk management activities are handled through internal service funds maintained by the Board. All liabilities associated with these self-insured risks are reported in the basic financial statements of the Board. The purpose of these funds is to administer employee life, health, workers' compensation, unemployment, disability insurance, and property and liability insurance. These funds account for the risk financing activities of the County, but do not constitute a transfer of risk from the County.

NOTE 8 - RISK MANAGEMENT *(Continued)*

Significant losses are covered by commercial insurance for all major programs except workers' compensation, for which the County retains risk of loss. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in any of the last three years.

The Clerk paid premiums of $1,091,266 for life and health insurance coverage to the Board for the fiscal year ended September 30, 2021.

The Board's Workers' Compensation Internal Service Fund is a self-insurance program for workers' compensation claims on losses up to $1,250,000 per occurrence. The Workers' Compensation fund has indemnified the Clerk against any losses in a given year in excess of the fee charged. In the event actual losses are less than the fee charged, such amounts will be retained in the Workers' Compensation fund. Claim settlements and losses are accrued and subsequently paid from the Workers' Compensation fund. Premium payments to the Board by the Clerk totaled $4,706 for the fiscal year ended September 30, 2021.

NOTE 9 - COMMITMENTS, CLAIMS, AND CONTINGENCIES

Litigation

The Clerk is involved as defendant or plaintiff in certain litigation and claims arising from the ordinary course of operations. Any judgments against the Clerk in excess of insurance limits would be settled by the Board. In the opinion of the Clerk and legal counsel, the range of potential recoveries or liabilities will not materially affect the financial position of the Clerk.

Federal and State Grants

Grant funds received by the Clerk are subject to audit by grantor agencies. Audits of these grants may result in disallowed costs, which may constitute a liability of the Clerk. In the opinion of management, disallowed costs, if any, would be insignificant to the financial position and operations of the Clerk.

SUPPLEMENTARY INFORMATION

HERNANDO COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT

Year Ended September 30, 2021

FIDUCIARY FUNDS

Custodial Funds are used to account for assets held by a governmental unit as trustee or agent for individuals, private organizations, and other governmental units.

- **Trust Fund** - This fund is used to account for the receipt and subsequent activity of monies temporarily held for others. Court related fines, fees, and service charges collected by the Hernando County Clerk of the Circuit Court are deposited into this fund and remitted to the State of Florida on a monthly basis. Other deposits include monies for fines to be remitted to other government agencies, intangible and documentary taxes collected to be distributed to the State of Florida, court ordered bonds, and other miscellaneous items.

- **Domestic Relations** - This fund is used to account for child support and alimony payments, and distribution of such funds processed through the Clerk. These payments are electronically transferred nightly to the State of Florida for proper disbursement via the State Distribution Unit in Tallahassee. The daily activity nets to zero. The Clerk uses the fund to track domestic relations activity.

- **Court Registry** - This fund is used to account for registry funds that have been ordered to be posted with the Clerk.

- **Ordinary Witness** - This fund was established pursuant to Florida Statute 40.29, effective July 1, 2004. The fund accounts for the payment of witnesses on behalf of the state attorney and public defender.

HERNANDO COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT

COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS

September 30, 2021

	Trust Fund	Court Registry	Ordinary Witness	Total
ASSETS				
Equity in pooled cash and investments	$ 2,267,395	$ 2,624,248	$ 10,246	$ 4,901,889
TOTAL ASSETS	2,267,395	2,624,248	10,246	4,901,889
LIABILITIES				
Accounts payable	4,729	-	10,246	14,975
Due to HCBOCC	137,273	-	-	137,273
Due to other government agencies	793,793	-	-	793,793
Other current liabilities	-	2,624,248	-	2,624,248
TOTAL LIABILITIES	935,795	2,624,248	10,246	3,570,289
NET POSITION				
Restricted for:				
Individuals and other governments	$ 1,331,600	$ -	$ -	$ 1,331,600

HERNANDO COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS

Year Ended September 30, 2021

	Trust Fund	Court Registry	Domestic Relations	Ordinary Witness	Total
ADDITIONS					
State of Florida collections	$ 30,888,229	$ -	$ -	$ -	$ 30,888,229
HCBOCC collections	1,604,180	-	-	-	1,604,180
Other collections	3,223,887	2,624,248	174,191	10,246	6,032,572
TOTAL ADDITIONS	35,716,296	2,624,248	174,191	10,246	38,524,981
DEDUCTIONS					
Payments to HCBOCC	1,466,907	-	-	-	1,466,907
Payments to the State of Florida	30,607,743	-	-	-	30,607,743
Other payments	3,251,391	2,624,248	174,191	10,246	6,060,076
TOTAL DEDUCTIONS	35,326,041	2,624,248	174,191	10,246	38,134,726
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	390,255	-	-	-	390,255
Net Position-beginning of the year, as originally stated	-	-	-	-	-
Net Position-restatement (Note 1)	941,345	-	-	-	941,345
Net Position-beginning of the year, as restated	941,345	-	-	-	941,345
Net Position-end of the year	$ 1,331,600	$ -	$ -	$ -	$ 1,331,600

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MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT 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 Honorable Doug Chorvat, Jr.
Clerk of the Circuit Court and Comptroller
Hernando County, 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 Hernando County, Florida Clerk of the Circuit Court (the "Clerk") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated February 16, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Clerk'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk'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 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 over financial reporting 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.

To the Honorable Doug Chorvat, Jr.
Clerk of the Circuit Court and Comptroller
Hernando County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free of 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.

MSL, P.A.
Certified Public Accountants

Tampa, Florida
February 16, 2022

MSL
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Doug Chorvat, Jr.
Clerk of the Circuit Court and Comptroller
Hernando County, Florida

We have examined the Hernando County, Florida Clerk of the Circuit Court's (the "Clerk") compliance with the requirements of Sections 28.35, 28.36, 61.181 and 218.415, Florida Statutes, during the fiscal year ended September 30, 2021. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance 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 Clerk in in accordance with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the Clerk's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2021.

MSL, P.A.
Certified Public Accountants

Tampa, Florida
February 16, 2022

MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Doug Chorvat, Jr.
Clerk of the Circuit Court and Comptroller
Hernando County, Florida

We have audited the financial statements of the Hernando County, Florida Clerk of the Circuit Court (the "Clerk") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated February 16, 2022.

Auditor's Responsibility

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.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards,* AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General.* Disclosures in those reports, which are dated February 16, 2022, 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. There were no findings or recommendations 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 this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

Financial Management

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.

To the Honorable Doug Chorvat, Jr.
Clerk of the Circuit Court and Comptroller
Hernando County, Florida

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

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

MSL, P.A.
Certified Public Accountants

Tampa, Florida
February 16, 2022

HERNANDO COUNTY, FLORIDA
SHERIFF

FINANCIAL STATEMENTS

Year Ended September 30, 2021

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MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Al Nienhuis
Sheriff
Hernando County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Hernando County, Florida Sheriff (the "Sheriff") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, as listed in the table of contents.

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 an opinion 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 of 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 Sheriff'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 Sheriff'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 opinion.

Honorable Al Nienhuis
Sheriff
Hernando County, Florida

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the Sheriff as of September 30, 2021, and the respective change in financial position, and the budgetary comparison for the general fund and major special revenue funds for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

As described in Note 1 to the financial statements, the accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General for Local Governmental Entity Audits*. These financial statements are not intended to be a complete presentation of the financial position of Hernando County, Florida as of September 30, 2021, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in the fiscal year ended September 30, 2021, the Sheriff adopted the provisions of Government Accounting Standards Board Statement ("GASBS") Number 84, *Fiduciary Activities*. As a result of the implementation of GASBS 84, the Sheriff reported a restatement for the change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying supplementary information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated January 10, 2022, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

MSL, P.A.
Certified Public Accountants

Tampa, Florida
January 10, 2022

HERNANDO COUNTY, FLORIDA
SHERIFF

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2021

	General	E-911	Inmate Welfare	Inmate Revenue	Non-Major Governmental Funds	Total
ASSETS						
Cash and cash equivalents	$ 3,751,894	$ 1,252,861	$ 1,032,497	$ 1,001,028	$ 1,133,364	$ 8,171,644
Accounts receivable	20,188	-	-	-	-	20,188
Due from other funds	16,730	-	15,571	-	-	32,301
Due from other governments	100,077	-	-	75,159	135,920	311,156
TOTAL ASSETS	$ 3,888,889	$ 1,252,861	$ 1,048,068	$ 1,076,187	$ 1,269,284	$ 8,535,289
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts payable	$ 2,062,250	$ 4,063	$ 8,562	$ 48,744	$ 4,845	$ 2,128,464
Accrued wages and benefits payable	592,087	2,509	3,556	16,618	4,391	619,161
Due to Hernando County, Florida, Board of County Commissioners	1,234,552	-	-	1,010,825	-	2,245,377
Deposits	-	-	-	-	-	-
TOTAL LIABILITIES	3,888,889	6,572	12,118	1,076,187	9,236	4,993,002
FUND BALANCES						
Restricted for:						
Law enforcement Activities	-	-	-	-	530,414	530,414
Communications	-	1,246,289	-	-	224,481	1,470,770
Education and training	-	-	-	-	505,153	505,153
Inmate benefits	-	-	1,035,950	-	-	1,035,950
Other	-	-	-	-	-	-
TOTAL FUND BALANCES	-	1,246,289	1,035,950	-	1,260,048	3,542,287
TOTAL LIABILITIES AND FUND BALANCE	$ 3,888,889	$ 1,252,861	$ 1,048,068	$ 1,076,187	$ 1,269,284	$ 8,535,289

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
SHERIFF

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

Year Ended September 30, 2021

	General	E-911	Inmate Welfare	Inmate Revenue	Non-Major Governmental Funds	Total
REVENUES						
Intergovernmental	$ -	$ -	$ -	$ -	$ 299,985	$ 299,985
Charges for services	276,478	811,053	526,716	4,234,437	173,498	6,022,182
Fines and forfeitures	-	-	-	-	165,077	165,077
Interest revenue	25,573	50,151	355	617	555	77,251
Miscellaneous	43,325	-	3,110	-	109,576	156,011
TOTAL REVENUES	345,376	861,204	530,181	4,235,054	748,691	6,720,506
EXPENDITURES						
Public safety:						
Personnel services	46,563,543	292,472	264,532	1,543,965	298,355	48,962,867
Operating expenditures	7,424,088	237,460	225,103	288,118	1,115,376	9,290,145
Capital outlay	2,395,526	-	13,727	133,894	29,517	2,572,664
Debt service:						
Principal	371,900	-	-	-	-	371,900
Interest	31,465	-	-	-	-	31,465
Court services:						
Personnel services	1,230,319	-	-	-	-	1,230,319
Operating expenditures	267,594	-	-	-	-	267,594
TOTAL EXPENDITURES	58,284,435	529,932	503,362	1,965,977	1,443,248	62,726,954
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(57,939,059)	331,272	26,819	2,269,077	(694,557)	(56,006,448)
OTHER FINANCING SOURCES (USES)						
Transfers in:						
Other funds	-	-	-	-	32,611	32,611
Hernando County, Florida Board of County Commissioners:						
Appropriations	59,413,360	-	-	2,368,376	-	61,781,736
CARES Act Reimbursement	-	-	-	-	1,035,867	1,035,867
Transfers (out):						
Other funds	(25,000)	-	-	-	(7,611)	(32,611)
Hernando County, Florida Board of County Commissioners:						
Other revenues	(345,376)	-	-	(4,234,437)	-	(4,579,813)
Excess fees	(1,103,925)	-	-	(403,016)	-	(1,506,941)
TOTAL OTHER FINANCING SOURCES (USES)	57,939,059	-	-	(2,269,077)	1,060,867	56,730,849
NET CHANGE IN FUND BALANCE	-	331,272	26,819	-	366,310	724,401
FUND BALANCE, BEGINNING OF YEAR	-	915,017	1,009,131	-	893,738	2,817,886
FUND BALANCE, END OF YEAR	$ -	$ 1,246,289	$ 1,035,950	$ -	$ 1,260,048	$ 3,542,287

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
SHERIFF

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

Year Ended September 30, 2021

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 280,000	$ 280,000	$ 276,478	$ (3,522)
Interest revenue	23,000	23,000	25,573	2,573
Miscellaneous	12,000	12,000	43,325	31,325
TOTAL REVENUES	315,000	315,000	345,376	30,376
EXPENDITURES				
Public safety:				
Personnel services	48,999,768	47,285,322	46,563,543	721,779
Operating expenditures	7,041,735	7,709,858	7,424,088	285,770
Capital outlay	1,298,185	2,415,953	2,395,526	20,427
Debt service:				
Principal	-	371,955	371,900	55
Interest	-	31,600	31,465	135
Court services:				
Personnel services	1,298,885	1,298,885	1,230,319	68,566
Operating expenditures	274,787	274,787	267,594	7,193
TOTAL EXPENDITURES	58,913,360	59,388,360	58,284,435	1,103,925
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(58,598,360)	(59,073,360)	(57,939,059)	1,134,301
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Hernando County, Florida, Board of County Commissioners appropriations	58,913,360	59,413,360	59,413,360	-
Transfers (out):				
Transfer to other fund	-	(25,000)	(25,000)	-
Hernando County, Florida, Board of County Commissioners:				
Other revenues	(315,000)	(315,000)	(345,376)	(30,376)
Excess fees	-	-	(1,103,925)	(1,103,925)
TOTAL OTHER FINANCING SOURCES (USES)	58,598,360	59,073,360	57,939,059	(1,134,301)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
SHERIFF

