

Annual Comprehensive Financial Report

Hernando County, Florida

for the Fiscal Year Ended September 30, 2023

Cover photo provided by:

Florida's
ADVENTURE COAST
VISITORS BUREAU

Celebrating 75 years of 'Mermaids and Magic', The Mermaid Tale Trail is comprised of 27 mermaid statues hidden throughout Hernando County.

Discover all the Mermaids and earn points for prizes by signing up for our digital passport at **DestinationMermaids.com**

HERNANDO COUNTY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023

PRINCIPAL OFFICIALS

as of September 30, 2023

BOARD OF COUNTY COMMISSIONERS

John Allocco, *Chairman* - District 3
Elizabeth Narverud, *Vice Chair* - District 1
Brian Hawkins - District 2
Jerry Campbell - District 4
Steve Champion - District 5

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

June 25, 2024

To the Citizens of Hernando County:

The Annual Comprehensive Financial Report of Hernando County, Florida, for the fiscal year ended September 30, 2023, 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 204,265, 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 9,566, 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 policymaking 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 204,265 which is an increase of 17.5% over what it was 10 years ago. The County's population is projected to be almost 225,000 by 2030 and over 250,000 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 19,899 permits in 2022-23, averaging 79 permits per day. Total permits included 1,049 single family home permits and 78 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:

- Hernando County Transit Services added a new bus stop at the East end of Dr. Martin Luther King Jr. Blvd.

- Florida's Adventure Coast launched the Mermaid Tale Trail, which generated more than $1.2 million in earned media, including national media coverage.

- The Hernando County Public Library System installed a StoryWalk program at the East Hernando Branch Library which includes a walking trail and children's story.

- Hernando County Parks and Recreation hosted a ceremony and installed over 100 No Smoking No Vaping signs in the parks due to the new ordinance enacted by the Board of County Commissioners to prohibit smoking and vaping in the Parks and Beaches.

- Aquatic Services and Waterways installed new floating docks at Hernando Beach and Bayport boat ramps to provide a safer platform for the public to load and unload from vessels.

- Hernando County Animal Services installed a new fenced-in gazebo to allow for dog meet-and-greet opportunities with families and new potential pet owners.

- Hernando County Veteran Services served 1,372 clients in person, answered 1,317 telephone assistance calls, responded to 1,176 client emails, and assisted 10 clients with direct outreach.
- Tourism increased Tourism Development Tax revenues by 12.5% from the prior year.

- Hernando County Fire Rescue responded to over 38,000 calls, of which approximately 29,000 were medical.

- Hernando County Emergency Management hosted their annual Hurricane & Safety Expo with a live Meteorologist panel and had over 500 attendees.

- Housing and Supportive Services installed signage to mark the Twin Lakes Community (established in 1871) and the Twin Lakes Cemetery (established in 1882). This is a Historic African American community and cemetery in Hernando County

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, 2022.

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-eight 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.

Respectfully submitted,



Doug Chorvat, Jr.
Clerk of Circuit Court and Comptroller



Joshua Stringfellow, CPA
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, 2022. 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

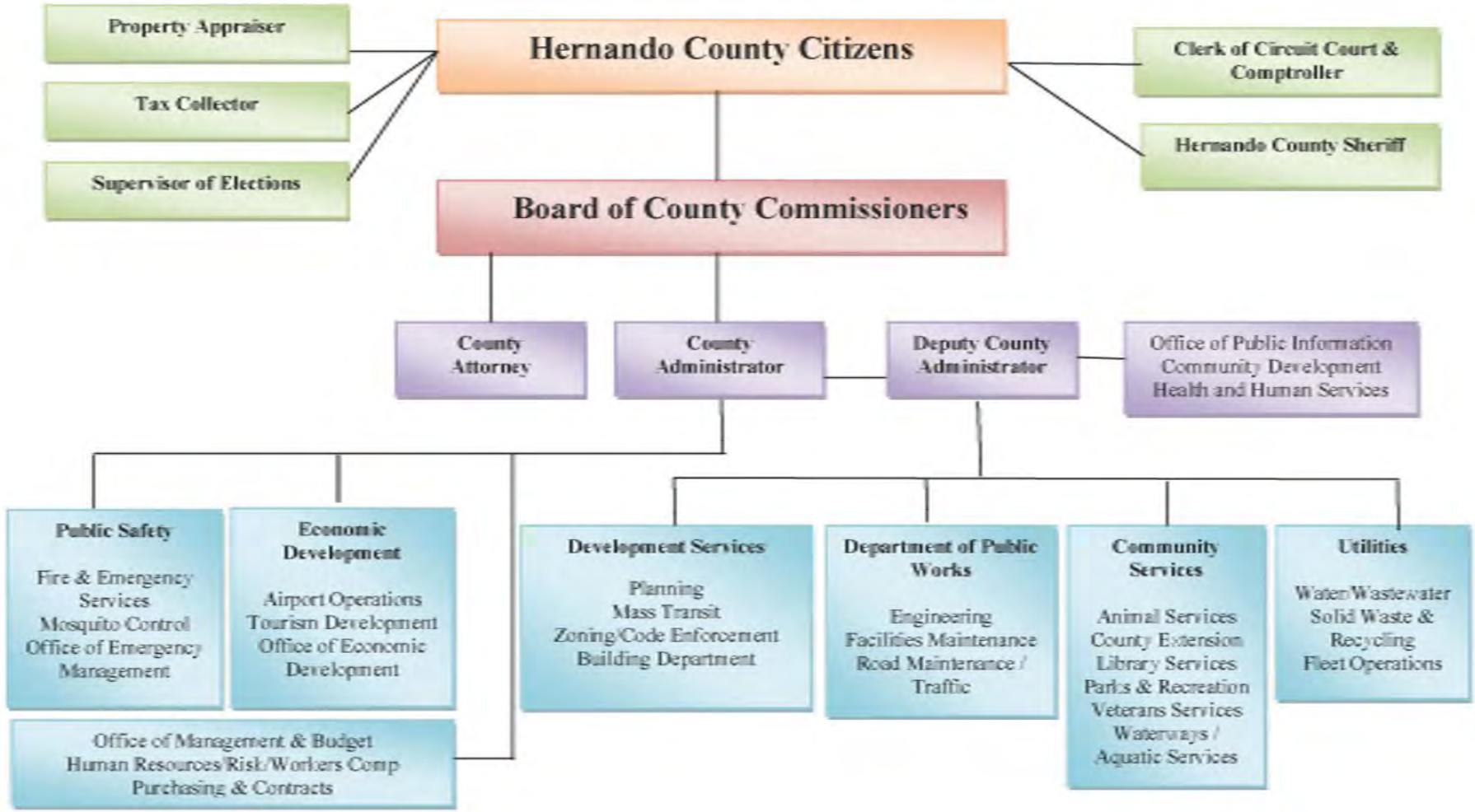
County of Hernando
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO


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
Community Development
Health and Human Services
Public Safety
Fire & Emergency Services
Mosquito Control
Office of Emergency Management
Economic Development
Airport Operations
Tourism Development
Office of Economic Development
Development Services
Planning
Mass Transit
Zoning/Code Enforcement
Building Department
Department of Public Works
Engineering
Facilities Maintenance
Road Maintenance / Traffic
Community Services
Animal Services
County Extension
Library Services
Parks & Recreation
Veterans Services
Waterways / Aquatic Services
Utilities
Water/Wastewater
Solid Waste & Recycling
Fleet Operations
Office of Management & Budget
Human Resources/Risk/Workers Comp
Purchasing & Contracts

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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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INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Hernando County, Florida

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2023, and the respective changes in financial position and cash flows, where applicable, and the budgetary comparisons for the general fund and each major special revenue fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

***Emphasis-of-Matter* - Change in Accounting Principle**

As discussed in Note I and Note S to the financial statements, in the year ended September 30, 2023, the County adopted the provisions of Government Accounting Standards Board Statement ("GASBS") Number 96, *Subscription-Based Information Technology Arrangements*. As a result of the implementation of GASBS 96, the County reported a restatement for the change in accounting principle. Our opinion is not modified with respect to this matter.

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.

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Supplementary 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 combining and individual non-major fund financial statements and schedules and the Schedule of Deepwater Horizon Oil Spill Related Receipts and Expenditures, 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 Deepwater Horizon Oil Spill Related Receipts and Expenditures 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 Schedule of Deepwater Horizon Oil Spill Related Receipts and Expenditures are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2024, 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
June 25, 2024

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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, 2023. 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, 2023, the County's assets and deferred outflows exceeded its liabilities and deferred inflows by $770,200,821 representing net position. This represents an increase in net position of $54,801,864 over the prior year adjusted net position as restated. Of the $770,200,821 net position, $22,257,630 was unrestricted.

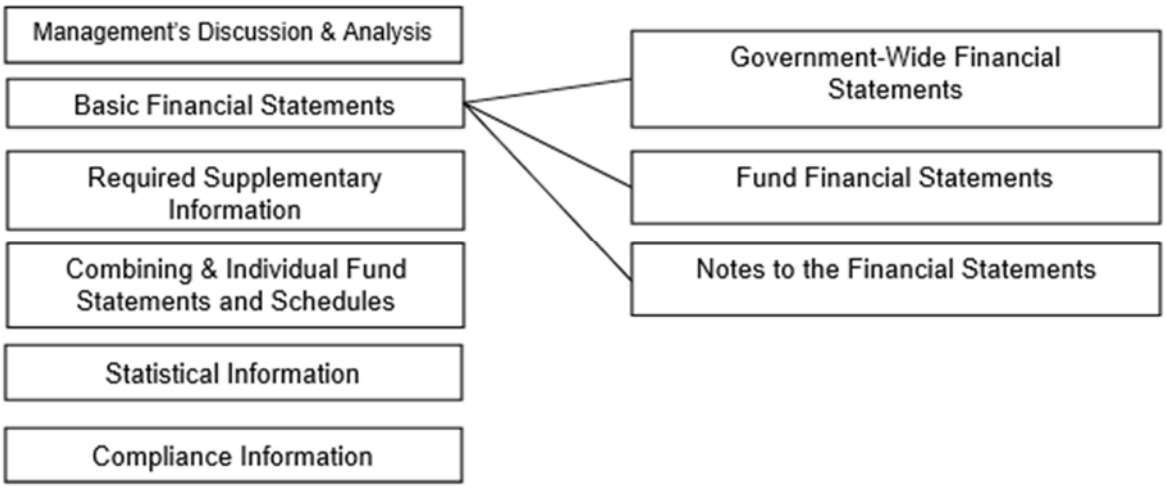
Net position of governmental activities increased $17,430,148 over prior year adjusted net position as restated. Net position of business-type activities increased $37,371,716 over prior year net position. Accordingly, net position of both the governmental activities and business-type activities increased a total of $54,801,864.

As of September 30, 2023, unassigned fund balance in the governmental funds was $62,696,485, representing a 30.3% increase from the previous year unassigned fund balance of $48,100,228. The net change in fund balances in the governmental funds increased from $13,813,889 for the fiscal year 2021-22 to $48,571,207 for the fiscal year 2022-23. General Fund had an increase in fund balance of $1,414,084 for fiscal year 2021-22 compared to an increase of $25,361,142 in the current year. There was an increase in the fund balance of Transportation Trust and Gas Taxes fund of $6,539,631 compared to an increase of $4,022,546 in the prior year. There was an increase in the fund balance of Hernando County Fire Rescue-Fire of $1,274,143 compared to a decrease of $1,669,531 in the prior year. There was an increase in the fund balance of Hernando County Fire Rescue-Rescue of $8,377,385 compared to an increase of $2,771,269 in the prior year. There was also an increase in fund balance of $7,148,714 for Nonmajor Governmental Funds.

The County's largest enterprise fund, the Water & Sewer District, had an increase in net position of $29,632,689 for the year compared to an increase of $20,319,041 in the prior year. Aviation Operations had an increase in net position of $2,550,514 for the year compared to an increase of $8,946,933 in the prior year. Waste Management had an increase in net position of $4,662,024 for the year compared to an increase of $263,832 in the prior year. The Building Department had an increase in net position of $526,489 for the year compared to an increase of $351,685 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; 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	
	2022	2023	2022	2023	2022	2023
Current and other assets	$ 287,401,556	$ 336,229,453	$ 141,227,052	$ 177,184,115	$ 428,628,608	$ 513,413,568
Capital assets	348,791,457	368,591,223	294,444,080	312,556,720	643,235,537	681,147,943
Other long term assets	-	-	24,271,417	26,819,087	24,271,417	26,819,087
Total Assets	636,193,013	704,820,676	459,942,549	516,559,922	1,096,135,562	1,221,380,598
Deferred Outflows of Resources	42,434,269	42,744,857	2,680,879	2,601,960	45,115,148	45,346,817
Non-Current liabilities	192,802,048	248,705,189	88,211,726	103,282,775	281,013,774	351,987,964
Other liabilities	79,954,919	75,817,811	19,671,405	21,480,286	99,626,324	97,298,097
Total liabilities	272,756,967	324,523,000	107,883,131	124,763,061	380,640,098	449,286,061
Deferred Inflows of Resources	21,112,968	19,404,854	25,548,871	27,835,679	46,661,839	47,240,533
Net Position:						
Net invested in capital assets	318,931,371	340,222,933	225,878,718	244,667,332	544,810,089	584,890,265
Restricted	111,550,472	146,197,864	20,932,023	16,855,062	132,482,495	163,052,926
Unrestricted	(45,724,496)	(82,783,118)	82,380,685	105,040,748	36,656,189	22,257,630
Total Net Position	$ 384,757,347	$ 403,637,679	$ 329,191,426	$ 366,563,142	$ 713,948,773	$ 770,200,821

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, adjusted net position was $770,200,821 at the close of the most recent fiscal year. This represents an increase of $54,801,864 or 7.7% from the prior year as restated.