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - E-911 FUND

Year Ended September 30, 2021

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 815,000	$ 815,000	$ 811,053	$ (3,947)
Interest revenue	-	-	50,151	50,151
TOTAL REVENUES	815,000	815,000	861,204	46,204
EXPENDITURES				
Public safety:				
Personnel services	566,374	566,374	292,472	273,902
Operating expenditures	292,100	292,100	237,460	54,640
Capital outlay	2,500	2,500	-	2,500
TOTAL EXPENDITURES	860,974	860,974	529,932	331,042
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(45,974)	(45,974)	331,272	377,246
OTHER FINANCING SOURCES (USES)				
Reserve for contingencies	(611,005)	(611,005)	-	611,005
TOTAL OTHER FINANCING SOURCES (USES)	(611,005)	(611,005)	-	611,005
NET CHANGE IN FUND BALANCE	(656,979)	(656,979)	331,272	988,251
FUND BALANCE, BEGINNING OF YEAR	656,979	656,979	915,017	258,038
FUND BALANCE, END OF YEAR	$ -	$ -	$ 1,246,289	$ 1,246,289

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
SHERIFF

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - INMATE WELFARE FUND

Year Ended September 30, 2021

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 530,000	$ 530,000	$ 526,716	$ (3,284)
Interest revenue	3,000	3,000	355	(2,645)
Miscellaneous	3,000	3,000	3,110	110
TOTAL REVENUES	536,000	536,000	530,181	(5,819)
EXPENDITURES				
Public safety:				
Personnel services	332,471	334,071	264,532	69,539
Operating expenditures	155,600	306,770	225,103	81,667
Capital Outlay	12,000	52,800	13,727	39,073
TOTAL EXPENDITURES	500,071	693,641	503,362	190,279
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	35,929	(157,641)	26,819	184,460
OTHER FINANCING SOURCES (USES)				
Reserve for contingencies	(1,045,060)	(851,490)	-	851,490
TOTAL OTHER FINANCING SOURCES (USES)	(1,045,060)	(851,490)	-	851,490
NET CHANGE IN FUND BALANCE	(1,009,131)	(1,009,131)	26,819	1,035,950
FUND BALANCE, BEGINNING OF YEAR	1,009,131	1,009,131	1,009,131	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ 1,035,950	$ 1,035,950

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
SHERIFF

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - INMATE REVENUE FUND

Year Ended September 30, 2021

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 2,749,650	$ 2,749,650	$ 4,234,437	$ 1,484,787
Interest revenue	-	-	617	617
TOTAL REVENUES	2,749,650	2,749,650	4,235,054	1,485,404
EXPENDITURES				
Public safety:				
Personnel services	1,770,574	1,770,574	1,543,965	226,609
Operating expenditures	378,246	404,163	288,118	116,045
Capital outlay	75,000	193,639	133,894	59,745
TOTAL EXPENDITURES	2,223,820	2,368,376	1,965,977	402,399
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	525,830	381,274	2,269,077	1,887,803
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Hernando County, Florida, Board of County Commissioners appropriations	2,223,820	2,368,376	2,368,376	-
Transfers (out):				
Hernando County, Florida, Board of County Commissioners:				
Other revenue	(2,749,650)	(2,749,650)	(4,234,437)	(1,484,787)
Excess fees	-	-	(403,016)	(403,016)
TOTAL OTHER FINANCING SOURCES (USES)	(525,830)	(381,274)	(2,269,077)	(1,887,803)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
SHERIFF

STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE - INTERNAL SERVICE FUND

September 30, 2021

	Internal Service
ASSETS	
Cash and cash equivalents	$ 7,171,941
TOTAL ASSETS	7,171,941
LIABILITIES	
Accounts payable	59,418
Unearned revenue	538,963
Liability for unpaid claims	459,334
TOTAL LIABILITIES	1,057,715
NET POSITION	
Unrestricted	6,114,226
TOTAL NET POSITION	$ 6,114,226

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
SHERIFF

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND - INTERNAL SERVICE FUND

Year Ended September 30, 2021

	Internal Service
OPERATING REVENUES	
Inter-fund charges	$ 8,435,624
Premiums - employees	421,455
Premiums - retirees	512,467
Miscellaneous	472,603
TOTAL OPERATING REVENUES	9,842,149
OPERATING EXPENSES	
Claims	6,694,104
Other services and charges	1,501,508
Insurance	421,976
TOTAL OPERATING EXPENSES	8,617,588
OPERATING INCOME	1,224,561
NON-OPERATING REVENUES	
Interest	(758)
TOTAL NON-OPERATING REVENUES	(758)
CHANGE IN NET POSITION	1,223,803
NET POSITION, BEGINNING OF YEAR	4,890,423
NET POSITION, END OF YEAR	$ 6,114,226

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
SHERIFF

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - INTERNAL SERVICE FUND

Year Ended September 30, 2021

	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from inter-fund charges	$ 9,236,984
Cash received from employees	421,455.00
Cash received from retirees	512,467
Other cash receipts	472,603
Payments to suppliers	(2,310,754)
Claims paid	(6,585,349)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,747,406
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	(758)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,746,648
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,425,293
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 7,171,941
Reconciliation of operating income to cash and cash equivalents provided by operating activities:	
Operating income	$ 1,224,561
Adjustment to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Decrease in due from HCBOCC	262,397
Decrease in accounts payable	(387,270)
Increase unearned revenue	538,963
Increase in liability for unpaid claims	108,755
TOTAL ADJUSTMENTS	522,845
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 1,747,406

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
SHERIFF

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS

September 30, 2021

ASSETS		
Cash and cash equivalents		$ 186,422
	TOTAL ASSETS	186,422
LIABILITIES		
Accounts payable		31,676
Due to other funds		32,301
Due to other governments (HCBOCC)		8,548
	TOTAL LIABILITIES	72,525
NET POSITION		
Restricted for:		
Individuals and other governments		$ 113,897

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
SHERIFF

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS

Year Ended September 30, 2021

ADDITIONS	
Miscellaneous	$ 2,020,788
TOTAL ADDITIONS	2,020,788
DEDUCTIONS	
Payments to HCBOCC	18,908
Other payments	1,974,876
TOTAL DEDUCTIONS	1,993,784
Net increase (decrease) in fiduciary net position	27,004
Net Position-beginning of the year, as originally stated	-
Net Position-restatement (Note 1)	54,592
Net Position-beginning of the year, as restated	54,592
Net Position-end of the year	$ 81,596

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
SHERIFF

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Hernando County, Florida (the "County"), is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the "Board") and managed by an appointed County Administrator. The Hernando County, Florida, Sheriff (the "Sheriff") is an elected constitutional officer of the County as provided for by the Constitution of the State of Florida. Pursuant to Chapter 129, Florida Statutes, the Sheriff's budget is submitted to the Board for approval.

The Sheriff is the chief law enforcement officer of the County. Funding for the Sheriff's operations comes primarily from annual appropriations from the Board and all unexpended proceeds must be returned to the Board at year-end.

For financial reporting purposes, the Sheriff is deemed to be part of the primary government of the County and, as such, is included in the County's Annual Comprehensive Financial Report.

Blended Component Unit

In fiscal year 2020, the Sheriff established the Hernando County Sheriff's Office Section 115 Trust (the "Trust") to administer the Sheriff's Employee Group Health, Dental Insurance Program, and Clinic. Assets necessary to fund the programs are transferred to the Trust; however, under the terms of the Trust Agreement, the Sheriff retains control of the assets. Due to the substantive economic relationship between the Sheriff and the Trust, the financial activities of the Trust are reported in the accompanying basic financial statements as an internal service fund.

Basis of Presentation

The accompanying financial statements include all the funds and accounts of the Sheriff's Office, but are not intended to be a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General - Local Governmental Entity Audits.*

The financial transactions of the Sheriff are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. These funds are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Basis of Presentation *(Continued)*

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. GAAP sets forth minimum criteria (percentage of total assets, liabilities, revenues, or expenditures) for the determination of major funds. Each major fund is reported in a separate column.

The Sheriff reports the following major governmental funds:

- **General Fund** - The general fund is used to account for the general operations of the Sheriff and includes all transactions, which are not accounted for in other funds.
- **E-911 Fund** - This fund is used to account for the proceeds of telephone charges collected for the installation and operation of an Emergency 911 System.
- **Inmate Welfare Fund** - This fund is used to account for revenue from commissions from the commissary and pay phone. The funds are used for expenditures in the commissary operation, including overall inmate welfare.
- **Inmate Revenue Fund** - This fund is used to account for the proceeds of housing federal and other local government inmates at the detention facility.

The Sheriff also reports the following non-major special revenue funds:

- 800 MHz Fund
- Law Enforcement Educational Fund
- Child Saver Program Fund
- Grants and Contributions Fund

The Sheriff reports the following other fund types:

- **Proprietary Fund Type - Internal Service Funds** - These funds are used to account for health, dental, and clinic insurance benefits provided to the employees by the Sheriff. Their funding is based upon an annual actuarial study of expected benefit payouts.
- **Fiduciary Fund Type - Custodial Funds** - These funds are used to account for assets held by the Sheriff in a trustee capacity or as an agent for individuals, private organizations, and other governments.

Measurement Focus and Basis of Accounting

Governmental funds are accounted for using the flow of current financial resources measurement focus. Only current assets and current liabilities, generally, are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Measurement Focus and Basis of Accounting *(Continued)*

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available to finance liabilities of the current fiscal year). For this purpose, the Sheriff considers revenues to be available if they are collected within 60 days after year-end. Grants must also meet eligibility requirements to be accrued.

For governmental funds, expenditures are recorded when the related fund liability is incurred, except for certain compensated absences, which are recognized as expenditures when paid. Substantially all of the Sheriff's operating budget funding is appropriated by the Board. These resources are reflected as other financing sources at the time of receipt. Interest and other revenue are recognized as they are earned and become measurable and available to pay liabilities of the current period.

The proprietary fund type - internal service fund accounts for medical and dental insurance coverage for the Sheriff's employees. Proprietary fund types use the accrual basis of accounting, where revenues are recognized when they are earned and expenses are recognized when they are incurred, regardless of the timing of related cash flows. In addition, proprietary funds distinguish operating revenues and expenses from non-operating items.

The focus on fiduciary type fund financial statements is by fund type, not major fund. The Sheriff only has one fiduciary fund type, the custodial fund type. Accordingly, there is only one column in the fiduciary fund financial statements. Custodial funds are accounted for under the economic resources method and accrual basis of accounting.

Excess Fees and Other Revenues

Florida Statutes provide that the amount by which revenues and transfers exceed annual expenditures be remitted to the Board within one month following the fiscal year for which the funding was provided or following the fiscal year during which other revenue was recognized. This requirement is reflected in the Sheriff's General Fund where the amount of this distribution is recorded as a liability and as another financing use. Other revenues due to the Board consist of those third-party revenues received directly by the Sheriff for certain expenditures that are owed to the Board.

Cash Equivalents

Cash equivalents are defined as highly liquid investments with original maturities of three months or less.

Prepaid Items

Certain prepayments to vendors reflect costs applicable to future accounting periods. These prepayments are recorded as expenditures in the year paid.

Deferred Inflows/Unearned Revenue

Deferred inflows in governmental funds represent revenues that have been earned, but are not available (because they were received more than 60 days after year-end). Unearned revenue in proprietary fund types represents revenues attributable to future periods.

Compensated Absences

Eligible full-time employees are entitled to accrue compensatory time, annual vacation, and sick leave up to predetermined thresholds, and received pay for those hours at termination or retirement. For terminations in good standing, the employee is paid for 25% of accumulated sick leave up to a total of 500 hours. Upon retirement, (separation from the agency), current employees with 10 or more consecutive years of service as of October 1, 2009, will receive a payout of sick leave as follows: 20+ years of service equals 100%; 15-19 years of service equals 75%; 10-14 years of service equals 50%. Employees with less than 10 consecutive years of service as of October 1, 2009, and all new employees hired on or after that date will receive 50% payout of sick leave up to 500 hours, upon retirement. For all payments of sick leave, the employee is paid at their pay rate effective at termination or retirement.

Vacation and sick leave payments are included in personnel services when the payments are made to the employees. The Sheriff does not, nor is he legally required to, accumulate financial resources for these obligations. Accordingly, the liability for compensated absences is not reported in the governmental funds but rather is reported in the basic financial statements of the County.

Fund Balances

The Sheriff reports its fund balance information in classifications based on the extent to which the Sheriff is bound to honor constraints on the specific purpose for which amounts in the fund can be spent. Fund balance is reported in five components - non-spendable, restricted, committed, assigned, and unassigned:

- **Non-Spendable** - This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.
- **Restricted** - This component of fund balances consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Fund Balances *(Continued)*

- **Committed** - This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., policy) of the organization's governing authority. By statute, the Sheriff himself is the governing authority. These committed amounts cannot be used for any other purpose unless the Sheriff removes or changes the specified use by taking the same type of action (e.g., policy) he employed to constrain those amounts.

- **Assigned** - This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Sheriff has not delegated the responsibility to assign fund balances to any individual or body.

- **Unassigned** - This classification is used for: (a) negative unrestricted fund balances in any governmental fund; or (b) fund balances within the General Fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) then restricted resources as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is generally the Sheriff's policy to use unassigned resources first, then assigned, and then committed as needed.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported or disclosed in the financial statements and accompanying notes. Actual results could differ from those estimates.

Change in Accounting Principle

GASB Statement No. 84, *Fiduciary Activities*, was implemented by the Sheriff during the 2020-21 fiscal year. It established criteria for identifying and reporting fiduciary activities of state and local governments. As a result of implementing this standard, the beginning net position of the fiduciary funds was increased by $54,592.

NOTE 2 - BUDGETARY PROCESS

Florida Statutes, Sections 30.49, 129.021, and 129.03 govern the preparation, adoption, and administration of the Sheriff's annual budget. The Sheriff prepares individual budgets for the General Fund, E-911, 800 MHz, and the Inmate Revenue Fund Special Revenue Funds, and submits them to the Board for approval. Any budgets that are not subject to the approval of the Board shall follow the same procedures as those approved by the Board with the exception that the Sheriff is the approver rather than the Board.

NOTE 2 - BUDGETARY PROCESS *(Continued)*

The budgets are prepared on a basis consistent with GAAP and serve as the legal authorization for expenditures. Amendments increasing total fund expenditures must be approved by the Sheriff and/or Board. Budgetary changes between or among expenditures within a fund may be made at the discretion of the Comptroller.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable to the fiscal year and approved by the Board or Sheriff within 60 days after year-end.

NOTE 3 - CASH AND INVESTMENTS

At September 30, 2021, the carrying value of the Sheriff's cash and cash equivalents was as follows:

	Carrying Value
Cash on Hand	$ 11,315
Demand Deposits	15,518,692
Total Cash and Cash Equivalents	$ 15,530,007

Such amounts are reported as $8,171,644, $7,171,941 and $186,422 in the governmental, internal service, and custodial funds, respectively.

The Sheriff's bank deposits are held in qualified public depositories ("QPDs") pursuant to Chapter 280, Florida Statutes. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

Authorized Investments

The Sheriff's Investment Policy follows the state's guidance set forth in Section 219.075, Florida Statutes, regarding the deposit of funds received and the investment of surplus funds. That Section requires local governments without written investment policies, including County officers, to follow the state policy in Section 218.415(17), Florida Statutes. That Section authorizes the following investments:

a. The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the *Florida Interlocal Cooperation Act,* as provided in Florida Statute 163.01.

b. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

c. Interest-bearing time deposits or savings accounts in qualified public depositories.

d. Direct obligations of the United States Treasury.

NOTE 4 - INTER-FUND BALANCES

Inter-fund balances at September 30, 2021, consisted of the following:

	Inter-Fund Receivable	Inter-Fund Payable
General Fund	$ 16,730	$ -
Inmate Welfare Fund	15,571	-
Custodial Funds	-	32,301
Total Due to/Due from Other Funds	$ 32,301	$ 32,301

The receivables primarily represent fees collected in an custodial fund for other funds. These fees are from jail inmates for subsistence fees, booking fees, medical fees, and commissions on commissary sales.

NOTE 5 - CAPITAL ASSETS

Pursuant to Florida Statutes, the Sheriff can own tangible capital assets, and the Sheriff maintains custody and recordkeeping responsibility for these assets. However, office space and facilities used in the Sheriff's operations are provided at no cost by the Board.

Capital assets paid for by the Sheriff are recorded as expenditures in the governmental funds of the Sheriff but are capitalized in the basic financial statements of the County. The capitalization threshold is $5,000. Donated capital assets are recorded at their estimated fair value on the date received. Effective October 1, 2010, the Sheriff is responsible for recording all grant-related assets regardless of whether the grant origin was Hernando County or the Sheriff. Depreciation is recorded at the County level. Most of the capital assets listed below are being depreciated over five years.

Capital asset activity for the tangible property over which the Sheriff has custodial and recordkeeping responsibility, for the year ended September 30, 2021, was as follows:

	Balance October 1, 2020	Additions	Deletions	Balance September 30, 2021
Automobile and Other Vehicles	$ 12,526,569	$ 2,042,294	$ (971,039)	$ 13,597,824
Furniture and Equipment	10,186,897	792,920	(315,861)	10,663,956
Construction in Progress	-	26,282	-	26,282
Total at Cost	22,713,466	2,861,496	(1,286,900)	24,288,062
Less Accumulated Deprecation	(15,595,767)	(2,420,420)	1,290,520	(16,725,667)
Book Value	$ 7,117,699	$ 441,076	$ 3,620	$ 7,562,395

NOTE 5 - CAPITAL ASSETS *(Continued)*

Proceeds from the sale or disposal of vehicles are netted against capital outlay in the accompanying statement of revenues, expenditures, and changes in fund balance. Following is a reconciliation of 2021 capital asset additions above to capital outlay on the accompanying statement of revenues, expenditures, and changes in fund balance:

Capital Outlay	$ 2,572,664
Proceeds from Vehicle Sales/Disposals	158,353
Other Funding Sources	130,479
Total Additions	$ 2,861,496

NOTE 6 - LONG-TERM LIABILITIES

The following is a summary of changes in general long-term liabilities, which are reported in the basic financial statements of the County:

	Balance October 1, 2020	Additions	Retirements	Balance September 30, 2021	Due Within One Year
Contract Payable	$ 67,212	$ -	$ (67,212)	$ -	$ -
Lease-Purchase Agreements	822,785	-	(371,900)	450,885	108,403
Accrued Compensation Absences	5,334,632	3,170,573	(3,095,788)	5,409,417	3,984,883
Total Long-Term Liabilities	$ 6,224,629	$ 3,170,573	$ (3,534,900)	$ 5,860,302	$ 4,093,286

The terms of the contract payable include the purchase of 17 vehicles from the City of Brooksville, payable over a three-year period, as stated in the inter local agreement between the Sheriff and the City of Brooksville.

The lease-purchase agreements were entered into by the Sheriff to acquire an armored vehicle and infrared camera system for a helicopter. The armored vehicle was paid off in fiscal year 2021, the annual debt service requirements for the infrared camera system as of September 30, 2021 are as follows:

Year Ending September 30:	Principal	Interest
2022	$ 108,403	$ 11,768
2023	111,232	8,939
2024	114,135	6,036
2025	117,115	3,057
Total Payments	$ 450,885	$ 29,800

NOTE 7 - DETENTION OPERATIONS

For 22 years, the Hernando County jail was operated by a private corporation. Effective August 27, 2010, the Sheriff took over the detention operations based on an interlocal agreement between the Sheriff and the Board. An updated agreement was entered into and shall continue until September 30, 2021, with three automatic one year renewal periods, expiring on September 30, 2024.

NOTE 8 - GENERAL FUND REVENUES AND EXPENDITURES

General Fund revenues and expenditures for the year ended September 30, 2021, were as follows:

	Total	Law Enforcement	Detention	Courthouse
Revenues				
Inmate Booking	$ 39,278	$ -	$ 39,278	$ -
Inmate Medical	45,121	-	45,121	-
Inmate Subsistence	169,079	-	169,079	-
Inmate Social Security	23,000	-	23,000	-
Charges for Services	276,478	-	276,478	-
Interest Income	25,573	25,573	-	-
Miscellaneous	43,325	43,325	-	-
Total Revenues	$ 345,376	$ 68,898	$ 276,478	$ -
Expenditures				
Personnel Services	$ 47,793,862	$ 34,725,318	$ 11,838,225	$ 1,230,319
Operating Expenditures	7,691,682	5,169,419	2,254,669	267,594
Capital Outlay	2,395,526	2,273,207	122,319	-
Debt Service	403,365	403,365	-	-
Total Expenditures	$ 58,284,435	$ 42,571,309	$ 14,215,213	$ 1,497,913

NOTE 9 - EMPLOYEE RETIREMENT PLAN

The Sheriff participates in the Florida Retirement System ("FRS") for Pension Benefits. A detailed plan description and any liability for employees of the Sheriff are included in the financial statements of the County.

Funding Policy

The Sheriff's contributions to the FRS for fiscal years ended September 30, 2019 through 2021 were: $5,961,387, $6,389,439, and $6,624,623, respectively, which were equal to the required contribution for each fiscal year.

Employees are required to contribute 3% towards the FRS. Employee withholdings for this purpose amounted to $835,606, $848,189, and $908,153 for the fiscal years ended September 30, 2019 through 2021, respectively, which were equal to the required contribution for each fiscal year.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS

The Sheriff participates in the plan established by the Board to provide other postemployment benefits to retirees of the Board and constitutional officers. A detailed plan description and any liability for employees of the Sheriff are included in the financial statements of the County.

NOTE 11 - RISK MANAGEMENT

The Sheriff participates in the Florida Sheriff's Risk Management Fund to insure against automobile, workers' compensation, and general liabilities claims. Except as disclosed in the next paragraph, there have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for any of the last three years.

Effective October 1, 2011, the Sheriff became self-insured for employee and retiree health coverage. Effective October 1, 2014, the Sheriff became self-insured for employee and retiree dental coverage. Prior to those dates, the Sheriff carried commercial insurance for its health and dental coverage.

NOTE 12 - SELF-INSURANCE INTERNAL SERVICE FUND

The self-insurance program was established under Florida Statute 112.08 to reduce employee medical costs for the Sheriff's Office. The program is administered by an outside third-party, and uses a combination of self-insurance and specific and aggregate stop-loss coverage to minimize risk exposure. It is accounted for in an internal service fund. Fund revenues are primarily contributions from other funds, retirees, and employees for amounts needed to pay insurance premiums, anticipated self-insured losses, administrative expenses, and clinic expenses.

Changes in claims liability amounts for the years ended September 30, 2021 and 2020, were as follows:

	2021	2020
Unpaid Claims, Beginning of Year	**$ 350,580**	$ 324,362
Incurred Claims	**6,696,811**	6,786,137
Claim Payments	**(6,588,057)**	(6,759,919)
Unpaid Claims, End of Year	**$ 459,334**	$ 350,580

NOTE 13 - LEASES

Revenue of the 800 MHz Fund includes lease payments received for space leased on the County's primary tower site. The lease began December 16, 1997, between the Board and Cingular (the "Tenant"). There have been several amendments since then, extending the lease term and changing the monthly lease payment. The sixth amendment, effective July 1, 2016, amended the lease term to include a new initial term of 60 months, plus up to five additional 60-month terms, built-in rate increases at the beginning of each renewal term. AT&T Mobility Corporation, who owns the Tenant has reduced the monthly lease payment from $5,407 to $4,210. The Board has informally assigned the rights to the lease revenue to the Sheriff to operate the system. The amount of the lease revenue for the year ended September 30, 2021, was $59,246. The future lease revenues are as follows:

Year Ending September 30:	Amount
2022	$ 58,098
2023	58,098
2024	58,098
2025	58,098
2026	60,277
2027 - 2031	336,569
2032 - 2036	387,054
2037 - 2041	445,112
2042 - 2046	511,879
2047 - 2048	233,713
Total	$ 2,206,996

NOTE 14 - CLAIMS AND CONTINGENCIES

Litigation

The Sheriff is involved as defendant or plaintiff in certain litigation and claims arising from the ordinary course of operations. Any judgments against the Sheriff in excess of insurance limits would be settled by the Board. In the opinion of the Sheriff and legal counsel, the range of potential recoveries or liabilities will not materially affect the financial position of the Sheriff.

Federal and State Grants

Grant funds received by the Sheriff are subject to audit by grantor agencies. Audits of these grants may result in disallowed costs, which may constitute a liability of the Sheriff. In the opinion of management disallowed costs, if any, would be insignificant to the financial position and operations of the Sheriff.

SUPPLEMENTARY INFORMATION

Combining and Individual Fund Financial Statements and Schedule

HERNANDO COUNTY, FLORIDA
SHERIFF

SPECIAL REVENUE FUNDS

September 30, 2021

Special revenue funds are used to account for the proceeds of special revenue sources that are legally restricted to specified purposes. The Hernando County, Florida, Sheriff (the "Sheriff") has the following non-major special revenue funds:

- **800MHz Fund -** This fund derives its resources from lease payments for space leased on the Hernando County's (the "County") primary tower site, fees assessed to each radio user department for maintenance contract costs, and a $12.50 fee included in each fine paid for a traffic citation. The 800MHz system is maintained to ensure continuous and optimum radio communications for all public safety and the County radio users.

- **Law Enforcement Education Fund -** This fund derives its resources from court cost assessments pursuant to Sections 938.15 and 318.18 of the Florida Statutes. The assessments are collected by the Clerk of the Circuit Court and remitted to the Sheriff monthly. Use of the funds received is restricted to criminal justice education and training in approved programs.

- **Child Saver Program Fund -** This fund derives its resources from funds received for the rental of infant and toddler car seats. The non-refundable service fees charged are to be used for the maintenance and repair of returned car seats and to assist in the purchase of additional seats to expand the program as the population of the County grows and there is additional demand for car seats.

- **Grants and Contributions Fund -** This fund derives its resources from grants and donations. Each grant and donation is separately accounted for within the fund, to assure proper accounting in accordance with the grant agreements.

HERNANDO COUNTY, FLORIDA
SHERIFF

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2021

	Special Revenue Funds				
	800MHz	Law Enforcement Education	Child Saver Program	Grants and Contributions	Total Non-Major Governmental Funds
ASSETS					
Cash and cash equivalents	$ 212,535	$ 501,351	$ -	$ 419,478	$ 1,133,364
Due from other governments	13,681	4,061	-	118,178	135,920
TOTAL ASSETS	$ 226,216	$ 505,412	$ -	$ 537,656	$ 1,269,284
LIABILITIES					
Accounts payable	$ 1,735	$ 259	$ -	$ 2,851	$ 4,845
Accrued wages and benefits payable	-	-	-	4,391	4,391
Deposits	-	-	-	-	-
TOTAL LIABILITIES	1,735	259	-	7,242	9,236
FUND BALANCES					
Restricted for:					
Law enforcement activities	-	-	-	530,414	530,414
Communications	224,481	-	-	-	224,481
Education and training	-	505,153	-	-	505,153
Other	-	-	-	-	-
TOTAL FUND BALANCES	224,481	505,153	-	530,414	1,260,048
TOTAL LIABILITIES AND FUND BALANCE	$ 226,216	$ 505,412	$ -	$ 537,656	$ 1,269,284

See Independent Auditor's Report.

HERNANDO COUNTY, FLORIDA
SHERIFF

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NON-MAJOR GOVERNMENTAL FUNDS

Year Ended September 30, 2021

	Special Revenue Funds				
	800MHz	Law Enforcement Education	Child Saver Program	Grants and Contributions	Total Non-Major Governmental Funds
REVENUES					
Intergovernmental	$ -	$ -	$ -	$ 299,985	$ 299,985
Charges for services	173,498	-	-	-	173,498
Fines and forfeitures	114,249	50,828	-	-	165,077
Interest revenue	99	489	-	(33)	555
Miscellaneous	59,246	-	-	50,330	109,576
TOTAL REVENUES	347,092	51,317	-	350,282	748,691
EXPENDITURES					
Public safety:					
Personnel services	-	-	-	298,355	298,355
Operating expenditures	334,425	89,021	-	691,930	1,115,376
Capital outlay	-	-	-	29,517	29,517
TOTAL EXPENDITURES	334,425	89,021	-	1,019,802	1,443,248
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,667	(37,704)	-	(669,520)	(694,557)
OTHER FINANCING SOURCES (USES)					
Transfers in:					
Other funds	-	-	-	32,611	32,611
Hernando County, Florida Board of County Commissioners: CARES Act Reimbursement	-	-	-	1,035,867	1,035,867
Transfers (out):					
Other funds	-	-	(7,611)	-	(7,611)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(7,611)	1,068,478	1,060,867
NET CHANGE IN FUND BALANCE	12,667	(37,704)	(7,611)	398,958	366,310
FUND BALANCE, BEGINNING OF YEAR	211,814	542,857	7,611	131,456	893,738
FUND BALANCE, END OF YEAR	$ 224,481	$ 505,153	$ -	$ 530,414	$ 1,260,048

See Independent Auditor's Report.