The largest portion of Hernando County's net position (76%) reflects its investment in capital assets (e.g., land, infrastructure, buildings, improvements, construction in progress, intangible assets, equipment, and right-to-use assets), less any accumulated depreciation or amortization 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 (21%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the County's net position (3%) is unrestricted.

Hernando County's Change in Net Position

	Governmental Activities		Business-type Activities		Totals	
	2022	2023	2022	2023	2022	2023
Revenues						
Program revenues:						
Charges for Services	$ 81,776,702	$ 89,375,715	$ 62,238,782	$ 65,951,091	$ 144,015,484	$ 155,326,806
Operating Grants and Contributions	10,401,474	18,343,043	118,318	1,566,391	10,519,792	19,909,434
Capital Grants and Contributions	6,878,554	961,305	21,602,653	18,314,185	28,481,207	19,275,490
General revenues:						
Property taxes	98,386,008	113,236,325	-	-	98,386,008	113,236,325
Other taxes	34,117,948	38,795,361	-	-	34,117,948	38,795,361
Investment earnings (loss)	(5,783,908)	10,479,792	(2,546,599)	5,785,611	(8,330,507)	16,265,403
Other	3,453,733	1,828,193	966,080	2,581,869	4,419,813	4,410,062
Total revenues	229,230,511	273,019,734	82,379,234	94,199,147	311,609,745	367,218,881
Expenses						
General government	33,617,506	43,222,337	-	-	33,617,506	43,222,337
Public safety	114,962,652	140,779,650	-	-	114,962,652	140,779,650
Physical environment	8,962,975	9,580,043	-	-	8,962,975	9,580,043
Transportation	30,077,317	31,621,436	-	-	30,077,317	31,621,436
Economic environment	2,340,657	2,962,319	-	-	2,340,657	2,962,319
Human services	7,949,609	9,308,710	-	-	7,949,609	9,308,710
Culture and recreation	7,273,865	8,063,677	-	-	7,273,865	8,063,677
Court operations	8,154,989	8,494,483	-	-	8,154,989	8,494,483
Interest on long-term debt	965,961	2,393,800	-	-	965,961	2,393,800
Water and sewer	-	-	34,020,643	37,609,653	34,020,643	37,609,653
Aviation operations	-	-	3,498,882	3,260,374	3,498,882	3,260,374
Waste management	-	-	10,341,492	10,226,275	10,341,492	10,226,275
Building department	-	-	4,575,227	4,894,260	4,575,227	4,894,260
Total expenses	214,305,531	256,426,455	52,436,244	55,990,562	266,741,775	312,417,017
Change in net position before transfers	14,924,980	16,593,279	29,942,990	38,208,585	44,867,970	54,801,864
Transfers	61,499	836,869	(61,499)	(836,869)	-	-
Change in net position	14,986,479	17,430,148	29,881,491	37,371,716	44,867,970	54,801,864
Net position - beginning	369,226,883	384,757,347	299,309,935	329,191,426	668,536,818	713,948,773
Adjustment to beginning net position-See Note S	543,985	1,450,184	-	-	543,985	1,450,184
Net position - ending	$ 384,757,347	$ 403,637,679	$ 329,191,426	$ 366,563,142	$ 713,948,773	$ 770,200,821

Governmental Activities

Net position of the governmental activities increased $17,430,148 or 4.5% from prior year adjusted net position balance. Program revenues in the amount of $108,680,063 were used to offset program expenses of $256,426,455 resulting in a net program loss of $147,746,392. General revenues and transfers totaling $165,176,540 offset the difference in those program expenses and resulted in a total net increase of $17,430,148.

Program revenues increased 9.7% from prior year. Charges for services increased 9.3% from the prior year. Grants and Contributions increased 11.7%.

Property taxes increased $14,850,317 or 15.1% due to an increase in the taxable value of property in the County.

Investment earnings increased $16,263,700 to $10,479,792 compared to the prior year loss of $5,783,908. This is driven by negative investment revenue in FY22 due to the change in market value of investments caused by the sharp increase in interest rates at the end of the fiscal year compared to positive investment income in FY23 due to continued higher interest rates.

Program expenses increased 19.7% from the prior year. The most significant changes were increases in General Government and Public Safety expenditures.

General Government expenses increased 28.6% due to an increase 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. Pension expense for this function in 2022-23 was 3,742,184. Additionally, there were normal cost increases for personnel and other operating expenses experienced across the organizations.

The increase in Public Safety expenses of 20% from prior year is mainly due to an increase in the liability related to the Florida Retirement System plan. Pension expense for this function in 2022-23 was 15,355,064. The remaining difference is attributed to normal cost increases for personnel and other operating expenses experienced across the organizations.

Business-Type Activities

Net position of the business-type activities increased $37,371,716 or 11% over prior year net position balance. Program revenues in the amount of $85,831,667 were used to offset program expenses of $55,990,561, resulting in net program income of $29,841,105. General revenues of $8,367,480 less transfers in the amount of $836,869 resulted in a total net increase of $37,371,716.

Water and Sewer charges for services increased $2,738,662 or 6.1%. This is associated with the fourth year of rate increases as part of a five-year rate plan. Expenditures did not vary significantly from prior year.

Aviation Operations Capital Grant revenue decreased $7,416,952 from prior year due to the rehabilitation of the runway at the Brooksville - Tampa Bay Regional Airport during FY2022. 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 $242,808 or 2.2%. Other services and charges expenses decreased 24% 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 $267,651 or 5.9% in revenue from licenses and permits.

ANALYSIS OF THE FUND FINANCIAL STATEMENTS

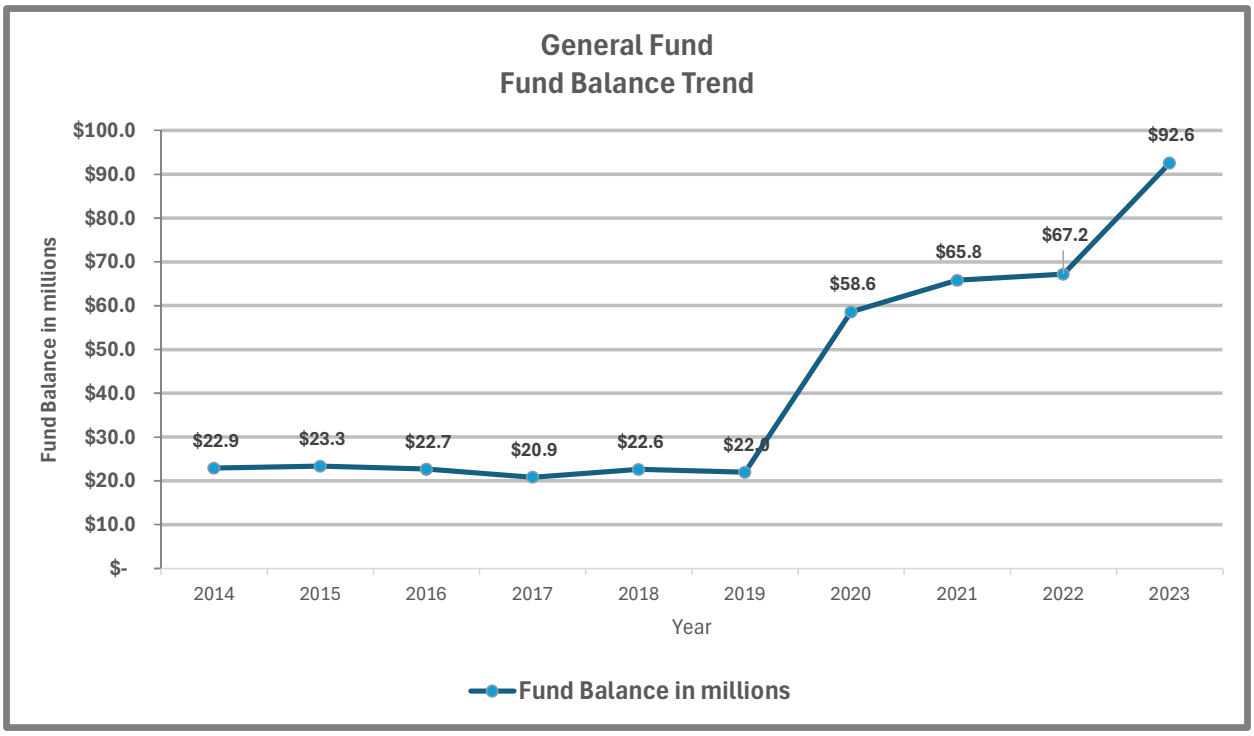
As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Following is a discussion of the financial statements on a fund accounting level.

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 $237,890,958, an increase of $48,571,207 or 25.7% from prior year balances. Of the $237,890,958 fund balance in governmental funds, $62,696,485 constitutes unassigned fund balance, which is available for spending at the County's discretion and $693,759 which is non-spendable. The remainder of fund balance available for spending consists of the following: $146,197,864 in 'Restricted Fund Balance' which is restricted by law or externally imposed requirements; $14,212,045 in 'Committed Fund Balance' which is committed for a specific purpose by the Board; and $14,090,805 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 $92,572,564. 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 $25,361,142, or 37.7%, from prior year. General Fund revenues increased $25,801,596, or 21.3%, and expenditures increased $15,529,169, or 13.3%, from prior year. Revenue from taxes increased $10,615,856, or 13.3%, from the prior year due to an increase in the taxable value of property offset by a decrease in the millage rate of 0.2915 mills. The fund participated in the Series 2022 issuance of Long-Term debt in the amount of $15,122,899.

Intergovernmental revenue increased $7,605,308, or 29.5%, from prior year. Primary due to increase in various reimbursement grant revenue (FTA vehicle purchases) and increase in State Revenue Sharing and Local Govt 1/2 Cent allocations. Investment revenues increased to $4,997,392 in fiscal year 2022-23 due to continued higher interest rates.

General Government expenditures increased $4,801,064, or 17.5%, from prior year. This increase was largely due to normal cost increases for personnel and other operating expenses experienced across the organizations.

Public Safety expenditures increased $6,828,049, or 10.9%. This is mainly due to an increase to normal cost increases for personnel and other operating expenses experienced across the organizations.

The fund balance of **Transportation Trust Fund** increased $6,539,631, or 18.1%, from prior year. Tax revenue increased $2,276,890, or 13%, due to Increase in ad valorem due to increase in property taxable values. Investment income increased to $1,279,182 due to continued higher interest rates.

The **Hernando County Fire Rescue-Fire** fund balance increased $1,274,143, or 9%. Special Assessment revenue was consistent with prior year. The fund participated in the Series 2022 issuance of Long-Term debt in the amount of $4,235,275.

The **Hernando County Fire Rescue-Rescue** fund balance increased $8,377,385, or 77%. Tax revenue increased $1,947,400 due to an increase in the taxable value of property in the County. The fund participated in the Series 2022 issuance of Long-Term debt in the amount of $2,823,516.

The **American Rescue Plan Act** fund balance decreased $129,808.

Proprietary Funds

Proprietary fund statements provide the same information as the business-type activities in the government-wide financial statements, but in greater detail, and on a fund basis for enterprise funds.

The **Water and Sewer District** experienced an increase in net position of $29,632,689, or 11.6%. Operating revenues of $47,608,614 less operating expenses of $36,215,464 resulted in operating income of $11,393,150. The fund experienced an increase of $2,681,445, or 6.0%, in operating revenue, which is associated with the fourth year of rate increases as part of a five-year rate plan. Operating expenses increased $3,710,321, or 11.4%, due to an increase from Septic Upgrade Incentive Program funded by grants as well as a sharp increase in the FRS pension expense for the period. Non-operating revenues and expenses increased $6,793,657, from prior year. This is driven by negative investment revenue in FY22 due to the change in market value of investments caused by the sharp increase in interest rates at the end of the fiscal year compared to positive investment income in FY23 due to continued higher interest rates.

Aviation Operations experienced an increase in net position of $2,550,514, or 6.4%. Operating revenues of $1,994,171 less operating expenses of $3,238,744 resulted in an operating loss of $1,244,573. Non-operating revenues and expenses increased $998,136, or 909%, from prior year. This is driven by investment income in FY23 due to continued higher interest rates.

The **Waste Management** fund had an increase in net position of $4,662,024, or 15.5%. Other services and charges expenses decreased 24% 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. Non-operating revenues and expenses increased $1,735,945, from prior year. This is driven by negative investment revenue in FY22 due to the change in market value of investments caused by the sharp increase in interest rates at the end of the fiscal year compared to positive investment income in FY23 due to continued higher interest rates.

Building Department experienced an increase in net position of 526,489, or 14.1%. Operating revenues increased 11%. The Building Department experienced an increase of $267,651 or 5.9% in revenue from licenses and permits.

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 47 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 Capital Outlay increased $26,762,053 compared to original budget. This is primarily due to funding for the Tax collector building.

- Final budgeted Issuance of Long-Term Debt increased $15,121,425 from the original budget. This is to fund for the Tax collector building.

- Actual Taxes revenue was higher than final budget by $3,933,816 due to Increase in ad valorem due to increase in property taxable values.

- Investment revenues were exceeded budget by 4,954,433due to continued higher interest rates in 2022-23.

- General Government expenditures were less than budget by $4,695,144 primarily driven by various personnel vacancies throughout the year.

- Actual Transportation expenditures were $1,609,232 less than budgeted as final expenses were under budget due to several capital projects that were not completed in fiscal year 2022-23. These projects were re-budgeted in fiscal year 2023-24.

- Actual Capital Outlay expenditures were $32,981,851 less than budgeted. The funding for the Tax Collector building of $15,121,425 was largely unexecuted in 2022-23.

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, 2023, amounts to $681,147,943 net of accumulated depreciation. This investment in capital assets includes land, buildings, infrastructure, improvements other than buildings, equipment, construction in progress, intangible assets, equipment and right-to-use assets. The total increase in Hernando County's investment in capital assets from the prior year was 5.6% which is comprised of a 5.2% increase for Governmental Activities and a 6.2% increase for Business-Type Activities. The beginning balances of capital assets was restated by $1,530,353 for Governmental assets, for the implementation of GASB 96 *SBITAs*.

Following is a schedule of the County's capital assets, net of accumulated depreciation, as of September 30, 2022 and 2023:

	Governmental Activities		Business-type Activities		Totals	
	2022	2023	2022	2023	2022	2023
Land	$ 33,653,183	$ 33,622,020	$ 10,429,374	$ 10,429,374	$ 44,082,557	$ 44,051,394
Buildings	70,006,992	65,290,330	14,244,709	13,654,004	84,251,701	78,944,334
Infrastructure	186,906,714	185,011,298	2,580,621	2,491,363	189,487,335	187,502,661
Improvements other than Buildings	9,945,626	10,478,450	203,638,160	234,415,762	213,583,786	244,894,212
Equipment	31,397,180	34,503,578	3,156,355	3,110,986	34,553,535	37,614,564
Construction in Progress	11,818,854	33,488,749	59,416,104	48,375,318	71,234,958	81,864,067
Intangible Assets	374,439	217,618	125,578	79,913	500,017	297,531
Right-to-Use Assets	6,218,822	5,979,180	853,179	-	7,072,001	5,979,180
Totals	$ 350,321,810	$ 368,591,223	$ 294,444,080	$ 312,556,720	$ 644,765,890	$ 681,147,943

Additional information on Hernando County's capital assets can be found in Note G to the basic financial statements. The change in capital asset activity in Governmental Activities for 2023 is mainly due to additions to Construction in Progress driven by the Courthouse Improvement project. The decrease in buildings and infrastructure in Governmental Activities was attributable to depreciation expense exceeding additions during the year. 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 construction of the Waste Management Cell 4 landfill.

Debt Administration

Loans and notes payable amounted to $24,416,013 of which $23,983,337 is for Governmental Activities and $432,676 is for Business-Type Activities.

Hernando County had total bonded debt outstanding of $114,735,519. 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, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance
Loans & Notes Payable	$ 24,923,641	$ 4,062,000	$ 4,569,628	$ 24,416,013
Revenue Bonds	67,906,905	52,420,940	5,592,326	114,735,519
Financed Purchase Obligations	342,482	-	342,482	-
Leases Payable	5,656,505	197,987	1,375,087	4,479,405
	$ 98,829,533	$ 56,680,927	$ 11,879,523	$ 139,151,532

Following are the County's underlying ratings on bonds outstanding as of September 30, 2023:

	Moody's	Fitch	S&P
Non-Ad Valorem Refunding Revenue Bonds Series 2010	Aa2	NR	AA-
Taxable Water and Sewer Refunding Revenue Bonds Series 2021A	Aa2	AAA	NR
Taxable Water and Sewer Refunding Revenue Bonds Series 2021B	Aa2	AAA	NR
Non-Ad Valorem Revenue Bonds Series 2022	NR	NR	AA-

NR represents No Rating. Additional information on Hernando County's long-term debt can be found in Note I 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 174,955 in 2014 to 204,265 in 2023, a 17% increase over the period.

- Unemployment in Hernando County decreased to 4.2% and the County's personal income per capita stands at $45,456 in 2022, the most recent year available.

- Total taxable property value has increased 91% from 2014 to 2023. The ten largest taxpayers accounted for 6.2% of the total taxable assessed value in 2023 compared to 9.1% of total taxable value in 2014.

For fiscal year 2023-24 budget, certified taxable property values increased 15.29% to $14.84 billion. The General Fund millage rate was decreased from 6.9912 to 6.6997; however, the County was able to maintain General Fund reserves to adopted policy levels.

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 the following:

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, Financial Services Director at the following:

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, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 24,280,073	$ 194,114	$ 24,474,187
Pooled Cash and Investments	285,280,209	119,825,538	405,105,747
Restricted Cash and Investments:			
Pooled Cash and Investments	-	688,078	688,078
Cash with Fiscal Agent	325,171	-	325,171
Accounts Receivable (net)	9,923,995	7,369,220	17,293,215
Accrued Interest Receivable	125,634	90,224	215,858
Leases Receivable	262,510	386,632	649,142
Internal Balances	(72,644)	72,644	-
Due from Other Governments	9,653,796	2,469,493	12,123,289
Inventories	161,639	196,471	358,110
Prepaid Items	267,138	-	267,138
Total Current Assets	330,207,521	131,292,414	461,499,935
Non-Current Assets			
Restricted Assets:			
Pooled Cash and Investments	-	44,669,937	44,669,937
Cash with Fiscal Agent	-	1,221,764	1,221,764
Leases Receivable	6,021,932	26,819,087	32,841,019
Capital Assets, not being depreciated	67,110,769	58,804,692	125,915,461
Capital Assets, being depreciated, net	301,480,454	253,752,028	555,232,482
Total Non-Current Assets	374,613,155	385,267,508	759,880,663
Total Assets	**$ 704,820,676**	**$ 516,559,922**	**$ 1,221,380,598**
Deferred Outflows of Resources	**$ 42,744,857**	**$ 2,601,960**	**$ 45,346,817**
LIABILITIES			
Current Liabilities:			
Accounts Payable	15,895,820	4,624,858	20,520,678
Retainage Payable	1,331,569	787,609	2,119,178
Accrued Liabilities	7,574,341	1,988,480	9,562,821
Due to Other Governments	4,348,894	72,608	4,421,502
Unearned Revenue	29,325,656	2,970,306	32,295,962
Deposits	266,664	5,375,018	5,641,682
Due Within One Year	17,074,867	5,661,407	22,736,274
Total Current Liabilities	75,817,811	21,480,286	97,298,097
Non-Current Liabilities:			
Due in More Than One Year	248,705,189	91,842,338	340,547,527
Accrued Landfill closure/Postclosure	-	11,440,437	11,440,437
Total Non-Current Liabilities	248,705,189	103,282,775	351,987,964
Total Liabilities	**$ 324,523,000**	**$ 124,763,061**	**$ 449,286,061**
Deferred Inflows of Resources	**$ 19,404,854**	**$ 27,835,679**	**$ 47,240,533**
NET POSITION			
Net Investment in Capital Assets	340,222,933	244,667,332	584,890,265
Restricted for:			
Grant Funded Programs	6,461,112	-	6,461,112
Court Programs	7,707,659	-	7,707,659
Special Assessment Projects	3,923,438	-	3,923,438
Environment Conservation	4,158,112	-	4,158,112
Bond Covenants or Debt Service	953,055	-	953,055
Public Safety	39,815,903	-	39,815,903
Capital Projects	72,671,845	10,685,644	83,357,489
Renewal and Replacement	-	6,169,418	6,169,418
Other Purposes	10,506,740	-	10,506,740
Unrestricted (Deficit)	(82,783,118)	105,040,748	22,257,630
Total Net Position	**$ 403,637,679**	**$ 366,563,142**	**$ 770,200,821**

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

HERNANDO COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMEBER 30, 2023

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
Government Activities:							
General Government	$ 43,222,337	$ 15,975,173	$ 7,964,001	$ -	$ (19,283,163)	$ -	$ (19,283,163)
Public Safety	140,779,650	50,706,512	1,033,952	-	(89,039,186)	-	(89,039,186)
Physical Environment	9,580,043	8,242,510	291,570	-	(1,045,963)	-	(1,045,963)
Transportation	31,621,436	6,911,089	4,204,368	961,305	(19,544,674)	-	(19,544,674)
Economic Environment	2,962,319	30,324	638,565	-	(2,293,430)	-	(2,293,430)
Human Services	9,308,710	233,524	78,579	-	(8,996,607)	-	(8,996,607)
Culture and Recreation	8,063,677	1,890,505	839,337	-	(5,333,835)	-	(5,333,835)
Court Operations	8,494,483	5,386,078	3,292,671	-	184,266	-	184,266
Interest on Long-term Debt	2,393,800	-	-	-	(2,393,800)	-	(2,393,800)
Total Government Activities	256,426,455	89,375,715	18,343,043	961,305	(147,746,392)	-	(147,746,392)
Business-type Activities:							
Water and Sever District	37,609,653	47,294,544	1,482,477	15,947,941	-	27,115,309	27,115,309
Aviation Operations	3,260,374	1,840,641	83,914	2,366,244	-	1,030,425	1,030,425
Waste Management	10,226,275	11,388,063	-	-	-	1,161,788	1,161,788
Building Department	4,894,260	5,427,843	-	-	-	533,583	533,583
Total Business-Type Activities	55,990,562	65,951,091	1,566,391	18,314,185	-	29,841,105	29,841,105
Total	$ 312,417,017	$ 155,326,806	$ 19,909,434	$ 19,275,490	$ (147,746,392)	$ 29,841,105	$ (117,905,287)
General Revenues:							
Property Taxes					113,236,325	-	113,236,325
Fuel Tax					12,497,456	-	12,497,456
Sales Tax					15,278,910	-	15,278,910
Other Taxes					2,968,121	-	2,968,121
State Shared Revenue - Unrestricted					8,050,874	-	8,050,874
Investment Earnings (Loss)					10,479,792	5,785,611	16,265,403
Gain on Sale of Capital Assets					-	204,019	204,019
Miscellaneous					1,828,193	2,377,850	4,206,043
Transfers					836,869	(836,869)	-
Total General Revenues and Transfers					165,176,540	7,530,611	172,707,151
Change in Net Position					**17,430,148**	**37,371,716**	**54,801,864**
Net Position - Beginning, as Restated (See Note S)					**386,207,531**	**329,191,426**	**715,398,957**
Net Position - Ending					**$ 403,637,679**	**$ 366,563,142**	**$ 770,200,821**

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

HERNANDO COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENT FUNDS
SEPTEMBER 30, 2023

	General Fund	Transportation Trust and Gas Taxes	Hernando County Fire Rescue-Fire
ASSETS			
Cash and Cash Equivalents	$ 8,350,556	$ 395	$ 150
Pooled Cash and Investments	87,680,314	42,957,312	17,086,895
Cash with Fiscal Agent	-	320,022	-
Accounts Receivable (net)	153,438	108,761	17,126
Accrued Interest Receivable	54,686	-	-
Leases Receivable	262,510	-	-
Due from Other Funds	68,995	-	-
Due from Other Governments	5,938,511	2,784,228	1,236
Advances to Other Funds	450,000	-	-
Inventories	-	-	-
Prepaid Items	229,278	1,088	-
Lease Receivable, Non-Current	6,021,932	-	-
Total Assets	**$ 109,210,220**	**$ 46,171,806**	**$ 17,105,407**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilites			
Accounts Payable	$ 3,937,270	$ 1,965,468	$ 470,624
Retainage Payable	33,645	56,383	280,116
Accrued Liabilites	4,609,446	428,794	883,492
Due to Other funds	-	-	-
Due to Other Governments	367,298	-	-
Unearned Revenue	236,027	1,680	-
Deposits	10,753	3,120	-
Advances from Other Funds	-	-	-
Total Liabilities	9,194,439	2,455,445	1,634,232
Deferred Inflows of Resources			
Unavailable Revenues	1,328,209	1,113,159	-
Leases	6,115,008	-	-
Total Deferred Inflows of Resources	7,443,217	1,113,159	-
Fund Balances			
Nonspendable:			
Advances	450,000	-	-
Inventories	-	-	-
Prepaid Items	229,278	1,088	-
Restricted For:			
Grant Funded Programs	819,510	-	-
Court Programs	-	-	-
Special Assessment Projects	-	-	-
Environment Conservation	-	-	-
Bond covenants or debt service	-	63,411	-
Public Safety	-	-	15,471,175
Capital Projects	15,179,161	35,755,996	-
Other Purposes	-	-	-
Committed to:			
Budgeted Emergency and Contingency Reserves	6,526,971	-	-
Budgeted Stablilization Reservices	5,458,254	-	-
Other Purposes	-	-	-
Assigned to:			
Public Safety	-	-	-
Capital Projects	1,212,905	6,782,707	-
Other Purposes	-	-	-
Unassigned	62,696,485	-	-
Total Fund Balances	92,572,564	42,603,202	15,471,175
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 109,210,220**	**$ 46,171,806**	**$ 17,105,407**