HERNANDO COUNTY, FLORIDA
SHERIFF

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - 800 MHz FUND

Year Ended September 30, 2021

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 170,000	$ 170,000	$ 173,498	$ 3,498
Fines and forfeitures	96,000	96,000	114,249	18,249
Interest revenue	-	-	99	99
Miscellaneous	50,520	50,520	59,246	8,726
TOTAL REVENUES	316,520	316,520	347,092	30,572
EXPENDITURES				
Public safety:				
Operating expenditures	287,650	317,650	334,425	(16,775)
TOTAL EXPENDITURES	287,650	317,650	334,425	(16,775)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	28,870	(1,130)	12,667	13,797
OTHER FINANCING SOURCES (USES)				
Reserve for contingencies	(162,557)	(210,684)	-	210,684
NET CHANGE IN FUND BALANCE	(133,687)	(211,814)	12,667	224,481
FUND BALANCE, BEGINNING OF YEAR	133,687	211,814	211,814	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ 224,481	$ 224,481

See Independent Auditor's Report.

HERNANDO COUNTY, FLORIDA
SHERIFF

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LAW ENFORCEMENT EDUCATION FUND

Year Ended September 30, 2021

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Fines and forfeitures	$ 50,000	$ 50,000	$ 50,828	$ 828
Interest revenue	700	700	489	(211)
TOTAL REVENUES	50,700	50,700	51,317	617
EXPENDITURES				
Public safety:				
Operating expenditures	100,100	100,100	89,021	11,079
TOTAL EXPENDITURES	100,100	100,100	89,021	11,079
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(49,400)	(49,400)	(37,704)	11,696
OTHER FINANCING SOURCES (USES)				
Reserve for contingencies	(493,457)	(493,457)	-	493,457
NET CHANGE IN FUND BALANCE	(542,857)	(542,857)	(37,704)	505,153
FUND BALANCE, BEGINNING OF YEAR	542,857	542,857	542,857	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ 505,153	$ 505,153

See Independent Auditor's Report.

HERNANDO COUNTY, FLORIDA
SHERIFF

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GRANTS AND CONTRIBUTIONS FUND

Year Ended September 30, 2021

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 319,979	$ 319,979	$ 299,985	$ (19,994)
Interest revenue	100	100	(33)	(133)
Miscellaneous	51,100	51,100	50,330	(770)
TOTAL REVENUES	371,179	371,179	350,282	(20,897)
EXPENDITURES				
Public safety:				
Personnel services	143,623	620,712	298,355	322,357
Operating expenditures	148,581	822,825	691,930	130,895
Capital outlay	65,695	95,212	29,517	65,695
TOTAL EXPENDITURES	357,899	1,538,749	1,019,802	518,947
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	13,280	(1,167,570)	(669,520)	498,050
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Other funds	-	25,000	32,611	7,611
Hernando County, Florida Board of County Commissioners: Appropriations				
CARES Act Reimbursement	-	1,179,656	1,035,867	(143,789)
Reserve for contingencies	(151,011)	(176,011)	-	176,011
TOTAL OTHER FINANCING SOURCES (USES)	(151,011)	1,028,645	1,068,478	39,833
NET CHANGE IN FUND BALANCE	(137,731)	(138,925)	398,958	537,883
FUND BALANCE, BEGINNING OF YEAR	137,731	138,925	131,456	(7,469)
FUND BALANCE, END OF YEAR	$ -	$ -	$ 530,414	$ 530,414

See Independent Auditor's Report.

HERNANDO COUNTY, FLORIDA
SHERIFF

INTERNAL SERVICE FUNDS

September 30, 2021

Internal service funds are used when a fund primarily provides benefits for other funds, departments, or agencies of the primary government. The Hernando County, Florida, Sheriff (the "Sheriff") has internal service funds that account for:

- **Health Insurance -** This is used to account for the Sheriff's self-insurance program for employee health benefits.

- **Dental Insurance -** This is used to account for the Sheriff's self-insurance program for employee dental benefits.

- **Wellness Clinic -** This is used to account for the Sheriff's self-insurance program for the operation of the health clinic.

HERNANDO COUNTY, FLORIDA
SHERIFF

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS

Year Ended September 30, 2021

	Health Insurance	Dental Insurance	Wellness Clinic	Total Internal Service
OPERATING REVENUES				
Inter-fund charges	$ 7,238,244	$ 179,776	$1,017,604	$ 8,435,624
Premiums - employees	328,697	92,758	-	421,455
Premiums - retirees	468,040	44,427	-	512,467
Miscellaneous	472,603	-	-	472,603
TOTAL OPERATING REVENUES	8,507,584	316,961	1,017,604	9,842,149
OPERATING EXPENSES				
Claims	6,452,745	241,066	-	6,693,811
Professional services	545,591	28,752	728,586	1,302,929
Repairs and maintenance	-	-	14,299	14,299
Materials and supplies	-	-	134,049	134,049
Other expenses	5,500	-	44,731	50,231
Insurance	421,976	-	-	421,976
TOTAL OPERATING EXPENSES	7,425,812	269,818	921,665	8,617,295
OPERATING INCOME (LOSS)	1,081,772	47,143	95,939	1,224,854
NON-OPERATING REVENUES				
Interest	(758)	-	-	(758)
TOTAL NON-OPERATING REVENUES	(758)	-	-	(758)
CHANGE IN NET POSITION	1,081,014	47,143	95,939	1,224,096
NET POSITION, BEGINNING OF YEAR	4,574,689	315,734	-	4,890,423
NET POSITION, END OF YEAR	$ 5,655,703	$ 362,877	$ 95,939	$ 6,114,519

See Independent Auditor's Report.

HERNANDO COUNTY, FLORIDA
SHERIFF

CUSTODIAL FUNDS

September 30, 2021

Custodial funds are used to account for assets held by the Hernando County, Florida, Sheriff (the "Sheriff") in a Trustee capacity or as an agent for individuals, private organizations, and other governments. The Sheriff has the following custodial funds:

- **Civil Trust Fund -** This fund is used to account for fees received by the Sheriff for serving documents (civil process) pursuant to Florida Statute 30.231(5). The funds received are returned to the Hernando County Board of County Commissioners on a monthly basis. This fund is also used for cost deposits provided by plaintiffs or their attorneys in advance, to pay for the Sheriff's statutory fees and costs in executing Sheriff's levies and Writs of Attachment.

- **Property & Evidence Fund** - This fund accounts for confiscated property and evidence.

- **Inmate Trust Fund** - This fund accounts for inmate personal accounts and the proceeds from certain inmate programs.

HERNANDO COUNTY, FLORIDA
SHERIFF

COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS

September 30, 2021

	Civil Trust Fund	Property & Evidence Fund	Inmate Trust Fund	Total Custodial Funds
ASSETS				
Cash and cash equivalents	$ 8,548	$ 12,721	$ 165,153	$ 186,422
TOTAL ASSETS	8,548	12,721	165,153	186,422
LIABILITIES				
Accounts payable	-	419	31,257	31,676
Due to other funds	-	-	32,301	32,301
Due to other governments (HCBOCC)	8,548	-	-	8,548
TOTAL LIABILITIES	8,548	419	63,558	72,525
NET POSITION				
Restricted for:				
Individuals and other governments	$ -	$ 12,302	$ 101,595	$ 113,897

See Independent Auditor's Report.

HERNANDO COUNTY, FLORIDA
SHERIFF

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS

Year Ended September 30, 2021

	Civil Trust Fund	Property & Evidence Fund	Inmate Trust Fund	Total Custodial Funds
ADDITIONS				
Miscellaneous	$ 92,948	$ 233,281	$ 1,694,559	$ 2,020,788
TOTAL ADDITIONS	92,948	233,281	1,694,559	2,020,788
Payments to HCBOCC	18,908	-	-	18,908
Other payments	74,611	239,053	1,661,212	1,974,876
TOTAL DEDUCTIONS	93,519	239,053	1,661,212	1,993,784
Net increase (decrease) in fiduciary net position	(571)	(5,772)	33,347	27,004
Net Position-beginning of the year, as originally stated	-	-	-	-
Net Position-restatement (Note 1)	571	18,074	35,947	54,592
Net Position-beginning of the year, as restated	571	18,074	35,947	54,592
Net Position-end of the year	$ -	$ 12,302	$ 69,294	$ 81,596

See Independent Auditor's Report.

OTHER REPORTS

MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT 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 Honorable Al Nienhuis
Sheriff
Hernando County, 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 Hernando County, Florida Sheriff (the "Sheriff") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated January 10, 2022.

Internal Control over Financial Reporting

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

To the Honorable Al Nienhuis
Sheriff
Hernando County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of 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 that are required to be reported under *Government Auditing Standards.*

We noted certain matters that we reported to management of the Sheriff in a separate letter dated January 10, 2022.

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.

MSL, P.A.
Certified Public Accountants

Tampa, Florida
January 10, 2022

MSL
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

Honorable Al Nienhuis
Sheriff
Hernando County, Florida

We have examined the Hernando County, Florida Sheriff's (the "Sheriff") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2021. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance 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 Sheriff is in accordance with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the Sheriff's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Sheriff's compliance with specified requirements.

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2021.

MSL, P.A.
Certified Public Accountants

Tampa, Florida
January 10, 2022



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Al Nienhuis
Sheriff
Hernando County, Florida

We have audited the basic financial statements of the Sheriff (the "Sheriff") as of and for the fiscal year ended September 30, 2021 and have issued our report thereon dated January 10, 2022.

Auditor's Responsibility

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 and Chapter 10.550, *Rules of the Auditor General.*

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards,* AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General.* Disclosures in those reports, which are dated January 10, 2022, 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. There were no findings or recommendations 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 this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

Honorable Al Nienhuis
Sheriff
Hernando County, Florida

Financial Management

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

Additional Matters

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

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

MSL, P.A.

Certified Public Accountants

Tampa, Florida
January 10, 2022

HERNANDO COUNTY, FLORIDA
PROPERTY APPRAISER

FINANCIAL STATEMENTS

Year Ended September 30, 2021

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MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable John C. Emerson
Property Appraiser
Hernando County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Hernando County, Florida Property Appraiser (the "Property Appraiser") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements, as listed in the table of contents.

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 an opinion 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 of 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 Property Appraiser'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 Property Appraiser'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 opinion.

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the Property Appraiser as of September 30, 2021, and the respective change in financial position, and the budgetary comparison for the general fund and the geographic information system fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

As described in Note 1 to the financial statements, the accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General for Local Governmental Entity Audits*. These financial statements are not intended to be a complete presentation of the financial position of Hernando County, Florida as of September 30, 2021, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying supplemental information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
December 14, 2021

HERNANDO COUNTY, FLORIDA
PROPERTY APPRAISER

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2021

	General Fund	Geographic Information System Fund	Non-Major Governmental Funds	Total
ASSETS				
Cash and cash equivalents	$ 391,916	$ 1,559,109	$ 130,915	$ 2,081,940
TOTAL ASSETS	$ 391,916	$ 1,559,109	$ 130,915	$ 2,081,940
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Vouchers payable	$ 3,966	$ 325	$ -	$ 4,291
Due to the Hernando County, Florida, Board of County Commissioners	381,687	-	130,425	512,112
Due to other governments	6,263	-	490	6,753
TOTAL LIABILITIES	391,916	325	130,915	523,156
FUND BALANCES				
Committed for GIS function	-	1,558,784	-	1,558,784
TOTAL FUND BALANCES	-	1,558,784	-	1,558,784
TOTAL LIABILITIES AND FUND BALANCES	$ 391,916	$ 1,559,109	$ 130,915	$ 2,081,940

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
PROPERTY APPRAISER

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

Year Ended September 30, 2021

	General Fund	Geographic Information System Fund	Non-Major Governmental Funds	Total
REVENUES				
Intergovernmental revenues:				
Hernando County, Florida, Board of County Commissioners	$ 2,777,121	$ 874,308	$ 351,606	$ 4,003,035
Other taxing districts	46,273	131,803	-	178,076
Total intergovernmental revenues	2,823,394	1,006,111	351,606	4,181,111
Charges for services	-	37,575	117,337	154,912
Interest	-	724	-	724
TOTAL REVENUES	2,823,394	1,044,410	468,943	4,336,747
EXPENDITURES				
General government:				
Personnel services	2,202,909	618,598	279,983	3,101,490
Operating	227,591	271,331	54,702	553,624
Capital outlay	4,944	389	3,343	8,676
TOTAL EXPENDITURES	2,435,444	890,318	338,028	3,663,790
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	387,950	154,092	130,915	672,957
OTHER FINANCING SOURCES (USES)				
Transfers (out):				
Distribution of excess fees to the Hernando County, Florida, Board of County Commissioners	(381,687)	-	(130,425)	(512,112)
Distribution of excess fees to other taxing districts	(6,263)	-	(490)	(6,753)
TOTAL OTHER FINANCING SOURCES (USES)	(387,950)	-	(130,915)	(518,865)
NET CHANGE IN FUND BALANCES	-	154,092	-	154,092
FUND BALANCE, BEGINNING OF YEAR	-	1,404,692	-	1,404,692
FUND BALANCE, END OF YEAR	$ -	$ 1,558,784	$ -	$ 1,558,784