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

Hernando County Fire Rescue-Rescue	American Rescue Plan Act	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ 6,646,009	$ 14,997,110
17,322,217	28,975,716	70,066,661	264,089,115
-	-	5,149	325,171
9,385,448	-	226,619	9,891,392
-	-	-	54,686
-	-	-	262,510
-	-	-	68,995
-	-	929,821	9,653,796
-	-	-	450,000
1,800	-	-	1,800
4,123	-	32,649	267,138
-	-	-	6,021,932
$ 26,713,588	**$ 28,975,716**	**$ 77,906,908**	**$ 306,083,645**
$ 399,511	$ 1,237,672	$ 2,626,071	$ 10,636,616
117,924	134,564	708,937	1,331,569
555,600	-	278,522	6,755,854
-	-	141,639	141,639
4,793	-	3,976,912	4,349,003
102	27,729,173	1,358,674	29,325,656
-	-	252,791	266,664
-	-	450,000	450,000
1,077,930	29,101,409	9,793,546	53,257,001
6,379,310	-	-	8,820,678
	-		6,115,008
6,379,310	-	-	14,935,686
-	-	-	450,000
1,800	-	-	1,800
4,123	-	32,649	267,138
-	-	5,641,602	6,461,112
-	-	7,707,659	7,707,659
-	-	3,923,438	3,923,438
-	-	4,158,112	4,158,112
-	-	889,644	953,055
19,250,425	-	5,094,303	39,815,903
-	-	21,862,381	72,797,538
-	-	10,481,561	10,481,561
-	-	-	6,526,971
-	-	-	5,458,254
-	-	2,226,820	2,226,820
-	-	6,089,531	6,089,531
-	-	-	7,995,612
-	-	5,662	5,662
-	(125,693)	-	62,570,792
19,256,348	(125,693)	68,113,362	237,890,958
$ 26,713,588	**$ 28,975,716**	**$ 77,906,908**	**$ 306,083,645**

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HERNANDO COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Fund Balances - Total Governmental Funds		$ 237,890,958
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds:		
Capital Assets, not being depreciated	$ 67,083,419	
Capital Assets, net of accumulated depreciation	279,732,723	
		346,816,142
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	$ 8,820,678	
Deferred Outflows related to Debt Refunding	323,984	
Deferred Outflows related to Net Pension Liability	36,238,752	
Deferred Outflows related to Other Post Employment Benefits	5,981,999	
		51,365,413
Long-term liabilities are not due and payable in the current period, and therefore are not reported in the governmental funds:		
Accrued Liabilities - Interest	$ (666,813)	
Loans and Notes Payable	(15,871,875)	
Leases Payable	(4,058,871)	
SBITA Payable	(276,949)	
Bonds Payable	(32,644,289)	
Compensated Absences	(11,339,828)	
Other Post Employment Benefits	(20,752,528)	
Net Pension Liability	(163,472,694)	
		(249,083,847)
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	$ (9,735,517)	
Deferred Inflows related to Other Post Employment Benefits	(3,434,151)	
		(13,169,668)
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		29,818,681
Net Position of Governmental Activities		$ 403,637,679

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 SEPTEMEBER 30, 2023

	General Fund	Transportation Trust and Gas Taxes	Hernando County Fire Rescue-Fire
Revenues			
Taxes	$ 90,284,483	$ 19,775,344	$ 37,312
Licenses and Permits	426,455	9,511	207,399
Intergovernmental	33,375,083	3,879,453	82,796
Charges for Services	15,875,531	2,219,799	141,746
Fines and Forfeitures	248,671	-	-
Special Assessments	-	-	28,503,612
Impact Fees	-	-	-
Investment Income (Loss)	4,997,392	1,279,182	949,659
Miscellaneous	1,841,042	331,926	291,333
Total Revenues	147,048,657	27,495,215	30,213,857
Expenditures			
Current			
General Government	32,276,854	-	-
Public Safety	69,455,191	13,804	29,061,751
Physical Environment	619,375	-	-
Transportation	3,181,742	16,257,166	-
Economic Environment	1,028,384	-	-
Human Services	5,270,636	-	-
Culture and Recreation	6,980,987	-	-
Court Operations	1,845,366	-	-
Debt Service			
Principal	1,607,299	-	703,712
Interest and Fiscal Charges	297,839	-	129,043
Capital Outlay	9,938,732	4,788,833	2,823,123
Total Expenditures	132,502,405	21,059,803	32,717,629
Excess of Revenues Over (Under) Expenditures	**14,546,252**	**6,435,412**	**(2,503,772)**
Other Financing Sources (Uses)			
Transfers In	1,374,146	970,154	532,145
Transfers Out	(6,306,615)	(865,935)	(989,505)
Lease financing	86,953	-	-
SBITA financing	537,507	-	-
Issuance of Long-Term Debt	15,122,899	-	4,235,275
Total Other Financing Sources (Uses)	10,814,890	104,219	3,777,915
Net Change in Fund Balances	**25,361,142**	**6,539,631**	**1,274,143**
Fund Balances at Beginning of Year	67,211,422	36,063,571	14,197,032
Fund Balances at End of Year	**$ 92,572,564**	**$ 42,603,202**	**$ 15,471,175**

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

Hernando County Fire Rescue-Rescue	American Rescue Plan Act	Nonmajor Government Funds	Total Governmental Funds
$ 11,486,099	$ -	$ 5,249,003	$ 126,832,241
-	-	-	643,365
51,332	2,833,970	4,293,422	44,516,056
11,375,008	-	10,994,256	40,606,340
-	-	1,476,286	1,724,957
-	-	10,317,492	38,821,104
-	-	4,273,614	4,273,614
663,191	4,762	2,585,606	10,479,792
59,594	-	1,136,812	3,660,707
23,635,224	2,838,732	40,326,491	271,558,176
-	133,459	2,193,135	34,603,448
16,243,852	-	5,988,906	120,763,504
-	106,991	8,636,049	9,362,415
-	36,803	1,243,043	20,718,754
-	7	1,842,233	2,870,624
-	-	1,872,579	7,143,215
-	-	34,405	7,015,392
-	-	6,519,690	8,365,056
39,225	-	2,543,025	4,893,261
43,717	-	1,378,048	1,848,647
1,126,242	2,691,280	14,746,957	36,115,167
17,453,036	2,968,540	46,998,070	253,699,483
6,182,188	**(129,808)**	**(6,671,579)**	**17,858,693**
143,584	-	11,726,523	14,746,552
(771,903)	-	(7,986,682)	(16,920,640)
-	-	-	86,953
-	-	-	537,507
2,823,516	-	10,080,452	32,262,142
2,195,197	-	13,820,293	30,712,514
8,377,385	**(129,808)**	**7,148,714**	**48,571,207**
10,878,963	4,115	60,964,648	189,319,751
$ 19,256,348	**$ (125,693)**	**$ 68,113,362**	**$ 237,890,958**

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HERNANDO COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMEBER 30, 2023

Net Change in Fund Balances - Total Governmental Funds		$ 48,571,207
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	$ 35,490,707	
Less current year depreciation	(19,092,591)	
Capital Asset Disposals	(989,391)	
		15,408,725
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	$ (32,262,142)	
Principal Payments	4,080,107	
Lease / SBITA Liabilities Issued	(624,460)	
Lease / SBITA Principal Payments	491,824	
		(28,314,671)
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	$ (488,263)	
Amortization of current year Bond Discount/Premium	46,563	
Amortization of current year Prepaid Bond Insurance	(80,101)	
Change in Compensated Absences	(436,154)	
Change in Accrued Other Post Employment Benefits	(80,205)	
Change in Pension Expenses	(20,481,469)	
		(21,519,629)
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	$ 2,033,094	
Change in earned revenue from taxes	126,556	
		2,159,650
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.		1,124,866
Change in Net Position of Governmental Activities		$ 17,430,148

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 SEPTEMEBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 86,350,667	$ 86,350,667	$ 90,284,483	$ 3,933,816
Licenses and Permits	526,151	526,151	426,455	(99,696)
Intergovernmental	34,913,734	36,611,917	33,375,083	(3,236,834)
Charges for Services	15,227,356	15,230,998	15,875,531	644,533
Fines and Forfeitures	121,500	121,500	248,671	127,171
Investment Income (Loss)	42,959	42,959	4,997,392	4,954,433
Miscellaneous	1,489,960	1,576,010	1,841,042	265,032
Total Revenues	138,672,327	140,460,202	147,048,657	6,588,455
Expenditures				
Current				
General Government	36,101,244	36,971,998	32,276,854	4,695,144
Public Safety	70,869,333	70,436,463	69,455,191	981,272
Physical Environment	742,755	2,452,034	619,375	1,832,659
Transportation	4,182,589	4,790,974	3,181,742	1,609,232
Economic Environment	1,526,674	1,833,970	1,028,384	805,586
Human Services	5,405,466	5,385,173	5,270,636	114,537
Culture and Recreation	8,155,661	7,967,101	6,980,987	986,114
Court Operations	1,833,279	1,865,017	1,845,366	19,651
Debt Service				-
Principal	1,135,929	794,146	1,607,299	(813,153)
Interest and Fiscal Charges	9,277	154,954	297,839	(142,885)
Capital Outlay	16,158,530	42,920,583	9,938,732	32,981,851
Total Expenditures	146,120,737	175,572,413	132,502,405	43,070,008
Excess of Revenues Over Expenditures	**(7,448,410)**	**(35,112,211)**	**14,546,252**	**49,658,463**
Other Financing Sources (Uses)				
Transfers In	1,016,349	3,586,716	1,374,146	(2,212,570)
Transfers Out	(3,091,445)	(7,641,566)	(6,306,615)	1,334,951
Lease financing	-	-	86,953	86,953
SBITA financing	-	-	537,507	537,507
Issuance of Long-Term Debt	-	15,121,425	15,122,899	1,474
Reserve for Contingencies	(44,962,523)	(42,436,630)	-	42,436,630
Total Other Financing Sources (Uses)	(47,037,619)	(31,370,055)	10,814,890	42,184,945
Net Change in Fund Balance	**(54,486,029)**	**(66,482,266)**	**25,361,142**	**91,843,408**
Fund Balance at Beginning of Year	54,486,029	66,482,266	67,211,422	729,156
Fund Balance at End of Year	**$ -**	**$ -**	**$ 92,572,564**	**$ 92,572,564**

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 SEPTEMEBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 18,469,458	$ 18,469,458	$ 19,775,344	$ 1,305,886
Licenses and Permits	5,000	5,000	9,511	4,511
Intergovernmental	4,955,454	6,518,430	3,879,453	(2,638,977)
Charges for Services	1,057,870	1,057,870	2,219,799	1,161,929
Fines and Forfeitures	-	-	-	-
Investment Income (Loss)	-	-	1,279,182	1,279,182
Miscellaneous	84,230	84,230	331,926	247,696
Total Revenues	24,572,012	26,134,988	27,495,215	1,360,227
Expenditures				
Current				
Public Safety	-	-	13,804	(13,804)
Transportation	17,889,028	18,670,482	16,257,166	2,413,316
Capital Outlay	22,642,031	29,687,045	4,788,833	24,898,212
Total Expenditures	40,531,059	48,357,527	21,059,803	27,297,724
Excess of Revenues Over Expenditures	**(15,959,047)**	**(22,222,539)**	**6,435,412**	**28,657,951**
Other Financing Sources (Uses)				
Transfers In	1,138,279	1,989,432	970,154	(1,019,278)
Transfers Out	(1,639,402)	(2,303,180)	(865,935)	1,437,245
Reserve for Contingencies	(21,457,360)	(14,124,768)	-	14,124,768
Total Other Financing Sources (Uses)	(21,958,483)	(14,438,516)	104,219	14,542,735
Net Change in Fund Balance	**(37,917,530)**	**(36,661,055)**	**6,539,631**	**43,200,686**
Fund Balance at Beginning of Year	37,917,530	36,661,055	36,063,571	(597,484)
Fund Balance at End of Year	**$ -**	**$ -**	**$ 42,603,202**	**$ 42,603,202**

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 SEPTEMEBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ -	$ -	$ 37,312	$ 37,312
Licenses and Permits	70,000	70,000	207,399	137,399
Intergovernmental	35,000	35,000	82,796	47,796
Charges for Services	98,000	98,000	141,746	43,746
Special Assessments	27,622,472	27,622,472	28,503,612	881,140
Investment Income (Loss)	-	-	949,659	949,659
Miscellaneous	213,781	214,781	291,333	76,552
Total Revenues	28,039,253	28,040,253	30,213,857	2,173,604
Expenditures				
Current				
Public Safety	29,386,782	29,850,218	29,061,751	788,467
Debt Service				
Principal	514,491	703,713	703,712	1
Interest and Fiscal Charges	189,742	141,109	129,043	12,066
Capital Outlay	550,222	6,908,712	2,823,123	4,085,589
Total Expenditures	30,641,237	37,603,752	32,717,629	4,886,123
Excess of Revenues Over Expenditures	**(2,601,984)**	**(9,563,499)**	**(2,503,772)**	**7,059,727**
Other Financing Sources (Uses)				
Transfers In	311,719	529,909	532,145	2,236
Transfers Out	(582,911)	(1,050,181)	(989,505)	60,676
Issuance of Long-Term Debt	136,522	4,370,521	4,235,275	(135,246)
Reserve for Contingencies	(11,520,665)	(8,483,782)	-	8,483,782
Total Other Financing Sources (Uses)	(11,655,335)	(4,633,533)	3,777,915	8,411,448
Net Change in Fund Balance	**(14,257,319)**	**(14,197,032)**	**1,274,143**	**15,471,175**
Fund Balance at Beginning of Year	14,257,319	14,197,032	14,197,032	-
Fund Balance at End of Year	**$ -**	**$ -**	**$ 15,471,175**	**$ 15,471,175**

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 SEPTEMEBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 11,052,142	$ 11,052,142	$ 11,486,099	$ 433,957
Intergovernmental	21,000	302,414	51,332	(251,082)
Charges for Services	8,132,652	8,132,652	11,375,008	3,242,356
Investment Income (Loss)	-	102	663,191	663,089
Miscellaneous	52,679	52,679	59,594	6,915
Total Revenues	19,258,473	19,539,989	23,635,224	4,095,235
Expenditures				
Current				
Public Safety	17,540,846	17,756,838	16,243,852	1,512,986
Debt Service				
Principal	227,260	39,238	39,225	13
Interest and Fiscal Charges	115,861	45,814	43,717	2,097
Capital Outlay	392,800	4,245,606	1,126,242	3,119,364
Total Expenditures	18,276,767	22,087,496	17,453,036	4,634,460
Excess of Revenues Over Expenditures	**981,706**	**(2,547,507)**	**6,182,188**	**8,729,695**
Other Financing Sources (Uses)				
Transfers In	110,371	117,189	143,584	26,395
Transfers Out	(319,751)	(815,015)	(771,903)	43,112
Issuance of Long-Term Debt	-	2,822,666	2,823,516	850
Reserve for Contingencies	(9,091,276)	(9,400,404)	-	9,400,404
Total Other Financing Sources (Uses)	(9,300,656)	(7,275,564)	2,195,197	9,470,761
Net Change in Fund Balance	**(8,318,950)**	**(9,823,071)**	**8,377,385**	**18,200,456**
Fund Balance at Beginning of Year	8,318,950	9,823,071	10,878,963	1,055,892
Fund Balance at End of Year	**$ -**	**$ -**	**$ 19,256,348**	**$ 19,256,348**

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 SEPTEMEBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ -	$ 10,844,979	$ 2,833,970	$ (8,011,009)
Investment Income (Loss)	-	-	4,762	4,762
Total Revenues	-	10,844,979	2,838,732	(8,006,247)
Expenditures				
Current				
General Government	-	744,979	133,459	611,520
Physical Environment	-	320,000	106,991	213,009
Transportation	-	62,948	36,803	26,145
Economic Environment	-	-	7	(7)
Capital Outlay	-	10,032,640	2,691,280	7,341,360
Total Expenditures	-	11,160,567	2,968,540	8,192,027
Excess of Revenues Over Expenditures	**-**	**(315,588)**	**(129,808)**	**185,780**
Other Financing Sources (Uses)				
Transfers Out	-	-	-	-
Reserve for Contingencies	-	-	-	-
Total Other Financing Sources (Users)	-	-	-	-
Net Change in Fund Balance	**-**	**(315,588)**	**(129,808)**	**185,780**
Fund Balance at Beginning of Year	-	315,588	4,115	(311,473)
Fund Balance at End of Year	**$ -**	**$ -**	**$ (125,693)**	**$ (125,693)**

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

HERNANDO COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-Type Activities - Enterprise Funds		
	Water & Sewer District	Aviation Operations	Waste Management
ASSETS			
Current Assets			
Cash and Cash Equivalents	$ 2,276	$ 200	$ 1,765
Pooled Cash and Investments	81,203,746	4,608,228	27,860,224
Restricted Cash and Investments	688,078	-	-
Accounts Receivable, net	6,842,619	25,288	501,313
Accrued Interest Receivable	-	90,224	-
Leases Receivable	-	386,632	-
Due from Other:			
Other Funds	72,644	-	-
Other Governments	1,346,511	1,120,306	2,676
Inventories	170,665	-	25,806
Prepaid Items	-		-
Total Current Assets	90,326,539	6,230,878	28,391,784
Non-Current Assets:			
Restricted Assets:			
Pooled Cash and Investments	20,692,571	-	23,977,366
Cash with Fiscal Agent	1,221,764	-	-
Lease Receivable	-	26,819,087	-
Capital Assets, not depreciated	29,498,746	17,781,414	11,309,532
Capital Assets, net of accumulated depreciation	226,987,064	19,816,006	5,902,858
Total Non-Current Assets	278,400,145	64,416,507	41,189,756
Total Assets	368,726,684	70,647,385	69,581,540
Deferred Outflows of Resources	1,706,681	94,138	467,511
LIABILITIES			
Current Liabilities			
Accounts Payable	3,380,398	313,471	787,517
Retainage Payable	395,058	69,370	323,181
Accrued Liabilities	1,341,740	44,955	427,779
Due to Other Governments	46,827	-	-
Unearned Revenues	2,923,698	46,608	-
Deposits	4,235,372	161,215	110,274
Due Within One Year	4,897,855	242,507	444,745
Total Current Liabilities	17,220,948	878,126	2,093,496
Non-Current Liabilities			
Due in More Than One Year	67,351,357	776,111	21,523,939
Accrued Landfill Closure/ Postclosure Care	-	-	11,440,437
Total Non-Current Liabilities	67,351,357	776,111	32,964,376
Total Liabilities	84,572,305	1,654,237	35,057,872
Deferred Inflows of Resources	862,519	26,635,942	151,975
NET POSITION			
Net Investment in Capital Assets	193,938,495	37,164,746	12,302,991
Restricted for			
Capital Projects	10,685,644	-	-
Renewal and Replacement	6,169,418	-	-
Unrestricted	74,204,984	5,286,598	22,536,213
Total Net Position	$ 284,998,541	$ 42,451,344	$ 34,839,204

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

Building Department	Total	Governmental Activities Internal Service Funds
$ 189,873	$ 194,114	$ 9,282,963
6,153,340	119,825,538	21,191,094
-	688,078	-
-	7,369,220	32,603
-	90,224	70,948
-	386,632	-
-	72,644	-
-	2,469,493	109
-	196,471	159,839
-	-	-
6,343,213	131,292,414	30,737,556
-	44,669,937	-
-	1,221,764	-
-	26,819,087	-
215,000	58,804,692	211,676
1,046,100	253,752,028	21,563,405
1,261,100	385,267,508	21,775,081
7,604,313	516,559,922	52,512,637
333,630	2,601,960	200,122
143,472	4,624,858	5,259,204
-	787,609	
174,006	1,988,480	151,674
25,781	72,608	-
-	2,970,306	-
868,157	5,375,018	-
76,300	5,661,407	5,467,695
1,287,716	21,480,286	10,878,573
2,190,931	91,842,338	11,895,327
-	11,440,437	-
2,190,931	103,282,775	11,895,327
3,478,647	124,763,061	22,773,900
185,243	27,835,679	120,178
1,261,100	244,667,332	18,523,065
-	10,685,644	-
-	6,169,418	-
3,012,953	105,040,748	11,295,616
$ 4,274,053	$ 366,563,142	$ 29,818,681

HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMEBER 30, 2023

	Business-Type Activities - Enterprise Funds		
	Water & Sewer District	**Aviation Operations**	**Waste Management**
Operating Revenues			
Licenses and Permits	$ 14,190	$ -	$ 38,000
Charges for Services	47,280,354	1,840,641	11,350,063
Miscellaneous	314,070	153,530	1,908,283
Total Operating Revenues	47,608,614	1,994,171	13,296,346
Operating Expenses			
Personnel Services	11,534,476	757,499	2,745,119
Other Services & Charges	16,372,471	1,073,361	4,715,278
Claims	-	-	-
Depreciation and Amortization	8,308,517	1,407,884	1,773,460
Total Operating Expenses	36,215,464	3,238,744	9,233,857
Operating Income (Loss)	11,393,150	(1,244,573)	4,062,489
Non-Operating Revenues (Expenses)			
Investment Income (Loss)	2,804,962	1,044,599	1,797,172
Interest Expense	(1,910,069)	(21,630)	(1,032,301)
Operating Grants	1,482,477	83,914	-
Gain (Loss) on Sale of Capital Assets	168,372	1,101	34,546
Amortization of Bond Discount/Premium	515,880	-	39,883
Total Non-Operating Revenues (Expenses)	3,061,622	1,107,984	839,300
Income (Loss) Before Contributions and Transfers	14,454,772	(136,589)	4,901,789
Capital Grants and Contributions	15,947,941	2,366,244	-
Transfers In	-	345,621	-
Transfers Out	(770,024)	(24,762)	(239,765)
Total Contributions and Transfers	15,177,917	2,687,103	(239,765)
Change in Net Position	**29,632,689**	**2,550,514**	**4,662,024**
Net Position-Beginning	255,365,852	39,900,830	30,177,180
Net Position-Ending	**$ 284,998,541**	**$ 42,451,344**	**$ 34,839,204**

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

Building Department	Total	Governmental Activities - Internal Service Funds
$ 4,835,022	$ 4,887,212	$ -
592,821	61,063,879	40,287,051
1,967	2,377,850	1,476,763
5,429,810	68,328,941	41,763,814
3,216,491	18,253,585	3,800,097
1,618,789	23,779,899	13,832,707
-	-	23,100,001
58,980	11,548,841	3,597,976
4,894,260	53,582,325	44,330,781
535,550	14,746,616	(2,566,967)
138,878	5,785,611	551,655
-	(2,964,000)	(204,254)
-	1,566,391	-
-	204,019	333,475
-	555,763	-
138,878	5,147,784	680,876
674,428	19,894,400	(1,886,091)
-	18,314,185	-
-	345,621	3,126,790
(147,939)	(1,182,490)	(115,833)
(147,939)	17,477,316	3,010,957
526,489	**37,371,716**	**1,124,866**
3,747,564	329,191,426	28,693,815
$ 4,274,053	**$ 366,563,142**	**$ 29,818,681**

HERNANDO COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMEBER 30, 2023

	Business-Type Activities - Enterprise Funds		
	Water & Sewer District	Aviation Operations	Waste Management
Cash Flows from Operating Activities			
Receipts from Customers	$ 45,611,943	$ 1,142,186	$ 11,339,536
Receipts from Inter-Fund Services	-	-	-
Payments to Suppliers	(16,364,059)	(2,329,682)	(4,447,977)
Payments to Employees	(9,767,049)	(666,219)	(2,457,991)
Claims Paid	-	-	-
Other Receipts	314,070	153,530	1,908,283
Net Cash provided by (used for) Operating Activities	19,794,905	(1,700,185)	6,341,851
Cash Flows from Noncapital Financing Activities			
Operating Grants	1,482,477	83,914	-
Transfers from Other Funds	-	345,621	-
Transfers to Other Funds	(770,024)	(24,762)	(239,765)
Net Cash Provided by (used for) Noncapital Financing Activities	712,453	404,773	(239,765)
Cash Flows From Capital and Related Financing Activites			
Additions to Capital Assets	(11,830,782)	(1,945,384)	(7,728,305)
Proceeds from Capital Debt	-	-	19,543,915
Principal Paid on Capital Debt	(4,000,000)	(204,176)	
Interest Paid on Capital Debt	(2,423,122)	(24,965)	(682,208)
Principal Payments on Long-Term Leases	-	-	(865,315)
Interest Payments on Long-Term Leases	-	-	-
Capital Grants Revenue	3,624,382	2,366,244	-
Connection Fee Collections	4,185,519	-	-
Proceeds From Sale of Capital Assets	169,342	1,400	37,357
Net Cash provided by (used for) Capital and Related Financing Activities	(10,274,661)	193,119	10,305,444
Cash Flows from Investing Activities			
Interest Received	2,804,962	1,044,599	1,797,172
Net Cash Provided by Investing Activities	2,804,962	1,044,599	1,797,172
Net Increase (Decrease) in Cash and Cash Equivalents	**13,037,659**	**(57,694)**	**18,204,702**
Cash and Cash Equivalents at Beginning of Year	90,770,776	4,666,122	33,634,653
Cash and Cash Equivalents at End of Year	**$ 103,808,435**	**$ 4,608,428**	**$ 51,839,355**
Classified as:			
Current Assets	81,206,022	4,608,428	27,861,989
Restricted Assets - Current	688,078	-	-
Restricted Assets - Non-current	21,914,335	-	23,977,366
Totals	$ 103,808,435	$ 4,608,428	$ 51,839,355

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

Building Department	Total	Governmental Activities - Internal Service Funds
$ 5,649,547	$ 63,743,212	$ 30,568,084
-	-	9,748,818
(1,576,716)	(24,718,434)	(15,400,101)
(2,836,210)	(15,727,469)	(3,628,762)
-	-	(23,093,879)
1,967	2,377,850	1,476,763
1,238,588	25,675,159	(329,077)
-	1,566,391	-
-	345,621	3,126,790
(147,939)	(1,182,490)	(115,833)
(147,939)	729,522	3,010,957
(23,050)	(21,527,521)	(6,655,689)
-	19,543,915	4,062,000
-	(4,204,176)	(1,042,826)
-	(3,130,295)	(188,856)
-	(865,315)	(15,478)
-	-	(63,660)
-	5,990,626	-
-	4,185,519	-
-	208,099	365,035
(23,050)	200,852	(3,539,474)
138,878	5,785,611	480,706
138,878	5,785,611	480,706
1,206,477	**32,391,144**	**(376,888)**
5,136,736	134,208,287	30,850,945
$ 6,343,213	**$ 166,599,431**	**$ 30,474,057**
6,343,213	120,019,652	30,474,057
-	688,078	-
-	45,891,701	-
$ 6,343,213	$ 166,599,431	$ 30,474,057