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
PROPERTY APPRAISER

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

Year Ended September 30, 2021

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental revenues:				
Hernando County, Florida, Board of County Commissioners	$ 2,773,165	$ 2,773,165	$ 2,777,121	3,956
Other taxing districts	46,273	46,273	46,273	-
TOTAL REVENUES	2,819,438	2,819,438	2,823,394	3,956
EXPENDITURES				
General government:				
Personnel services	2,397,649	2,397,649	2,202,909	194,740
Operating	394,348	394,348	227,591	166,757
Capital outlay	17,441	17,441	4,944	12,497
Non-operating	10,000	10,000	-	10,000
TOTAL EXPENDITURES	2,819,438	2,819,438	2,435,444	383,994
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	387,950	387,950
OTHER FINANCING SOURCES (USES)				
Transfers (out):				
Distribution of excess fees to the Hernando County, Florida, Board of County Commissioners	-	-	(381,687)	(381,687)
Distribution of excess fees to Other taxing districts	-	-	(6,263)	(6,263)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(387,950)	(387,950)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
PROPERTY APPRAISER

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GEOGRAPHIC INFORMATION SYSTEM FUND

Year Ended September 30, 2021

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental revenues:				
Hernando County, Florida, Board of County Commissioners	$ 874,308	$ 874,308	$ 874,308	$ -
Other taxing districts	131,803	131,803	131,803	-
Total Intergovernmental Revenues	1,006,111	1,006,111	1,006,111	-
Charges for services	23,696	23,696	37,575	13,879
Interest	-	-	724	724
TOTAL REVENUES	1,029,807	1,029,807	1,044,410	14,603
EXPENDITURES				
General government:				
Personnel services	632,378	632,378	618,598	13,780
Operating	373,397	373,397	271,331	102,066
Capital outlay	24,032	24,032	389	23,643
TOTAL EXPENDITURES	1,029,807	1,029,807	890,318	139,489
NET CHANGE IN FUND BALANCES	-	-	154,092	154,092
FUND BALANCE, BEGINNING OF YEAR	-	-	1,404,692	1,404,692
FUND BALANCE, END OF YEAR	$ -	$ -	$ 1,558,784	$ 1,558,784

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
PROPERTY APPRAISER

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Hernando County, Florida (the "County"), is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the "Board") and managed by an appointed County Administrator. The Hernando County, Florida Property Appraiser (the "Property Appraiser") is an elected constitutional officer of the County as provided for by the Constitution of the State of Florida. Pursuant to Chapters 129 and 195, Florida Statutes, the Property Appraiser's budget is submitted to the Florida Department of Revenue for approval, and a copy is forwarded to the Board for coordination with the Board's budget.

Funding of the Property Appraiser's Office comes from quarterly billings to the Board and other taxing districts in proportion to prior year taxes levied, or in the case of non-ad valorem districts, by other reasonable methods. By statute, municipalities and school boards are exempt.

For financial reporting purposes, the Property Appraiser is deemed to be part of the primary government of the County and, as such, is included in the County's Annual Comprehensive Financial Report.

Basis of Presentation

The accompanying financial statements include all funds and accounts of the Property Appraiser's office, but are not intended to be a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General - Local Governmental Entity Audits.*

The financial transactions of the Property Appraiser are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. These funds are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. GAAP sets forth minimum criteria (percentage of total assets, liabilities, revenues, or expenditures) for the determination of major funds. Each major fund is reported in a separate column.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

The Property Appraiser reports the following major governmental funds:

- **General Fund** - The general fund is used to account for the general operations of the Property Appraiser and includes all transactions, which are not accounted for in other funds.

- **Geographic Information System ("GIS") Fund** - This fund is used to account for revenue received in accordance with a contract with the Board pursuant to Section 197.3632(2), Florida Statutes, which is designated to finance the establishment and maintenance of the GIS for the County. Although neither the contract nor the law requires that a budget be prepared for the expenditures of these funds, the Property Appraiser prepares an annual budget internally for this fund and follows the same recording and reporting procedures as those with legally required budgets for the purpose of management control.

The Property Appraiser also reports the following non-major governmental funds:

- **County Fees and Commissions Fund** - This fund is used to account for revenues and expenditures pursuant to Section 119, Florida Statutes. The Property Appraiser uses this fund to track revenues and expenditures directly related to providing aerial maps, tax rolls, copies, and real property tags to the public.

- **Addressing Fund** - The addressing fund was created to account for the revenues and expenditures for the creation and maintenance of the County-wide addressing system.

- **Addressing Fees Fund** - The addressing fees fund was created to account for the revenues received under an agreement with the Board to provide address assignments, annual subscription renewal, and unnamed petition fees to the public.

- **GIS Business Units Fund** - The Hernando County Property Appraiser's Office serves as the lead entity for operating and managing the Hernando Central GIS. As part of that responsibility, a fund was created in 2010 to account for the revenues and expenditures for the GIS Planning, GIS Information Technology and GIS Environmental Services Business Units, per agreements with the respective County agencies, to provide GIS services.

Measurement Focus and Basis of Accounting

Governmental funds are accounted for using the flow of current financial resources measurement focus. Only current assets and current liabilities, generally, are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available to finance liabilities of the current fiscal year). For this purpose, the Property Appraiser considers revenues to be available if they are collected within 45 days of the end of the current period. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured.

Substantially all of the Property Appraiser's revenue is received from taxing authorities. These monies are generally unrestricted and are revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenue at the time of receipt; earlier if the *susceptible to accrual* criteria are met.

Charges for services and interest income are recognized when earned, provided they are also measurable and available to pay liabilities of the current period. Interest income is reported net of fees.

Florida Statutes provide that the amount by which revenues and transfers exceed annual expenditures be credited back to the Board and other taxing districts in the quarter immediately following the fiscal year during which the revenue was recognized. Florida Statutes further provide that this excess be distributed to each governmental agency in the same proportion as the fees paid by each governmental agency bear to total fees revenues. The amount of this distribution is recorded as a liability and another financing use in the accompanying financial statements.

Cash Equivalents

Cash equivalents are defined as highly liquid investments with original maturities of three months or less.

Compensated Absences

All full-time employees of the Property Appraiser are entitled to paid time off. The employees are generally allowed to accumulate paid time off up to a maximum of 320 hours. Upon termination, the employee is paid for accumulated and unused paid time off. Paid time off payments are included in expenditures in the period paid or due. The Property Appraiser does not, nor is he legally required to, accumulate financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the governmental funds, but rather is reported in the basic financial statements of the County.

Fund Balances

The Property Appraiser implemented the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* in 2011, as required. The purpose of GASB Statement No. 54 was to improve the consistency and usefulness of fund balance information to the financial statement user. The statement established fund balance classifications that comprise a hierarchy, based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - non-spendable, restricted, committed, assigned, and unassigned:

- **Non-Spendable** - This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Property Appraiser does not have any non-spendable funds.

- **Restricted** - This component of fund balances consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.

- **Committed** - This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., policy) of the organization's governing authority. By statute, the Property Appraiser himself is the governing authority. These committed amounts cannot be used for any other purpose unless the Property Appraiser removes or changes the specified use by taking the same type of action (e.g., policy) he employed to constrain those amounts.

- **Assigned** - This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Property Appraiser has not delegated the responsibility to assign fund balances to any individual or body.

- **Unassigned** - This classification is used for: (a) negative unrestricted fund balances in any governmental fund; or (b) fund balances within the general fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Property Appraiser's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Property Appraiser's policy to use committed resources first, then assigned, and then unassigned as needed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported or disclosed in the financial statements and accompanying notes. Actual results could differ from those estimates.

Net Pension Liability

The Property Appraiser participates in the Florida Retirement System ("FRS") defined benefit pension plan and the Health Insurance Subsidy ("HIS") defined benefit plan administered by Florida Division of Retirement. As a participating employer, the Property Appraiser is required to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. However, these liabilities would be recorded in government-wide financial statements, which are not required in this presentation. The cost-sharing multiple-employer plans mentioned above operate on a June 30 fiscal year end.

Other Post-Employment Benefits

Pursuant to the requirements of the Florida Statutes, the Property Appraiser participates in the County's plan to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Property Appraiser are included in the financial statements of the County.

NOTE 2 - BUDGETARY PROCESS

Section 195.087, Florida Statutes, governs the preparation, adoption, and administration of the Property Appraiser's annual budget. The Property Appraiser prepares a budget for the general fund and submits it to the Florida Department of Revenue for approval. Any subsequent amendments to the Property Appraiser's total budget must be approved by the Florida Department of Revenue. The budget is prepared on a basis consistent with GAAP and serves as the legal authorization for expenditures.

Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Property Appraiser.

Budgets have also been prepared for the GIS, Addressing, and GIS Business Units funds, but not the County Fees and Commissions, or Addressing Fees funds. These budgets are not required to be submitted to the Department of Revenue for approval, and have no specific legal level of authority.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable to the fiscal year.

NOTE 3 - CASH AND INVESTMENTS

At September 30, 2021, the fair value of the Property Appraiser's cash and cash equivalents was as follows:

	Carrying Value	Credit Rating
Cash on Hand	$ 150	N/A
Demand Deposits and Money Market Funds	2,081,790	N/A
Total Cash and Cash Equivalents	$ 2,081,940	

The Property Appraiser's bank deposits are held in qualified public depositories ("QPDs") pursuant to Chapter 280, Florida Statutes. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

Authorized Investments

The Property Appraiser has not adopted an investment policy and so, by statute, follows the state's guidance set forth in Section 219.075, Florida Statutes regarding the deposit of funds received and the investment of surplus funds. That Section requires local governments without written investment policies, including County officers, to follow the state policy in Section 218.415(17), Florida Statutes. That Section authorizes the following investments:

a. The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the *Florida Interlocal Cooperation Act,* as provided in Florida Statute 163.01.

b. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

c. Interest-bearing time deposits or savings accounts in qualified public depositories.

d. Direct obligations of the United States Treasury.

The Property Appraiser does not have policies that address credit risk, custodial credit risk, or interest rate risk. The Property Appraiser had no investments at year-end or during the year.

NOTE 4 - CAPITAL ASSETS

Pursuant to Florida Statutes, capital assets used by the Property Appraiser are owned by the Board. The Property Appraiser maintains custodial and record-keeping responsibility for the tangible capital assets used by the office. The office space used in the Property Appraiser's operations is provided at no cost by the Board.

Capital assets paid for by the Property Appraiser are recorded as expenditures in the governmental funds of the Property Appraiser and are capitalized in the basic financial statements of the County. Donated assets are recorded directly in the County's books at their estimated fair value on the date received. Depreciation is recorded at the County level.

NOTE 5 - LONG-TERM LIABILITY

The following is a summary of changes in general long-term liabilities, which are reported in the basic financial statements of the County:

	Balance October 1, 2020	Additions	Retirements	Balance September 30, 2021	Due Within One Year
Accrued Compensated Balance	$ 215,388	$ 217,769	$ (193,849)	$ 239,308	$ 215,377

These liabilities are not reported in the financial statements of the Property Appraiser but are reported on the basic financial statements of the County.

NOTE 6 - FLORIDA RETIREMENT SYSTEM (FRS) FOR PENSION BENEFITS

The Property Appraiser participates in the FRS for Pension Benefits. A detailed plan description and any liability for employees of the Property Appraiser are included in the financial statements of the County.

Funding Policy

The Property Appraiser's contributions to the FRS for fiscal years ended September 30, 2019 through 2021 were: $266,276, $252,406 and 300,862 respectively, which were equal to the required contribution for each fiscal year.

Employees are required to contribute 3% towards the FRS. Employee withholdings for this purpose amounted to $56,632, $60,755 and 60,039 for the fiscal years ended September 30, 2019 through 2021, respectively, which were equal to the required contribution for each fiscal year.

NOTE 7 - LEASES

The Property Appraiser has entered into certain non-cancellable operating leases for vehicles necessary for the conduction of operations that expire at various dates during the next two years. Lease expense for the year ended September 30, 2021, was $38,589. Future minimum lease payments under these non-cancellable lease agreements provide for minimum annual rental payments as follows:

Year Ending September 30:	Amount
2022	$ 17,337
2023	11,312
	$ 28,649

NOTE 8 - RISK MANAGEMENT

The Property Appraiser participates in the insurance programs of the Board including general liability, workers' compensation, property and casualty, and employee health insurance. These risk management activities are handled through internal service funds maintained by the Board. All liabilities associated with these self-insured risks are reported in the basic financial statements of the Board. The purpose of these funds is to administer employee life, health, workers' compensation, unemployment, disability insurance, and property and liability insurance. These funds account for the risk financing activities of the Board, but do not constitute a transfer of risk from the County.

Significant losses are covered by commercial insurance for all major programs except workers' compensation for which the County retains risk of loss. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in any of the last three years.

The Property Appraiser paid premiums of $13,798 for general liability and $493,334 for employee life and health insurance coverage to the Board for the fiscal year ended September 30, 2021.

The Board's Workers' Compensation Internal Service Fund is a self-insurance program for workers' compensation claims on losses up to $1,250,000 per occurrence. The workers' compensation fund has indemnified the Property Appraiser against any losses in a given year in excess of the fee charged. In the event actual losses are less than the fee charged, such amounts will be retained in the Workers' Compensation fund. Claim settlements and losses are accrued and subsequently paid from the Workers' Compensation fund. Premium payments to the Board by the Property Appraiser, which are based on a percentage of salaries paid according to salary classifications, totaled $6,243 for the fiscal year ended September 30, 2021.

NOTE 9 - LITIGATION

The Property Appraiser is involved as defendant or plaintiff in certain litigation and claims arising from the ordinary course of operations, primarily relating to challenges on property value assessments. Any judgments against the Property Appraiser would be settled by the Board. In the opinion of the Property Appraiser and legal counsel, the range of potential recoveries or liabilities will not materially affect the financial position of the Property Appraiser.