Continued

HERNANDO COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMEBER 30, 2023

	Business-Type Activities - Enterprise Funds		
	Water & Sewer District	Aviation Operations	Waste Management
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating Income (Loss)	$ 11,393,150	$ (1,244,573)	$ 4,062,489
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (used for) Operating Activities			
Depreciation and Amortization	8,308,517	1,407,884	1,773,460
Other Post-Employment Benefits	204,995	13,541	49,214
Pension Adjustments	849,101	61,745	184,377
Landfill Closure/Postclosure Care Amortization	-	-	(346,179)
(Increase) Decrease in			
Accounts Receivable	(1,994,002)	(3,663)	(167,735)
Accrued Interest Receivable	-	(16,940)	-
Leases Receivable	-	(2,577,644)	-
Due from Other Funds	49,153	-	73,298
Due from Other Governments	(1,131,742)	(344,424)	(2,676)
Inventories	(28,710)	-	8,419
Prepaid Expenses	-	-	1,146
Increase (Decrease) in			
Accounts Payable	711,800	(1,325,691)	281,880
Retainage Payable	(693,354)	69,370	323,181
Accrued Liabilities	713,331	15,994	53,537
Due to Other Funds	-	-	-
Due to Other Governments	18,676	-	-
Unearned Revenues	1,005,477	(1,700)	-
Deposits	388,513	20,801	47,440
Claims Liabilities	-	-	-
Deferred Inflows-Leases	-	2,225,115	-
Total Adjustments	8,401,755	(455,612)	2,279,362
Net Cash Provided by (used for) Operating Activities	$ 19,794,905	$ (1,700,185)	$ 6,341,851
Non-cash Investing, Financing, and Capital Activities:			
Contributions of Capital Assets from Developers	$ 8,138,040	$ -	$ -

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

Building Department	Total	Governmental Activities - Internal Service Funds
$ 535,550	$ 14,746,616	$ (2,566,967)
58,980	11,548,841	3,597,976
57,442	325,192	22,724
218,376	1,313,599	102,800
-	(346,179)	-
-	(2,165,400)	29,960
-	(16,940)	-
-	(2,577,644)	-
21,931	144,382	-
-	(1,478,842)	(109)
-	(20,291)	89,485
-	1,146	-
41,747	(290,264)	(1,656,879)
-	(300,803)	-
104,463	887,325	45,811
-	-	-
326	19,002	-
-	1,003,777	-
199,773	656,527	-
-	-	6,122
-	2,225,115	-
703,038	10,928,543	2,237,890
$ 1,238,588	$ 25,675,159	$ (329,077)
$ -	$ 8,138,040	$ -

HERNANDO COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2023

ASSETS		
Cash and Cash Equivalents	$	8,739,264
Pooled Cash and Investments		461,687
Due from Other Governments		52
Total Assets		**9,201,003**
LIABILITIES		
Accounts Payable		551,626
Due to Other Governments		4,383,095
Installment Tax Escrow		79
Deposits		14,733
Other Current Liabilities		2,449,445
Total Liabilities		**7,398,978**
NET POSITION:		
Restricted for:		
Individuals and Other Governments		1,802,025
Total Net Position	**$**	**1,802,025**

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
FOR THE FISCAL YEAR ENDED SEPTEMEBER 30, 2023

ADDITIONS:		
Tax Collections for Other Governments	$	133,418,236
State of Florida collections		42,020,544
Other collections		22,974,548
Miscellaneous - Revenues		1,646,268
Total additions		**200,059,596**
DEDUCTIONS:		
Payments of Taxes to State of Florida		41,768,685
Payments of Taxes to Other Governments		133,418,236
Other Payments		25,411,620
Miscellaneous - Expenses		14,625
Total deductions		**200,613,166**
Change in net position		**(553,570)**
Net Position-beginning of the year		2,355,595
Net Position-end of year	**$**	**1,802,025**

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

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HERNANDO COUNTY, FLORIDA
September 30, 2023

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.

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

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 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.

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 taxes and charges for services for 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. The fund is reported with major funds for simplicity due to it being the County's only non-major proprietary fund.

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.

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 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 measurement 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 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.

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 uncollectible accounts, 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 assets 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 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. There are four 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 recorded amounts associated with long-term receivables, primarily leases, as deferred inflows.

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.

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	Based upon group characteristics
Leasehold 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.

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.

Leases

The County is a lessee for noncancellable leases of land, building and equipment. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary fund statements.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain indirect costs. The lease asset is amortized on a straight-line basis over the term of the lease.

Key estimated and judgments related to leases include how the County determines (1) the discount rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term included the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments and any purchase option price that the County is reasonably certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Leased assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable
- Amounts expected to be payable by the County under residual value guarantees
- The exercise price of a purchase option if it is reasonably certain the option will be executed
- Payments of penalties for terminating the lease, if the lease term reflects the County exercising the option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Extension and termination options are included in a number of property and equipment leases across the County. These are used to maximize operation flexibility in terms of managing the assets used in the County's operations. The majority of extension and termination options held are exercisable only by the County and not by the respective lessor.

The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used. The incremental borrowing rate is the rate that the individual lease would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-to-use asset in a similar economic environment with similar terms, security and conditions.

Variable payments that depend on an index or a rate (such as the Consumer Price Index or a market interest rate) are initially measured using the index or rate as of the commencement of the lease term.

The County is a lessor for noncancellable leases of land and buildings. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund and proprietary fund statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources in initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. The deferred inflow of resources is recognized as revenue over the term of the lease.
Key estimated and judgments related to leases include how the County determines (1) the discount rate used to discount the expected lease receipts to present value, (2) lease term, and (3) lease payments.

The County uses its estimated incremental borrowing rate as the discounted rate for leases.

The lease term included the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are comprised of fixed payments from the lessee.

The County monitors changes in circumstances that would require a measurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements (SBITAs)

The County has non-cancellable subscription-based information technology arrangements. A subscription liability and an intangible right-to-use asset are recognized in the government-wide financial statements. At the commencement of a subscription, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term and the liability is reduced by the principal portion of subsequent subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs and is amortized on a straight-line basis over its useful life. The County monitors changes in circumstances that would require a remeasurement of it subscriptions and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

7. EFFECTS OF NEW ACCOUNTING PRONOUNCEMENTS

During the year ended September 30, 2023, the County implemented the following Governmental Accounting Standards Board (GASB) Statements:

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)* establishes standards of accounting and financial reporting for SBITAs. Its implementation resulted in the recognition of right-to-use subscription intangible assets and corresponding liabilities as applicable.
- GASB Statement No. 101, *Compensated Absences* establishes standards of accounting and financial reporting for compensated absences and associated salary-related payments. As compensated absences were already included in the financial statements from GASBS 16, which is now superseded, the impacts of this statement's implementation were minimal. Its implementation resulted in less than $100,000 of additional leave codes being included. Additionally, the BOCC updated its accounting policy for calculating the current portion to allow for a FIFO method of usage resulting in a reduction of the amount recognized as current.

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, 2023.

2. DEFICIT FUND BALANCES/NET POSITION

For the year ended September 30, 2023, the following fund had a deficit fund balance:

American Rescue Plan Act	$	125,693
Restore Act Projects	$	19,094

The deficit is due to a timing difference between expenditures and reimbursement from a grantor.

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.

The following is a summary of the carrying amount of cash, investments and cash held with fiscal agent as of September 30, 2023:

	Governmental Activities	Business Type Activities	Statement of Fiduciary Net Position	Total
Cash and Cash Equivalents	$ 24,280,073	$ 194,114	$ 8,739,264	$ 33,213,451
Pooled Cash and Investments	285,280,209	165,183,553	461,687	450,925,449
Cash with Fiscal Agent	325,171	1,221,764	-	1,546,935
Total	$ 309,885,453	$ 166,599,431	$ 9,200,951	$ 485,685,835

The County had the following deposits, investments and cash held with fiscal agent at September 30, 2023:

Deposits	$ 62,837,100
Cash with Fiscal Agent	1,546,935
Carrying Amount of Investments	421,301,800
Total	$ 485,685,835

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 yearend, the County had the following funds held by a fiscal agent for the County:

Transportation Trust Fund	$ 320,022
Non-major Governmental Funds	5,149
Water & Sewer District	1,221,764
Total	$ 1,546,935

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

INVESTMENTS

At September 30, 2023, the County's investments consisted of the following:

	Par Value	Fair Value	0-3 years	1-5 years
United States Treasuries	$ 157,335,000	$ 148,414,592	$ 70,694,493	$ 77,720,099
Federal Farm Credit Banks Funding Corportation	16,450,000	15,607,517	11,015,507	4,592,010
Federal Hermes, Inc.	442,282	442,282	322,758	119,524
Federal Home Loan Bank	10,375,000	9,970,148	6,971,388	2,998,760
Federal Home Loan Mortgage Corporation	2,945,000	2,775,995	-	2,775,995
Federal National Mortgage Associatation	7,845,000	7,295,781	2,613,534	4,682,247
Money Market Fund	1,396,566	1,401,255	1,401,255	-
Corportate Notes	30,920,000	30,360,129	13,130,317	17,229,812
Municipals	2,495,000	2,473,503	803,451	1,670,052
Local Government Surplus Funds Trust Fund (Florida Prime)	62,543,362	62,259,933	62,259,933	-
Florida Local Government Investment Trust (Florida Trust)	30,745,299	30,745,301	30,745,301	-
Florida Cooperative Liquid Assets Securities System (FLCLASS)	109,840,125	109,555,364	109,555,364	-
	$ 433,332,634	$ 421,301,800	$ 309,513,301	$ 111,788,499

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 Fitch.

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.

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.

At September 30, 2023, the County's investments carried the following Credit Rating and Fair Value Hierarchy:

Type of Investment	Credit Rating			Fair Value Hierarchy
	S&P's	Moody's	Fitch	
United States Treasuries	AA+	Aaa	NA	1
Federal Farm Credit Banks Funding Corportation	AA+	Aaa	NA	2
Federated Hermes, Inc.	AAAm	Aaa	NA	2
Federal Home Loan Bank	AA+	Aaa	NA	2
Federal Home Loan Mortgage Corporation	AA+	Aaa	NA	2
Federal National Mortgage Associatation	AA+	Aaa	NA	2
Money Market Fund	NA	NA	AAAm	1
Corportate Notes	A to AA+	A2 to Aaa	NA	2
Municipal Notes	AA- to AAA	Aa3 to Aa2	NA	2
Local Government Surplus Funds Trust Fund (Florida Prime)	AAAm	NA	NA	N/A
Florida Local Government Investment Trust (Florida Trust)	NA	NA	AAAf	N/A
Florida Cooperative Liquid Assets Securities System (FLCLASS)	AAAm	NA	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.

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 and Corporate Notes.

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.

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NOTE D – RECEIVABLES

Accounts receivable at September 30, 2023, for the County's individual major funds and non-major funds in total, including applicable allowances for uncollectible accounts were as follows:

	Accounts Receivable Gross	Allowance for Uncollectible Accounts	Accounts Receivable Net
General Fund	$ 910,889	$ 757,451	$ 153,438
Transportation Trust and Gas Taxes	114,521	5,760	108,761
Hernando County Fire Rescue -Fire	74,633	57,507	17,126
Hernando County Fire Rescue -Rescue	19,291,097	9,905,649	9,385,448
Water and Sewer District	7,206,794	364,175	6,842,619
Aviation Operations	100,679	75,391	25,288
Waste Management	560,065	58,752	501,313
Building Department	184,411	184,411	-
Non-major government funds	13,229,948	13,003,329	226,619
Internal Service Funds	32,603	-	32,603
Total	$ 41,705,640	$ 24,412,425	$ 17,293,215

Included in accounts receivable in the Water and Sewer District are unbilled amounts totaling $2,733,893 earned in September 2023 but billed in October 2023.

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 $10.00 million, offset by an allowance for uncollectible receivables of $9.96M.

Due from Other Governments at September 30, 2023, for the County's individual major funds and non-major funds were as follows:

	Due from Grantors	Due from State	Other	Total
General Fund	$ 2,341,937	$ 2,523,743	$ 1,072,831	$ 5,938,511
Transportation Trust and Gas Taxes	652,409	2,131,819	-	2,784,228
Hernando County Fire Rescue -Fire	-	-	1,236	1,236
Water and Sewer District	1,155,801	150,447	40,263	1,346,511
Aviation Operations	1,120,306	-	-	1,120,306
Waste Management	-	-	2,676	2,676
Non-major government funds	781,046	14,600	134,175	929,821
Internal Service Funds	-	-	109	109
Total	$ 6,051,499	$ 4,820,609	$ 1,251,290	$ 12,123,398

NOTE E – LEASE RECEIVABLES

The County leases land and buildings to third parties. As of September 30, 2023, The County's lease receivables were valued at $33,490,161 and the deferred inflow of resources associated with these leases that will be recognized as revenue over the term of the leases was $32,703,429. Included in revenue was lease revenue of $361,117 and $719,853 for governmental and business-type activities, respectively. Interest revenue from leases of $222,522 and $900,993 was recorded for governmental and business-type activities, respectively.

The lease receivables for Governmental and Business-Type Activities at September 30, 2023 were as follows:

Governmental Activities	
Land leases - annual lease payments totaling $62,232 plus interest for 2024 at rates ranging from 3.42% to 3.90%, final maturities ranging from 2026 to 2060	$ 2,114,049
Building leases - annual lease payments totaling $180,387 plus interest for 2024 at rates ranging from 3.42% to 3.90%, final maturities ranging from 2025 to 2042	4,170,393
Total Governmental Activities Lease Receivables	$ 6,284,442
Business-Type Activities	
Land leases - annual lease payments totaling $406,523 plus interest for 2024 at rates ranging from 3.42% to 3.90%, due dates ranging from 2024 to 2090	$ 27,205,719
Total Business-Type Activities Lease Receivables	$ 27,205,719

NOTE F – RESTRICTED ASSETS

As of September 30, 2023, 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	$ 320,022	$ -	$ 320,022
Non-major government funds	5,149	-	5,149
Debt Service Funds	-	16,289	16,289
Total Governmental Activities	325,171	16,289	341,460
Water and Sewer District			
Construction	1,221,764	14,923,394	16,145,158
Renewal and Replacement	-	6,457,255	6,457,255
Total Water and Sewer District	1,221,764	21,380,649	22,602,413
Waste Management			
Construction	-	13,534,938	13,534,938
Landfill Closure/Post-closure	-	10,442,428	10,442,428
TotalWaste Management	-	23,977,366	10,442,428
Total Business-Type Activities	$ 1,221,764	$ 45,358,015	$ 33,044,841

NOTE G – CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated/amortized:				
Land	$ 33,653,183	$ 167,599	$ 198,762	$ 33,622,020
Construction in Progress	11,818,854	22,587,973	918,078	33,488,749
Total capital assets, not being depreciated/amortized:	45,472,037	22,755,572	1,116,840	- 67,110,769
Capital assets, being depreciated/amortized:				
Buildings	136,316,636	58,731	396,793	135,978,574
Infrastructure	327,306,710	7,444,431	-	334,751,141
Improvements other than buildings	33,237,666	1,502,916		34,740,582
Equipment	86,338,228	11,147,252	9,890,072	87,595,408
Software	1,357,035	-	27,075	1,329,960
Right-to-use land	3,789,066	-	31	3,789,035
Right-to-use building	1,092,448	236,137	-	1,328,585
Right-to-use equipment	394,419	-	-	394,419
SBITA	1,530,353	537,507	-	2,067,860
Total capital assets, being depreciated/amortized:	591,362,561	20,926,974	10,313,971	601,975,564
Less accumulated depreciation/amortization for:				
Buildings	66,309,644	4,432,732	54,132	70,688,244
Infrastructure	140,399,996	9,339,847	-	149,739,843
Improvements other than buildings	23,292,040	970,092	-	24,262,132
Equipment	54,941,048	7,716,898	9,566,116	53,091,830
Software	982,596	156,821	27,075	1,112,342
Right-to-use land	142,323	181,717	-	324,040
Right-to-use building	247,932	291,742	-	539,674
Right-to-use equipment	197,209	197,209	-	394,418
SBITA	-	342,587	-	342,587
Total accumulated depreciation/amortization for:	286,512,788	23,629,645	9,647,323	300,495,110
Total capital assets, being depreciated/amortized, net	304,849,773	(2,702,671)	666,648	301,480,454
Capital assets, net	$ 350,321,810	$ 20,052,901	$ 1,783,488	$ 368,591,223

Beginning Capital assets, Net restated for GASB 96.

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated/amortized:				
Land	$ 10,429,374	$ -	$ -	$ 10,429,374
Construction in Progress	59,416,104	20,395,811	31,436,597	48,375,318
Total capital assets, not being depreciated/amortized:	69,845,478	20,395,811	31,436,597	- 58,804,692
Capital assets, being depreciated:				
Buildings	22,648,158	198,411	420,322	22,426,247
Infrastructure	3,563,251	-	-	3,563,251
Improvements other than buildings	406,014,298	40,152,753	-	446,167,051
Equipment	10,730,669	466,632	1,332,813	9,864,488
Software	228,323	-	-	228,323
Right-to-use equipment	1,706,358	-	1,706,358	-
Total capital assets, being depreciated:	444,891,057	40,817,796	3,459,493	482,249,360
Less accumulated depreciation/amortization for:				
Buildings	8,403,449	677,665	308,871	8,772,243
Infrastructure	982,630	89,258	-	1,071,888
Improvements other than buildings	202,376,138	9,375,151	-	211,751,289
Equipment	7,574,314	507,918	1,328,730	6,753,502
Software	102,745	45,665	-	148,410
Right-to-use equipment	853,179	853,179	1,706,358	-
Total accumulated depreciation/amortization for:	220,292,455	11,548,836	3,343,959	228,497,332
Total capital assets, being depreciated, net	224,598,602	29,268,960	115,534	253,752,028
Capital assets, net	$ 294,444,080	$ 49,664,771	$ 31,552,131	$ 312,556,720

Depreciation and amortization expense was charged to functions as follows:

Governmental Activities	
General Government	$ 6,453,707
Public Safety	4,150,707
Physical Environment	187,083
Transportion	10,150,581
Economic Environment	964
Human Services	1,982,616
Culture and Recreation	634,887
Court Operations	69,100
Total Depreciation and Amortization for Governmental Activities	$ 23,629,645
Business-Type Activities	
Water and Sewer District	$ 8,308,513
Aviation Operations	1,407,884
Waste Management	1,773,459
Building Department	58,980
Total Depreciation and Amortization for Business-Type Activities	$ 11,548,836

Construction or capital improvement commitments outstanding as measured by purchase orders and contracts outstanding at September 30, 2023 were as follows:

	Construction Commitments Outstanding
General Fund	$ 22,514,094
Transportation Trust and Gas Taxes	7,082,518
Hernando County Fire Rescue - Fire	3,468,540
Hernando County Fire Rescue - Rescue	2,472,603
American Rescue Plan Act	6,561,360
Non-major governmental funds	
Stormwater Management	182,546
Court-Related Funds	2,510,396
Miscellaneous Special Revenue Funds	4,596
Impact Fees Capital Projects Fund	3,698,905
Restore Act Projects	64,338
Water and Sewer District	14,633,503
Aviation Operations	2,660,654
Waste Management	1,036,744
Internal service funds	
Central Fueling System	22,360
Fleet Replacement	5,165,103
Total	$ 72,078,260

NOTE H – INTERFUND TRANSACTIONS

1. DUE TO / DUE FROM OTHER FUNDS

Interfund balances at September 30, 2023 were as follows:

	Interfund Receivable	Interfund Payable
General Fund		
Non-major Governmental Funds	$ 68,995	$ -
	68,995	-
Non-major Governmental Funds		
General Fund	-	68,995
Water and Sewer District	-	72,644
	-	141,639
Water and Sewer District		
Non-major Governmental Funds	72,644	-
	72,644	-
Total	$ 141,639	$ 141,639

The outstanding balances between funds generally result from recording excess fees associated with Tax Collector and Property Appraiser services, as excess fees are allocated from the General Fund back to the funds that paid for the collection services. Excess fees are calculated after year end, and as such are interfund receivables and payables. Other outstanding balances are the result of time delays between transactions recorded in the accounting system and payments being made between funds.

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	$ 450,000	$ 450,000

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	$ 369,894	$ 137,567
Hernando County Fire Rescue - Fire	198,272	313,956
Hernando County Fire Rescue - Rescue	156,528	143,584
Non-major Governmental Funds	274,452	4,751,109
Water and Sewer District	250,000	-
Waste Management	125,000	-
Internal Service Funds	-	960,399
	1,374,146	6,306,615
Transportation Trust and Gas Taxes		
General Fund	137,567	369,894
Non-Major Governmental Funds	832,587	148,732
Internal Service Funds	-	347,309
	970,154	865,935
Hernando County Fire Rescue - Fire		
General Fund	313,956	198,272
Hernando County Fire Rescue - Rescue	218,189	-
Non-Major Governmental Funds	-	184,047
Internal Service Funds	-	607,186
	532,145	989,505
Hernando County Fire Rescue - Rescue		
General Fund	143,584	156,528
Hernando County Fire Rescue - Fire	-	218,189
Non-Major Governmental Funds	-	77,910
Internal Service Funds	-	319,276
	143,584	771,903

Non-major Governmental Funds		
General Fund	4,751,109	274,452
Transportation Trust and Gax Taxes	148,732	832,587
Hernando County Fire Rescue - Fire	184,047	-
Hernando County Fire Rescue - Rescue	77,910	-
Non-major Governmental Funds	6,501,114	6,501,114
Water and Sewer District	-	-
Aviation Operations	-	295,289
Internal Service Funds	63,611	83,240
	11,726,523	7,986,682
Water and Sewer District		
General Fund	-	250,000
Aviation Operations	-	50,332
Internal Service Funds	-	469,692
	-	770,024
Aviation Operations		
Non-major Governmental Funds	295,289	-
Water and Sewer District	50,332	-
Internal Service Funds	-	24,762
	345,621	24,762
Waste Managmenet		
General Fund	-	125,000
Internal Service Funds	-	114,765
	-	239,765
Building Department		
Internal Service Funds	-	147,939
	-	147,939
Internal Service Funds		
General Fund	960,399	-
Transportation Trust and Gas Taxes	347,309	-
Hernando County Fire Rescue - Fire	607,186	-
Hernando County Fire Rescue - Rescue	319,276	-
Non-major Governmental Funds	83,240	63,611
Water and Sewer District	469,692	-
Aviation Operations	24,762	-
Waste Managmenet	114,765	-
Building Department	147,939	-
Internal Service Funds	52,222	52,222
	3,126,790	115,833
Total	$ 18,218,963	$ 18,218,963

NOTE I – 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	$ 840,000	$ 31,285,000	$ 415,000	$ 31,710,000	$ 425,000
Net Bond Premium	3,710	977,142	46,563	934,289	46,563
Total Bonds Payable	843,710	32,262,142	461,563	32,644,289	471,563
Loans & Notes from direct borrowings/direct placements	24,286,789	4,062,000	4,365,452	23,983,337	4,267,925
Financed Purchase Obligations	342,482	-	342,482	-	
Leases Payable	4,791,190	197,987	509,772	4,479,405	347,435
SBITA Payable	617,676		340,727	276,949	156,738
Compensated Absences	10,977,218	7,954,285	7,516,785	11,414,718	6,852,117
Other Post Employment Benefits	18,532,886	2,458,638	-	20,991,524	979,542
Net Pension Liability	144,388,566	19,951,721	-	164,340,287	-
Claims Liability	7,643,426	25,445,622	25,439,501	7,649,547	3,999,547
Total Governmental Activities	$ 212,423,943	$ 92,332,395	$ 38,976,282	$ 265,780,056	$ 17,074,867
Business-Type Activities					
Bonds Payable from direct borrowings/direct placements	$ 59,539,950	$ 19,415,000	$ 4,575,000	$ 74,379,950	$ 4,400,000
Net Bond Premium	7,523,245	743,798	555,763	7,711,280	554,582
Total Bonds Payable	67,063,195	20,158,798	5,130,763	82,091,230	4,954,582
Loans & Notes from direct borrowings/direct placements	636,852	-	204,176	432,676	212,179
Leases Payable	865,315	-	865,315	-	
Compensated Absences	1,214,870	1,002,415	887,068	1,330,217	365,085
Other Post Employment Benefits	2,523,745	325,192	-	2,848,937	129,561
Net Pension Liability	9,627,698	1,172,987	-	10,800,685	-
Landfill Closure/ Postclosure Liability	11,786,616		346,179	11,440,437	-
Total Business-Type Activities	$ 93,718,291	$ 22,659,392	$ 7,433,501	$ 108,944,182	$ 5,661,407

	Water & Sewer District	Aviation Operations	Waste Management	Building Department	Total
Business-Type Activities					
Bonds Payable from direct borrowings/direct placements	$ 55,539,950	$ -	$ 18,840,000	$ -	$ 74,379,950
Net Bond Premium	7,007,365	-	703,915	-	7,711,280
Total Bonds Payable	62,547,315	-	19,543,915	-	82,091,230
Loans & Notes from direct borrowings/direct placements	-	432,676	-	-	432,676
Leases Payable	-	-	-	-	-
Compensated Absences	821,337	64,802	223,395	220,683	1,330,217
Other Post Employment Benefits	1,846,130	93,661	448,874	460,272	2,848,937
Net Pension Liability	7,034,430	427,479	1,752,500	1,586,276	10,800,685
Landfill Closure/ Postclosure Liability	-	-	11,440,437		11,440,437
Total Business-Type Activities	$ 72,249,212	$ 1,018,618	$ 33,409,121	$ 2,267,231	$ 108,944,182

See Note J for a discussion of the Net Pension Liability. See Note K for a discussion of the liability for Other Post-Employment Benefits. See Note N for a discussion of the liability for Claims Liabilities. See Note O 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	$ 12,655,337	$ 432,676
Other Loans and Notes	11,328,000	-
Total	$ 23,983,337	$ 432,676

Governmental Activities

The following are summaries of Non-Revolving Lines of Credit at September 30, 2023:

Governmental Activities - Governmental Funds

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, 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.	$	342,729
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.		11,586

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.	1,705	
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.	4,184	
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.	12,496	
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.	12,056	
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.	4,475	
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.	3,516	
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.	2,843	
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.	5,876	
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.	27,162	
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.	16,454	
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.	283,403	
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.	81,440	
		$ 809,925

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.	$	89,935
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.		53,639
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.		21,846
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.		112,018
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.		493,661
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.		15,062
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.		23,472
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.		52,628
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.		34,751