NOTE 10 - COMMITMENT

The Property Appraiser has the following future commitment to one vendor for six separate aerial mapping projects:

Year Ending September 30:	Amount
2022	$ 173,576
2023	218,776
2024	173,576
2025	173,576
2026	218,776
	$ 958,280

SUPPLEMENTARY INFORMATION

Combining and Individual Fund Financial Statements and Schedule

HERNANDO COUNTY, FLORIDA
PROPERTY APPRAISER

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2021

	County Fees and Commissions Fund	Addressing Fund	Addressing Fees Fund	GIS Business Units Fund	Total
ASSETS					
Cash and cash equivalents	$ 30,335	$ 2,097	$ 50,695	$ 47,788	$130,915
TOTAL ASSETS	$ 30,335	$ 2,097	$ 50,695	$ 47,788	$130,915
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Due to the Hernando County, Florida, Board of County Commissioners	$ 29,845	$ 2,097	$ 50,695	$ 47,788	$130,425
Due to other governments	490	-	-	-	490
TOTAL LIABILITIES	30,335	2,097	50,695	47,788	130,915
FUND BALANCES					
Committed for specific purpose	-	-	-	-	-
TOTAL FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 30,335	$ 2,097	$ 50,695	$ 47,788	$130,915

HERNANDO COUNTY, FLORIDA
PROPERTY APPRAISER

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS

Year Ended September 30, 2021

	County Fees and Commissions Fund	Addressing Fund	Addressing Fees Fund	GIS Business Units Fund	Total
REVENUES					
Intergovernmental revenues:					
Hernando County, Florida, Board of County Commissioners	$ -	$ 126,570	$ -	$ 225,036	$ 351,606
Charges for services	66,642	-	50,695	-	117,337
TOTAL REVENUES	66,642	126,570	50,695	225,036	468,943
EXPENDITURES					
General government:					
Personnel services	-	113,912	-	166,071	279,983
Operating	35,528	10,561	-	8,613	54,702
Capital outlay	779	-	-	2,564	3,343
TOTAL EXPENDITURES	36,307	124,473	-	177,248	338,028
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	30,335	2,097	50,695	47,788	130,915
OTHER FINANCING SOURCES (USES)					
Transfers (out):					
Distribution of excess fees to the Hernando County, Florida, Board of County Commissioners	(29,845)	(2,097)	(50,695)	(47,788)	(130,425)
Distribution of excess fees to other taxing districts	(490)	-	-	-	(490)
TOTAL OTHER FINANCING SOURCES (USES)	(30,335)	(2,097)	(50,695)	(47,788)	(130,915)
NET CHANGE IN FUND BALANCES	-	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -	$ -

HERNANDO COUNTY, FLORIDA
PROPERTY APPRAISER

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ADDRESSING FUND

Year Ended September 30, 2021

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental revenues:				
Hernando County, Florida, Board of County Commissioners	$ 126,570	$ 126,570	$ 126,570	$ -
TOTAL REVENUES	126,570	126,570	126,570	-
EXPENDITURES				
General government:				
Personnel services	116,006	116,006	113,912	2,094
Operating	10,564	10,564	10,561	3
TOTAL EXPENDITURES	126,570	126,570	124,473	2,097
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	2,097	2,097
OTHER FINANCING SOURCES (USES)				
Transfers (out):				
Distribution of excess fees to the Hernando County, Florida, Board of County Commissioners	-	-	(2,097)	(2,097)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(2,097)	(2,097)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -

HERNANDO COUNTY, FLORIDA
PROPERTY APPRAISER

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GIS BUSINESS UNITS FUND

Year Ended September 30, 2021

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental revenues:				
Hernando County, Florida, Board of County Commissioners	$ 225,036	$ 225,036	$ 225,036	$ -
TOTAL REVENUES	225,036	225,036	225,036	-
EXPENDITURES				
General government:				
Personnel services	207,827	207,827	166,071	41,756
Operating	12,709	12,709	8,613	4,096
Capital outlay	4,500	4,500	2,564	1,936
TOTAL EXPENDITURES	225,036	225,036	177,248	47,788
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	47,788	47,788
OTHER FINANCING SOURCES (USES)				
Transfers (out):				
Distribution of excess fees to the Hernando County, Florida, Board of County Commissioners	-	-	(47,788)	(47,788)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(47,788)	(47,788)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -

OTHER REPORTS

MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT 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*

Honorable John C. Emerson
Property Appraiser
Hernando County, 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 Hernando County, Florida Property Appraiser (the "Property Appraiser") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated December 14, 2021.

Internal Control over Financial Reporting

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

Honorable John C. Emerson
Property Appraiser
Hernando County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free of 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 that are required to be reported under *Government Auditing Standards.*

We noted certain matters that we reported to management of the Property Appraiser in a separate letter dated December 14, 2021.

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.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
December 14, 2021

MSL
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

Honorable John C. Emerson
Property Appraiser
Hernando County, Florida

We have examined the Hernando County, Florida Property Appraiser's (the "Property Appraiser") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2021. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance 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 Property Appraiser is in accordance with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the Property Appraiser's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Property Appraiser's compliance with specified requirements.

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2021.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
December 14, 2021

MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable John C. Emerson
Property Appraiser
Hernando County, Florida

We have audited the basic financial statements of the Property Appraiser (the "Property Appraiser") as of and for the fiscal year ended September 30, 2021 and have issued our report thereon dated December 14, 2021.

Auditor's Responsibility

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 and Chapter 10.550, *Rules of the Auditor General.*

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards,* AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General.* Disclosures in those reports, which are dated December 14, 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. In connection with the preceding audit, there were no findings or recommendations.

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 this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

Honorable John C. Emerson
Property Appraiser
Hernando County, Florida

Financial Management

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

Additional Matters

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

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

MSL, P.A.

Certified Public Accountants

Tampa, Florida
December 14, 2021

HERNANDO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS

FINANCIAL STATEMENTS

Year Ended September 30, 2021

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MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Shirley Anderson
Supervisor of Elections
Hernando County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Hernando County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements, as listed in the table of contents.

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 an opinion 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 of 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 Supervisor of Elections' 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 Supervisor of Elections' 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 opinion.

Honorable Shirley Anderson
Supervisor of Elections
Hernando County, Florida

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the Supervisor of Elections as of September 30, 2021, and the respective change in financial position, and the budgetary comparison for the general fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

As described in Note 1 to the financial statements, the accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General for Local Governmental Entity Audits*. These financial statements are not intended to be a complete presentation of the financial position of the County as of September 30, 2021, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
November 30, 2021

HERNANDO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS

BALANCE SHEET - GENERAL FUND

SEPTEMBER 30, 2021

ASSETS

Cash		$ 253,177
	TOTAL ASSETS	$ 253,177

LIABILITIES AND FUND BALANCE

Accounts payable		$ 3,790
Accrued liabilities		9,301
Due to the Hernando County, Florida, Board of County Commissioners		240,086
	TOTAL LIABILITIES	253,177
	TOTAL FUND BALANCE	-
	TOTAL LIABILITIES AND FUND BALANCE	$ 253,177

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND

Year Ended September 30, 2021

REVENUES		
Intergovernmental revenue		$ 248,953
Charges for services		12,332
	TOTAL REVENUES	261,285
EXPENDITURES		
General government:		
Personnel services		952,942
Operating		652,487
Capital outlay		5,885
	TOTAL EXPENDITURES	1,611,314
	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,350,029)
OTHER FINANCING SOURCES (USES)		
Transfers in:		
Hernando County, Florida, Board of County Commissioners appropriations		1,590,115
Transfers (out):		
Distribution of excess appropriations to the Hernando County, Florida, Board of County Commissioners		(240,086)
	TOTAL OTHER FINANCING SOURCES (USES)	1,350,029
	NET CHANGE IN FUND BALANCE	-
FUND BALANCE, BEGINNING OF YEAR		-
FUND BALANCE, END OF YEAR		$ -

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND

Year Ended September 30, 2021

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental revenue	$ -	$ 209,315	$ 248,953	$ 39,638
Charges for services	-	-	12,332	12,332
TOTAL REVENUES	-	209,315	261,285	51,970
EXPENDITURES				
General government:				
Personnel services	964,795	964,795	952,942	11,853
Operating	625,320	834,635	652,487	182,148
Capital outlay	-	-	5,885	(5,885)
TOTAL EXPENDITURES	1,590,115	1,799,430	1,611,314	188,116
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,590,115)	(1,590,115)	(1,350,029)	240,086
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Hernando County, Florida, Board of County Commissioners appropriations	1,590,115	1,590,115	1,590,115	-
Transfers (out):				
Distribution of excess appropriations to the Hernando County, Florida, Board of County Commissioners	-	-	(240,086)	(240,086)
TOTAL OTHER FINANCING SOURCES (USES)	1,590,115	1,590,115	1,350,029	(240,086)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Hernando County, Florida (the "County") is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the "Board"), and managed by an appointed County Administrator. The Hernando County, Florida Supervisor of Elections (the "Supervisor of Elections") is an elected constitutional officer as provided for by the Constitution of the State of Florida. Pursuant to Chapter 129, Florida Statutes, the Supervisor of Elections' budget is submitted to the Board for approval.

Transfers are provided by appropriations from the Board pursuant to law. Estimated receipts and budgeted fund balances must equal appropriations. The Supervisor of Elections is required to refund to the Board all excess appropriations annually; therefore, no unappropriated fund balance is carried forward.

For financial reporting purposes, the Supervisor of Elections is deemed to be part of the primary government of the County, and as such, is included in the County's Annual Comprehensive Financial Report.

Basis of Presentation

The accompanying financial statements include all funds and accounts of the Supervisor of Elections' office, but are not intended to be a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General - Local Governmental Entity Audits.*

The financial transactions of the Supervisor of Elections are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures.

The focus of governmental fund financial statements is generally on major funds rather than reporting funds by type. GAAP sets forth minimum criteria (percentage of total assets, liabilities, revenues, or expenditures) for the determination of major funds. However, the general fund, by definition, is always a major fund. In the governmental fund financial statements, each major fund is reported in a separate column, but since the Supervisor of Elections has only one governmental fund (the general fund); the governmental fund financial statements contain only one column.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of Presentation *(Continued)*

The Supervisor of Elections reports the following governmental fund type:

Governmental Fund

- **Major Fund**
  - **General Fund -** The general fund is the general operating fund of the Supervisor of Elections. It is used to account for all financial resources, except for those required to be accounted for in another fund

Measurement Focus and Basis of Accounting

Governmental funds are accounted for using the flow of current financial resources measurement focus. Only current assets and current liabilities, generally, are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when it becomes measurable and available to finance liabilities of the current fiscal year). For this purpose, the Supervisor of Elections considers revenues to be available if they are collected within 45 days of the end of the current period and can be used for paying current period expenditures. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured.

The appropriations from the Board are the primary source of funds considered to be susceptible to accrual.

Intergovernmental revenues are recognized when eligibility requirements are met and related amounts are available from the grantor. Charges for services are recognized as they are earned and become measurable and available to pay liabilities of the current period.

Excess Fees

The Board funds primarily the entire operating budget of the Supervisor of Elections. Payments by the Board to fund the operations of the Supervisor of Elections are recorded as transfers in on the financial statements of the Supervisor of Elections. In accordance with Florida Statutes, the Supervisor of Elections distributes all general fund revenues in excess of expenditures to the Board within 31 days following the end of the fiscal year.

Deferred Inflows/Unearned Revenue

Deferred inflows represent revenues that have been earned, but are not available (because they were received more than 45 days after fiscal year-end). Unearned revenue represents funds received for voter education, poll worker recruitment, and training grants, which had not been expended at fiscal year-end. Revenue will be recognized in subsequent years when all eligibility requirements have been met.

Compensated Absences

All full-time employees of the Supervisor of Elections are entitled to accrue a maximum of 480 hours of paid time off ("PTO") and must use a minimum of 80 hours of PTO each fiscal year. Upon termination, the employee is paid 50% to 100%, based on tenure, of accumulated PTO.

The Supervisor of Elections' accrued compensated absences are not reported in the general fund, but rather in the basic financial statements of the County.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make a number of estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Net Pension Liability

The Supervisor of Elections participates in the Florida Retirement System ("FRS") defined benefit pension plan and the Health Insurance Subsidy ("HIS") defined benefit plan administered by Florida Division of Retirement. As a participating employer, the Supervisor of Elections is required to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. However, these liabilities would be recorded in government-wide financial statements, which are not required in this special-purpose presentation. As such, the financial information and disclosures are included in the County's Annual Comprehensive Financial Report. In addition, the cost-sharing multiple-employer plans mentioned above operate on a June 30 fiscal year end.

NOTE 2 - BUDGETARY PROCESS

Florida Statutes, Section 195.087, governs the preparation, adoption, and administration of the Supervisor of Elections' annual budget. The Supervisor of Elections submits a budget for the general fund to the Board for approval. Any subsequent amendments to the Supervisor of Elections' total budget must be approved by the Board. The annual budget serves as the legal authorization for expenditures. Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at fiscal year-end. Budgetary control is maintained at the major object expenditure level. Budgetary changes within major object expenditure categories are made at the discretion of the Supervisor of Elections.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable to the fiscal year.

NOTE 3 - CASH AND INVESTMENTS

At September 30, 2021, the fair value of the Supervisor of Elections' cash was as follows:

	Fair Value	Credit Rating
Demand Deposits and Money Market Funds	$ 253,177	N/A

The Supervisor of Elections' bank deposits are held in qualified public depositories ("QPDs") pursuant to Chapter 280, Florida Statutes. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

NOTE 3 - CASH AND INVESTMENTS *(Continued)*

Authorized Investments

The Supervisor of Elections has not adopted an investment policy and so, by statute, follows the state's guidance set forth in Section 219.075, Florida Statutes, regarding the deposit of funds received and the investment of surplus funds. That Section requires local governments without written investment policies, including County officers, to follow the state policy in Section 218.415(17), Florida Statutes. That Section authorizes the following investments:

a. The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the *Florida Interlocal Cooperation Act*, as provided in Florida Statute 163.01.

b. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

c. Interest-bearing time deposits or savings accounts in qualified public depositories.

d. Direct obligations of the United States Treasury.

The Supervisor of Elections does not have policies that address credit risk, custodial credit risk, or interest rate risk. The Supervisor of Elections had no investments at fiscal year-end or during the year.

NOTE 4 - CAPITAL ASSETS

Pursuant to Florida Statutes, capital assets used by the Supervisor of Elections are owned by the Board. The Supervisor of Elections maintains custodial responsibility for the capital assets used by the office. The office space used in the Supervisor of Elections' operations is provided at no cost by the Board.

Capital assets paid for by the Supervisor of Elections are recorded as expenditures in the general fund of the Supervisor of Elections and are capitalized in the basic financial statements of the County. Donated capital assets are recorded directly on the County's books at their estimated acquisition value on the date received. Depreciation is recorded at the County level.

NOTE 5 - LONG-TERM LIABILITY

The following is a summary of changes in general long-term liabilities, which are reported in the basic financial statements of the County:

	Balance October 1, 2020	Additions	Retirements	Balance September 30, 2021	Due Within One Year
Accrued Compensated Balance	$ 7,872	$ -	$ (4,201)	$ 3,671	$ 3,671

These liabilities are not reported in the financial statements of the Supervisor of Elections but rather are reported in the basic financial statements of the County.

NOTE 6 - FLORIDA RETIREMENT SYSTEM (FRS) FOR PENSION BENEFITS

The Supervisor of Elections participates in the FRS for Pension Benefits. A detailed plan description and any liability for employees of the Supervisor of Elections are included in the financial statement of the County.

Funding Policy

The Supervisor of Elections contributions to the FRS for fiscal years ended September 30, 2019 through 2021 were as follows: $87,186, $95,798 and $118,261 respectively, which were equal to the required contribution for each fiscal year.

Employees are required to contribute 3% towards the FRS. Employee withholdings for this purpose amounted to $12,043, $13,750, and $16,139 for the fiscal years ended September 30, 2019 through 2021, respectively, which were equal to the required contribution for each fiscal year.

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS

Pursuant to the requirements of the Florida Statutes, the Supervisor of Elections participates in the County's plan to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Supervisor of Elections are included in the financial statements of the County.

NOTE 8 - RISK MANAGEMENT

The Supervisor of Elections participates in the insurance programs of the Board including general liability, workers' compensation, property and casualty, and employee health insurance. These risk management activities are handled through internal service funds maintained by the Board. All liabilities associated with these self-insured risks are reported in the basic financial statements of the Board. The purpose of these funds is to administer employee life, health, workers' compensation, unemployment and disability insurance, and property and liability insurance. These funds account for the risk financing activities of the County, but do not constitute a transfer of risk from the County.

Significant losses are covered by commercial insurance for all major programs except workers' compensation for which the County retains risk of loss. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in any of the last three years.

The Supervisor of Elections paid premiums of $10,219 for property and casualty, and $125,670 for health insurance coverage to the Board for the fiscal year ended September 30, 2021.

NOTE 8 - RISK MANAGEMENT *(Continued)*

The workers' compensation internal service fund is a self-insurance program for workers' compensation claims on losses up to $750,000 per occurrence. The workers' compensation fund has indemnified the Supervisor of Elections against any losses in a given year in excess of the fee charged. In the event actual losses are less than the fee charged, such amounts will be retained in the workers' compensation fund. Claim settlements and losses are accrued and subsequently paid from the workers' compensation fund. Premium payments to the Board by the Supervisor of Elections, which are based on a percentage of salaries paid according to salary classifications, totaled $688 for the fiscal year ended September 30, 2021.

NOTE 9 - LEASE COMMITMENTS

The Supervisor of Elections has commitments outstanding related to three non-cancellable lease agreements for office equipment and maintenance. Future minimum lease payments under these non-cancellable lease agreements provide for aggregate minimum annual payments as follows:

Year Ending September 30:	Amount
2022	$ 5,607
2023	4,537
2024	2,600
	$ 12,744

Lease expense for all operating leases aggregated $5,607 for the fiscal year ended September 30, 2021.

NOTE 10 - CLAIMS AND CONTINGENCIES

Grants

Grant funds received by the Supervisor of Elections are subject to audit by grantor agencies. Audits of these grants may result in disallowed costs, which may constitute a liability of the Supervisor of Elections. In the opinion of management, disallowed costs, if any, would be immaterial to the financial position of the Supervisor of Elections.

OTHER REPORTS

MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT 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*

Honorable Shirley Anderson
Supervisor of Elections
Hernando County, 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 Hernando County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated November 30, 2021.

Internal Control over Financial Reporting

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

Honorable Shirley Anderson
Supervisor of Elections
Hernando County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor of Elections' financial statements are free of 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 that are required to be reported under *Government Auditing Standards.*

We noted certain matters that we reported to management of the Supervisor of Elections in a separate letter dated November 30, 2021.

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.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
November 30, 2021

MSL
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

Honorable Shirley Anderson
Supervisor of Elections
Hernando County, Florida

We have examined the Hernando County, Florida Supervisor of Elections (the "Supervisor of Elections") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2021. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance 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 Supervisor of Elections is in accordance with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the Supervisor of Elections' compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2021.

MSL, P.A.
Certified Public Accountants

Tampa, Florida
November 30, 2021

MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Shirley Anderson
Supervisor of Elections
Hernando County, Florida

We have audited the basic financial statements of the Hernando County Supervisor of Elections (the "Supervisor of Elections") as of and for the fiscal year ended September 30, 2021 and have issued our report thereon dated November 30, 2021.

Auditor's Responsibility

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 and Chapter 10.550, *Rules of the Auditor General.*

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards,* AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General.* Disclosures in those reports, which are dated November 30, 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. In connection with the preceding audit, there were no findings or recommendations.

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 this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

Honorable Shirley Anderson
Supervisor of Elections
Hernando County, Florida

Financial Management

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

Additional Matters

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

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

MSL, P.A.
Certified Public Accountants

Tampa, Florida
November 30, 2021

HERNANDO COUNTY, FLORIDA
TAX COLLECTOR

FINANCIAL STATEMENTS

Year Ended September 30, 2021

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MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Sally L. Daniel, C.F.C
Tax Collector
Hernando County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Hernando County, Florida Tax Collector (the "Tax Collector") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements, as listed in the table of contents.

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 an opinion 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 of 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 Tax Collector'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 Tax Collector'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 opinion.

Honorable Sally L. Daniel, C.F.C
Tax Collector
Hernando County, Florida

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the Tax Collector as of September 30, 2021, and the respective change in financial position, and the budgetary comparison for the general fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

As described in Note 1 to the financial statements, the accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General for Local Governmental Entity Audits*. These financial statements are not intended to be a complete presentation of the financial position of Hernando County, Florida as of September 30, 2021, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying supplemental information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2021, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
December 9, 2021

HERNANDO COUNTY, FLORIDA
TAX COLLECTOR

BALANCE SHEET - GENERAL FUND

September 30, 2021

ASSETS

Equity in pooled cash	$ 2,558,593
Accounts receivable	781
Due from other government units	9,360
TOTAL ASSETS	$ 2,568,734

LIABILITIES AND FUND BALANCE

LIABILITIES	
Accounts payable	$ 8,025
Salaries and benefits payable	25,783
Due to the Hernando County, Florida, Board of County Commissioners	2,309,562
Due to other governmental units	102,468
Unearned revenue	122,896
TOTAL LIABILITIES	2,568,734
TOTAL FUND BALANCE	-
TOTAL LIABILITIES AND FUND BALANCE	$ 2,568,734

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
TAX COLLECTOR

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND

Year Ended September 30, 2021

REVENUES		
Commissions:		
Hernando County, Florida, Board of County Commissioners		$ 4,002,385
Other governmental units		177,573
Charges for services		1,911,089
Investment income		150
Other income		29,958
	TOTAL REVENUES	6,121,155
EXPENDITURES		
General government:		
Personnel services		3,317,606
Operating		358,240
Capital outlay		33,279
	TOTAL EXPENDITURES	3,709,125
	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,412,030
OTHER FINANCING SOURCES (USES)		
Transfers (out):		
Distribution of excess commissions to the Hernando County, Florida, Board of County Commissioners		(2,309,562)
Distribution of excess commissions to other governmental units		(102,468)
	TOTAL OTHER FINANCING SOURCES (USES)	(2,412,030)
	NET CHANGE IN FUND BALANCE	-
FUND BALANCE, BEGINNING OF YEAR		-
FUND BALANCE, END OF YEAR		$ -

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
TAX COLLECTOR

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES				
Commissions:				
Hernando County, Florida, Board of County Commissioners	$ 4,000,000	4,000,000	$ 4,002,385	$ 2,385
Other governmental units	159,500	159,500	177,573	18,073
Charges for services	1,783,310	1,783,310	1,911,089	127,779
Investment income	200	200	150	(50)
Other income	1,000	1,000	29,958	28,958
TOTAL REVENUES	5,944,010	5,944,010	6,121,155	177,145
EXPENDITURES				
General government:				
Personnel services	3,508,607	3,508,607	3,317,606	191,001
Operating	473,899	468,539	358,240	110,299
Capital outlay	34,670	40,030	33,279	6,751
TOTAL EXPENDITURES	4,017,176	4,017,176	3,709,125	308,051
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,926,834	1,926,834	2,412,030	485,196
OTHER FINANCING SOURCES (USES)				
Transfers (out):				
Distribution of excess commissions to the Hernando County, Florida, Board of County Commissioners	(1,830,492)	(1,830,492)	(2,309,562)	(479,070)
Distribution of excess commissions to other governmental units	(96,342)	(96,342)	(102,468)	(6,126)
TOTAL OTHER FINANCING SOURCES (USES)	(1,926,834)	(1,926,834)	(2,412,030)	(485,196)
NET CHANGE IN FUND BALANCE	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
TAX COLLECTOR

STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS

September 30, 2021

ASSETS		
Equity in pooled cash		$ 7,785,558
Due from other government agencies		437
	TOTAL ASSETS	7,785,995
LIABILITIES		
Accounts Payable		30,414
Due to other government agencies		3,161,749
Installment tax escrow		4,593,832
	TOTAL LIABILITIES	7,785,995
NET POSITION		
Restricted for:		
Individuals and other governments		$ -

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
TAX COLLECTOR

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS

Year Ended September 30, 2021

ADDITIONS		
Tax collections for Hernando County BOCC		$ 129,799,276
Tax collections for other governments		76,996,691
Miscellaneous		30,414
	TOTAL ADDITIONS	206,826,381
DEDUCTIONS		
Miscellaneous		30,414
Payments of taxes to Hernando County BOCC		129,799,276
Payments of taxes to other governments		76,996,691
	TOTAL DEDUCTIONS	206,826,381
	Net increase (decrease) in fiduciary net position	-
Net Position-beginning		-
Net Position-ending		$ -

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
TAX COLLECTOR

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Hernando County, Florida (the "County"), is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the "Board") and managed by an appointed County Administrator. The Hernando County, Florida Tax Collector (the "Tax Collector") is an elected constitutional officer of the County as provided for by the Constitution of the State of Florida. Pursuant to Chapter 195.087, Florida Statutes, the Tax Collector's budget is submitted to the Florida Department of Revenue for approval, and a copy is forwarded to the Board for coordination with the Board's budget.

As an elected official of the County, the Tax Collector is charged with responsibility for the collection of ad valorem taxes levied by the County, the School Board, special taxing districts, municipalities, and other taxes and fees levied by the County. The Tax Collector's office is funded by fees charged based on the amount of collections. Additionally, the Tax Collector performs services for various state agencies. The following are the State of Florida agencies for which the Tax Collector collects fees:

- *Department of Highway Safety and Motor Vehicles* - the Tax Collector serves as agent for the Division of Motor Vehicles, processes title applications and transfers, renews and issues license plates and decals, handles boat title transfers, and registers both pleasure and commercial boats on an annual basis.

- *Florida Department of Revenue* - collects sales tax on vessels, motor vehicles, and Lemon Law fees.

- *Florida Fish and Wildlife Conservation Commission* - issues hunting and fishing permits and licenses.

For financial reporting purposes, the Tax Collector is deemed to be part of the primary government of the County and, as such, is included in the County's Annual Comprehensive Financial Report.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of Presentation

The accompanying financial statements include all funds and accounts of the Tax Collector's office, but are not intended to be a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General-Local Governmental Entity Audits.*

The financial transactions of the Tax Collector are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations. The Tax Collector has one governmental type fund and two fiduciary type funds, both custodial funds.

The focus of governmental fund financial statements is generally on major funds rather than reporting funds by type. GAAP sets forth minimum criteria (percentage of total assets, liabilities, revenues, or expenditures) for the determination of major funds. However, the general fund, by definition, is always a major fund. In the governmental fund financial statements, each major fund is reported in a separate column, but since the Tax Collector has only one governmental fund (the general fund); the governmental fund financial statements contain only one column.

The focus on fiduciary type fund financial statements is by fund type, not major fund. The Tax Collector has only one fiduciary fund type, the custodial fund, but has two such funds. Accordingly, the two custodial funds are combined into one column in the fiduciary fund financial statement. Custodial funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, and other governments.

Measurement Focus and Basis of Accounting

Governmental funds are accounted for using the flow of current financial resources measurement focus. Only current assets and current liabilities, generally, are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations or have a measurement focus.

The modified accrual basis of accounting is used by governmental funds. Custodial funds use the accrual basis. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available to finance liabilities of the current fiscal year). For this purpose, the Tax Collector considers revenues to be available if they are collected within 45 days of the end of the current period. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Measurement Focus and Basis of Accounting *(Continued)*

Substantially all of the Tax Collector's revenue is received from taxing authorities. These monies are generally unrestricted and are revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenue at the time of receipt; earlier if the susceptible to accrual criteria are met.

Charges for services and interest income are recognized when earned, provided they are also measurable and available to pay liabilities of the current period. Interest income is reported net of fees.

Florida Statutes provide that the amount by which revenues and transfers exceed annual expenditures be remitted to the Board and other taxing districts within one month following the fiscal year during which the funding was provided. Florida Statutes further provide that the excess of revenues over expenditures held by the Tax Collector be distributed to each governmental agency in the same proportion as the commissions and fees paid. The amounts of these distributions are recorded as liabilities and as other financing uses in the accompanying financial statements.

Equity in Pooled Cash

The Tax Collector pools substantially all cash except for change funds. Each fund's equity share of the total pooled cash is included on the balance sheet under the caption "Equity in Pooled Cash". Interest earned on this money is allocated to the various funds based upon the average cash balances within the consolidated account.

Unearned Revenue

Unearned revenue represents the portion of biennial service fees attributable to future years.

Compensated Absences

All full-time employees of the Tax Collector are entitled to time off with pay in accordance with policy. The employees are generally allowed to accumulate leave time up to a maximum of 300 hours. Upon voluntary termination or retirement, the employee is paid for up to 75% or 100% of the accumulated paid time off, respectively. Leave payments are included in expenditures in the period paid or due. The Tax Collector does not, nor is she required to, accumulate financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the general fund, but rather is reported in the basic financial statements of the County.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported or disclosed in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Net Pension Liability

The Tax Collector participates in the Florida Retirement System ("FRS") defined benefit pension plan and the Health Insurance Subsidy ("HIS") defined benefit plan administered by Florida Division of Retirement. As a participating employer, the Tax Collector is required to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. However, these liabilities would be recorded in government-wide financial statements, which are not required in this presentation. The cost-sharing multiple-employer plans mentioned above operate on a fiscal year ending June 30.

Total Other Postemployment Benefits Liability

Pursuant to the requirements of the Florida Statutes, the Tax Collector participates in the County's plan to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Tax Collector are included in the financial statements of the County.

NOTE 2 - PROPERTY TAXES

Taxes in the County are levied by the Board and other taxing authorities. The millage levies are determined on the basis of estimates of revenue needs and the total taxable valuations within the jurisdiction of the Board and other taxing authorities. No aggregate ad valorem tax millage in excess of 10 mills on the dollar can be levied by the Board against property in the County, as specified in Florida Statutes, Section 200.071.

Each year the total taxable property valuation is established by the Hernando County, Florida, Property Appraiser (the "Property Appraiser") and the list of property assessments is submitted to the Florida Department of Revenue for approval. Taxes assessed as of January 1 of each year, are due and payable on November 1 of each year or as soon thereafter as the assessment roll is opened for collection. Pursuant to Florida law, all owners of property have the responsibility of ascertaining the amount due and paying it before April 1 of the year following the year in which the tax was assessed.

NOTE 2 - PROPERTY TAXES *(Continued)*

Property tax collections, sales, and liens are governed by Chapter 197 of the Florida Statutes.

Assessed value is established by the Property Appraiser as of January 1 for the subsequent fiscal year of the County for tax roll preparation. Taxable value is computed after deducting from assessed value various exemptions including governmental, educational, religious, health care, and scientific properties, and qualified exemptions, including $25,000 or $50,000 homestead exemptions and added exemptions if a widow or disabled.

All property taxes are levied and become due and payable on November 1 of each year, and are delinquent on April 1 of the following year. Discounts are allowed for early payment of 4%, 3%, 2%, and 1% in November through February, respectively. Delinquent taxes on real property may be paid after the date of delinquency but prior to the sale of a tax certificate by paying all taxes, costs, advertising charges, and interest of 18% per annum.

For all real property with delinquent taxes, the Tax Collector advertises as required by Florida Statute and sells tax certificates. All unsold certificates are issued to the County. Any persons owning real property upon which a tax certificate has been sold may redeem the property by paying the Tax Collector the face amount of the tax certificate plus interest and costs associated with the sale of the certificate.

After taxes have been delinquent (April 1) for two years, the owner of a tax certificate may file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). All taxes imposed on any property become a first lien; superior to all other liens, as of January 1, of the year the taxes are levied.

NOTE 3 - BUDGETARY PROCESS

Florida Statutes, Section 195.087, governs the preparation, adoption, and administration of the Tax Collector's annual budget. Prior to August 1, the Tax Collector submits to the Florida Department of Revenue for approval a proposed operating budget for the general fund for the fiscal year commencing the following October 1. The operating budget includes the proposed expenditures for the upcoming year. Any subsequent amendments to the budget must be approved by the Florida Department of Revenue. The budget for the general fund is prepared on a basis consistent with GAAP. The annual budget serves as the legal authorization for expenditures. Budgetary control is maintained at the departmental major object expenditure level. Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Tax Collector.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable to the fiscal year.

NOTE 4 - CASH AND INVESTMENTS

At September 30, 2021, the fair value of the Tax Collector's cash and cash equivalents were as follows:

	Carrying Value	Credit Rating
Cash on Hand	$ 10,100	N/A
Demand Deposits and Money Market Funds	10,334,051	N/A
Total Cash and Cash Equivalents	$ 10,344,151	

Such amounts are reported as equity in pooled cash of $2,558,593 and $7,785,558 in the governmental and custodial funds, respectively. Custodial funds previously held in Cash have been moved to Pooled Cash.

The Tax Collector's bank deposits are held in qualified public depositories ("QPDs") pursuant to Chapter 280, Florida Statutes. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

Authorized Investments

The Tax Collector's investment policy follows guidance set forth in Section 219.075, Florida Statutes regarding the deposit of funds received and the investment of surplus funds. The policy authorizes the following investments:

a) Florida Tax Collectors, Inc. Investment Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Florida Statute 163.01.

b) Negotiable direct obligations of the United States Government, which are unconditionally guaranteed by the United States Government. Such securities include, but are not limited to:

   i. Treasury Bills
   ii. Treasury Notes
   iii. Treasury Bonds

c) Non-negotiable interest-bearing time certificates of deposit, money market accounts or savings accounts in banks/savings and loan associations organized under the laws of the United States, doing business and situated in this state, provided that such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.

d) Repurchase agreements for any of the investments authorized above in item b.

NOTE 4 - CASH AND INVESTMENTS *(Continued)*

Credit Quality Risk

The investment policy does not address credit quality. Instead, this risk is managed through the list of permitted investments.

Custodial Credit Risk

The investment policy requires independent third-party custodians, and limits the portfolio composition as follows:

- Florida Tax Collectors, Inc. Investment Trust Fund—Maximum of 80%
- Certificates of Deposit—Maximum of 50%
- United States Government Securities—Maximum of 50%

In addition, the policy requires assets to be diversified to control the risk of over-concentration of assets in a specific maturity, issuer, instrument, counterparty dealer, or bank. The policy requires counterparties to be qualified public depositories or primary securities broker/dealers, as designated by the New York Federal Reserve.

Interest Rate Risk

The Tax Collector does not own any fixed rate investments and did not own any such investments during 2021. The investment policy identifies safety of capital as the first objective, followed by liquidity, then finally, investment return. In addition, the investment policy seeks to manage interest rate risk by matching maturities to known cash needs and limiting maturities of operating funds to no more than one year. Additional guidance is provided for times when rates are expected to rise or fall.

NOTE 5 - CAPITAL ASSETS

Pursuant to Florida Statutes, capital assets used by the Tax Collector are owned by the Board. The Tax Collector maintains custodial responsibility for the capital assets used by the office. The office space used in the Tax Collector's operations is provided at no cost by the Board.

Capital assets paid for by the Tax Collector are recorded as expenditures in the general fund of the Tax Collector and are capitalized in the basic financial statements of the County. Donated capital assets are recorded directly in the County's books at their estimated fair value on the date received. Depreciation is recorded at the County level.

NOTE 6 - LONG-TERM LIABILITY

The following is a summary of changes in general long-term liabilities, which are reported in the basic financial statements of the County:

	Balance October 1, 2020	Additions	Retirements	Balance September 30, 2021	Due Within One Year
Accrued Compensated Balance	$ 186,760	$ 164,583	$ (188,854)	$ 162,489	$ 16,250

Of these above obligations, $16,250 are expected to be paid during the fiscal year ending September 30, 2022, primarily from the general fund, and so are considered current. These liabilities are not reported in the fund financial statements of the Tax Collector since they have not matured.

NOTE 7 - FLORIDA RETIREMENT SYSTEM (FRS) FOR PENSION BENEFITS

The Tax Collector participates in the FRS for Pension Benefits. A detailed plan description and any liability for employees of the Tax Collector are included in the financial statements of the County.

The Tax Collector's contributions to the FRS for the fiscal years ended September 30, 2019 through 2021 were: $303,595, $321,921 and $362,341 respectively, which were equal to the required contribution for each fiscal period.

Employees are required to contribute 3% towards the FRS. Employee withholdings for this purpose amount to $58,423, $58,215 and $63,069 for the fiscal years ended September 30, 2019 through 2021, respectively, which were equal to the required contribution for each fiscal year.

NOTE 8 - RISK MANAGEMENT

The Tax Collector participates in the insurance programs of the Board including general liability, workers' compensation, property and casualty, and employee health insurance. These risk management activities are handled through internal service funds maintained by the Board. All liabilities associated with these self-insured risks are reported in the basic financial statements of the Board. The purpose of these funds is to administer employee life, health, workers' compensation, unemployment, disability insurance, and property and liability insurance. These funds account for the risk financing activities of the County, but do not constitute a transfer of risk from the County.

NOTE 8 - RISK MANAGEMENT *(Continued)*

Significant losses are covered by commercial insurance for all major programs except workers' compensation for which the County retains risk of loss. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in any of the last three years.

The Tax Collector paid premiums of $627,724 for employee life and health insurance coverage to the Board for the fiscal year ended September 30, 2021.

The Board's Workers' Compensation Internal Service Fund is a self-insurance program for workers' compensation claims on losses up to $1,250,000 per occurrence. The Workers' Compensation Fund has indemnified the Tax Collector against any losses in a given year in excess of the fee charged. In the event actual losses are less than the fee charged, such amounts will be retained in the Workers' Compensation Fund. Claim settlements and losses are accrued and subsequently paid from the Workers' Compensation Fund. Premium payments to the Board by the Tax Collector, which are based on a percentage of salaries paid according to salary classifications, totaled $3,513 for the fiscal year ended September 30, 2021.

SUPPLEMENTARY INFORMATION

CUSTODIAL FUNDS

Custodial funds are used to account for assets held by a governmental unit as trustee or agent for individuals, private organizations, and other governmental units.

TAX AND TAG FUND - This fund is used to account for the receipt and distribution of ad valorem taxes, hunting and fishing licenses, boat registrations and titles, motor vehicle registrations, titles, and sales tax, and permits collected for Hernando County and other independent taxing authorities.

DELINQUENT TAX FUND - This fund is used to account for the receipt and distribution of tax certificates.

HERNANDO COUNTY, FLORIDA
TAX COLLECTOR

COMBINING STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS

September 30, 2021

	Tax and Tag	Delinquent Tax	Total
ASSETS			
Equity in pooled cash	$ 7,758,867	$ 26,691	$ 7,785,558
Due from Other Government Agencies	437	-	437
TOTAL ASSETS	7,759,304	26,691	7,785,995
LIABILITIES			
Accounts payable	3,723	26,691	30,414
Due to other government agencies	3,161,749	-	3,161,749
Installment tax escrow	4,593,832	-	4,593,832
TOTAL LIABILITIES	7,759,304	26,691	7,785,995
NET POSITION			
Restricted for:			
Individuals and other governments	$ -	$ -	$ -

HERNANDO COUNTY, FLORIDA
TAX COLLECTOR

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS

Year Ended September 30, 2021

	Tax and Tag	Delinquent Tax	Total
ADDITIONS			
Tax collections for Hernando County BOCC	$ 129,526,555	$ 272,721	$ 129,799,276
Tax collections for other governments	76,839,021	157,670	76,996,691
Miscellaneous	3,723	26,691	30,414
TOTAL ADDITIONS	206,369,299	457,082	206,826,381
DEDUCTIONS			
Miscellaneous	3,723	26,691	30,414
Payments of taxes to Hernando County BOCC	129,526,555	272,721	129,799,276
Payments of taxes to other governments	76,839,021	157,670	76,996,691
TOTAL DEDUCTIONS	206,369,299	457,082	206,826,381
Net increase (decrease) in fiduciary net position	-	-	-
Net Position-beginning	-	-	-
Net Position-ending	$ -	$ -	$ -

OTHER REPORTS



INDEPENDENT AUDITOR'S REPORT 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*

Honorable Sally L. Daniel, C.F.C
Tax Collector
Hernando County, 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 Hernando County, Florida Tax Collector (the "Tax Collector") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated December 9, 2021.

Internal Control over Financial Reporting

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

Honorable Sally L. Daniel, C.F.C
Tax Collector
Hernando County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector's financial statements are free of 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 that are required to be reported under *Government Auditing Standards.*

We noted certain matters that we reported to management of the Tax Collector in a separate letter dated December 9, 2021.

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.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
December 9, 2021

MSL
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

Honorable Sally L. Daniel, C.F.C
Tax Collector
Hernando County, Florida

We have examined the Hernando County, Florida Tax Collector's (the "Tax Collector") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2021. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance 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 Tax Collector is in accordance with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the Tax Collector's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Tax Collector's compliance with specified requirements.

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2021.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
December 9, 2021



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Sally L. Daniel, C.F.C
Tax Collector
Hernando County, Florida

We have audited the basic financial statements of the Hernando County Tax Collector (the "Tax Collector") as of and for the fiscal year ended September 30, 2021 and have issued our report thereon dated December 9, 2021.

Auditor's Responsibility

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 and Chapter 10.550, *Rules of the Auditor General.*

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards,* AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General.* Disclosures in those reports, which are dated December 9, 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. In connection with the preceding audit, there were no findings or recommendations.

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 this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

Honorable Sally L. Daniel, C.F.C
Tax Collector
Hernando County, Florida

Financial Management

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 that we 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

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

MSL, P.A.

Certified Public Accountants

Tampa, Florida
December 9, 2021