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.	25,731
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.	19,510
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.	23,309
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.	206,174
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.	45,696
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.	71,474
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.	31,907
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.	49,902
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.	54,594
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.	108,585
Jackdaw Road Paving. Applicable rate of interest: 4.09%. Average annual principal payments of $4,928 due until May 1, 2029. Interest paid semi-annually May 1 and November 1.	28,835
Jaybird Road Paving. Applicable rate of interest: 4.09%. Average annual principal payments of $15,289 due until May 1, 2029. Interest paid semi-annually May 1 and November 1.	89,459
Kodiak Wren Road Paving. Applicable rate of interest: 4.09%. Average annual principal payments of $6,478 due until May 1, 2029. Interest paid semi-annually May 1 and November 1.	37,904
Old Squaw Avenue Paving. Applicable rate of interest: 4.09%. Average annual principal payments of $12,859 due until May 1, 2029. Interest paid semi-annually May 1 and November 1.	75,241

Quill Paving. Applicable rate of interest: 4.09%. Average annual principal payments of $3,396 due until May 1, 2029. Interest paid semi-annually May 1 and November 1.	19,871	
Wood Owl Road Paving. Applicable rate of interest: 3.14%. Average annual principal payments of $14,010 due until May 1, 2029. Interest paid semi-annually May 1 and November 1.	88,845	
Tinamou Area Paving. Applicable rate of interest: 3.14%. Average annual principal payments of $19,150 due until May 1, 2029. Interest paid semi-annually May 1 and November 1.	121,440	
Alberta Street Paving. Applicable rate of interest: 3.14%. Average annual principal payments of $10,860 due until May 1, 2029. Interest paid semi-annually May 1 and November 1.	68,869	
White Road Paving. Applicable rate of interest: 3.03%. Average annual principal payments of $18,592 due until May 1, 2029. Interest paid semi-annually May 1 and November 1.	117,146	
		$ 2,181,504

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 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:

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-annually May 1 and November 1.	$ 43,066	
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.	35,894	
Piping Plover Area Road Paving. Applicable rate of interest: 2.327%. Average annual principal payments of $17,752 due until May 1, 2030. Interest is paid semi-annually May 1 and November 1.	128,252	
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.	135,698	
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.	140,338	
Michigan Avenue Road Paving. Applicable rate of interest: 2.06%. Average annual principal payments of $16,017 due until May 1, 2031. Interest is paid semi-annually May 1 and November 1.	129,439	

Hurricane Drive Road Paving. Applicable rate of interest: 2.06%. Average annual principal payments of $14,737 due until May 1, 2031. Interest is paid semi-annually May 1 and November 1.	119,091	
Pleasant Area Road Paving. Applicable rate of interest: 3.63%. Average annual principal payments of $44,041 due until May 1, 2032. Interest is paid semi-annually May 1 and November 1.	399,846	
Mandrake/Canary Road Paving. Applicable rate of interest: 3.2847%. Average annual principal payments of $13,109 due until May 1, 2032. Interest is paid semi-annually May 1 and November 1.	118,924	
Station 5 - Fire. Applicable rate of interest: 2.06%. Average annual principal payments of $490,000 due until May 1, 2031. Interest is paid semi-annually May 1 and November 1.	3,959,833	
Station 6 - Fire. Applicable rate of interest: 2.06%. Average annual principal payments of $50,000 due until May 1, 2031. Interest is paid semi-annually May 1 and November 1.	404,064	
		$ 5,614,445

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.	$ 7,266,000

Governmental Activities - Internal Service Funds 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:	
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.	$ 257,907

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.	261,047	
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.	149,478	
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.	306,754	
		$ 975,186
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 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.	$ 1,825,523	
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.	248,883	
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.	711,193	
Vehicle purchases. Applicable rate of interest: 3.2921%. Average annual principal payments of $47,729 due until May 1, 2029. Interest is paid semi-annually May 1 and November 1.	288,678	
		$ 3,074,277
Non-Ad Valorem Revenue Note, Series 2023 dated June 20, 2023 with a bank for $4,062,000 is a direct borrowing to be used to finance vehicle purchases. 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.		
Vehicle purchases. Applicable rate of interest: 3.9%. Average annual principal payments of $406,200 due until May 1, 2033. Interest is paid semi-annually May 1 and November 1.		4,062,000
Total Governmental Activities Loans and Notes		$ 23,983,337

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

Year ended September 30	Principal	Interest	Total
2024	$ 4,267,925	$ 664,325	$ 4,932,250
2025	3,940,346	560,579	$ 4,500,925
2026	3,581,175	442,774	$ 4,023,949
2027	3,443,730	337,168	$ 3,780,898
2028	3,349,964	235,228	$ 3,585,192
2029-2033	5,400,197	401,588	$ 5,801,785
	$ 23,983,337	$ 2,641,662	$ 26,624,999

Business-Type Activities

The following is a summary of Loans & Notes at September 30, 2023:

Aviation Operations

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:	
Construction of multiple T-Hangar buildings known as Southeast T-Hanger Construction Phase III. 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.	$ 432,676

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

Year ended September 30	Principal	Interest	Total
2024	212,179	16,961	$ 229,140
2025	220,497	8,643	$ 229,140
	$ 432,676	$ 25,604	$ 458,280

2. LEASES PAYABLE

Governmental Activities

The County is a lessee for noncancellable leaes of land, building and equipment. At September 30, 2023, the County's Long-term Lease payable was composed of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Land	$ 3,726,057	$ -	$ 71,294	$ 3,654,763	$ 79,553
Building	865,118	197,987	238,463	824,642	267,882
Equipment	200,015	-	200,015	-	-
Total Long-Term Leases	$ 4,791,190	$ 197,987	$ 509,772	$ 4,479,405	$ 347,435

The County has entered into land lease agreements. The lease agreements qualify as other than short-term leases under GASB 87 and , therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The lease terms range from 2027 to 2054. Three are no variable components of the lease. The leases liability is measured at discount rates ranging from 3.42% to 3.90% representing the County's incremental borrowing rate based on the time each lease was established. As a result of the leases, the County has recorded right-to-use assets with a total net book value of $3,464,995 at September 30, 2023.

The future minimum lease obligations and the net present value of the minimum lease payments as of September 30, 2023 were as follows:

Year ended September 30	Principal	Interest
2024	$ 79,553	$ 123,896
2025	88,866	120,665
2026	98,343	117,452
2027	63,846	114,722
2028	71,196	112,713
2029-2033	487,932	517,493
2034-2038	753,080	411,973
2039-2043	867,571	261,010
2044-2048	652,465	142,452
2049-2053	480,262	29,982
2054	11,649	35
Total	$ 3,654,763	$ 1,952,393

The County has entered into building lease agreements. The lease agreements qualify as other than short-term leases under GASB 87 and , therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The lease terms range from 2025 to 2031. Three are no variable components of the lease. The leases liability is measured at discount rates ranging from 3.42% to 3.90% representing the County's incremental borrowing rate based on the time each lease was established. As a result of the leases, the County has recorded right-to-use assets with a total net book value of $788,911 at September 30, 2023.

The future minimum lease obligations and the net present value of the minimum lease payments as of September 30, 2023 were as follows:

Year ended September 30	Principal	Interest
2024	$ 267,882	$ 23,517
2025	157,486	16,156
2026	114,129	11,570
2027	119,308	7,564
2028	48,155	4,696
2029-2033	117,682	5,291
Total	$ 824,642	$ 68,794

3. Subscription Based Information Technology Arrangements (SBITAs)

Governmental Activities

The County has various subscription-based information technology arrangements with various terms under long-term, non-cancelable agreements. The lease terms range from 2024 to 2025. The SBITA liability is measured at a discount rate of 3.90% representing the County's incremental borrowing rate based on the time each SBITA was established.

The future minimum payments and the net present value of the minimum payments as of September 30, 2023 were as follows:

Year ended September 30	Principal	Interest
2024	$ 156,738	$ 7,223
2025	120,211	1,102
Total	$ 276,949	$ 8,325

4. 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 2022, pledged revenues in the amount of $52.7 million provided a

coverage ratio of 13.00 times the annual debt service for the combined Non-Ad Valorem Refunding Revenue Bonds, Series 2010, the Non-Ad Valorem Refunding Revenue Note, Series 2012, and the Non-Ad Valorem Revenue Bonds, Series 2022.

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.

NON-AD VALOREM REVENUE BONDS, SERIES 2022

Non-Ad Valorem Revenue Bonds, Series 2022 dated October 12, 2022 in the aggregate amount of $50,700,000 were issued as a direct placement during the fiscal year ended September 30, 2023. Of the total bonds issued, the portion attributable to Governmental Funds is $31,285,000. The bonds were issued to fund the capital projects of the Hernando County Judicial Renovations, Hernando County Westside Tax Collector Building, and the Hernando County Fire Station #2 and to pay certain costs and expenses relating to the issuance of the Series 2022 Bonds.

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. For the fiscal year 2022, pledged revenues in the amount of $52.7 million provided a coverage ratio of 13.00 times the annual debt service for the combined Non-Ad Valorem Refunding Revenue Bonds, Series 2010, the Non-Ad Valorem Refunding Revenue Note, Series 2012, and the Non-Ad Valorem Revenue Bonds, Series 2022.

Interest on the bonds is payable December 1 and June 1 of each year, commencing December 2022. The bonds carry interest rates varying from 4.0% to 5.0%, depending upon maturity date. Bonds maturing on or before June 1, 2032 are not subject to optional redemption prior to their respective stated dates of maturity. Bonds maturing on June 1, 2032 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, 2023:

	Non-Ad Valorem Refunding Revenue Bonds Series 2010		Non-Ad Valorem Refunding Revenue Bonds Series 2022 (Governmental Portion)	
Year	Principal	Interest	Principal	Interest
2024	$ 425,000	$ 8,766	$ -	$ 1,540,869
2025	-	-	-	1,540,868
2026	-	-	-	1,540,869
2027	-	-	-	1,540,868
2028	-	-	-	1,540,869
2029-2033	-	-	1,840,000	7,659,844
2034-2038	-	-	5,455,000	6,784,325
2039-2043	-	-	6,750,000	5,483,775
2044-2048	-	-	8,600,000	3,627,188
2049-2052	-	-	8,640,000	1,145,025
Total	$ 425,000	$ 8,766	$ 31,285,000	$ 32,404,500

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.

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 2023, Pledged Funds in the amount of $18 million provided a coverage ratio of 3.08 times the annual debt service for the combined bonds.

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.

Interest on the Series 2021 Bonds is payable June 1 and December 1 of each year, commencing December 2021. The bonds carry interest varying from .315% to 2.441% depending upon maturity date. 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.

Water and Sewer Refunding Revenue Bonds, Series 2021B

Water and Sewer Refunding Revenue Bonds, Series 20121B were issued to provide funds, together with other legally available monies of the County, sufficient to prepay all 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.

Interest on the bonds is payable June 1 and December 1 of each year, commencing December 2021. 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 at the option of the County.

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
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	1,910,000	336,816	2,540,000	1,151,650	4,450,000	1,488,466
2028	1,940,000	307,898	2,665,000	1,024,650	4,605,000	1,332,548
2029-2033	10,260,000	958,540	14,035,000	3,019,650	24,295,000	3,978,190
2034-2037	2,195,000	53,580	7,375,000	525,650	9,570,000	579,230
Total	$ 21,910,000	$ 2,784,681	$ 33,590,000	$ 9,814,200	$ 55,500,000	$ 12,598,881

Waste Management

NON-AD VALOREM REVENUE BONDS, SERIES 2022

Non-Ad Valorem Revenue Bonds, Series 2022 dated October 12, 2022 in the aggregate amount of $47,515,000 were issued as a direct placement during the fiscal year ended September 30, 2023. Of the total bonds issued, the portion attributable to the Waste Management Enterprise Funds is $19,415,000. The bonds were issued to fund the capital project of the Hernando County Class I Cell 4 and to pay certain costs and expenses relating to the issuance of the Series 2022 Bonds.

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. For the fiscal year 2022, pledged revenues in the amount of $52.7 million provided a coverage ratio of 13.00 times the annual debt service for the combined Non-Ad Valorem Refunding Revenue Bonds, Series 2010, the Non-Ad Valorem Refunding Revenue Note, Series 2012, and the Non-Ad Valorem Revenue Bonds, Series 2022.

Interest on the bonds is payable December 1 and June 1 of each year, commencing December 2022. The bonds carry interest rates varying from 4.0% to 5.0%, depending upon maturity date. Bonds maturing on or before June 1, 2032 are not subject to optional redemption prior to their respective stated dates of maturity. Bonds maturing on June 1, 2032 and thereafter are subject to redemption prior to their respective dates of maturity.

The following are the debt service requirements until maturity for the Hernando County Non-Ad Valorem Revenue Bonds, Series 2022 attributable to the Waste Management Fund:

	Non-Ad Valorem Refunding Revenue Bonds Series 2022 (Waste Management Portion)	
Year	Principal	Interest
2024	$ 310,000	$ 930,631
2025	325,000	915,131
2026	345,000	898,881
2027	360,000	881,631
2028	380,000	863,631
2029-2033	2,190,000	4,014,906
2034-2038	2,765,000	3,442,938
2039-2043	3,425,000	2,782,813
2044-2048	4,360,000	1,841,700
2049-2052	4,380,000	581,638
Total	$ 18,840,000	$ 17,153,900

5. 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, 2023, there were no defeased bonds.

6. 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.

7. 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, 2023 there was one series of outstanding Industrial Revenue Development Bonds, with an outstanding principal amount of $8,885,833.

NOTE J – 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 annual comprehensive 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).

For the year ended September 30, 2023, the County's contributions to all Plans totaled $21,018,344. 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	$ 8,157,925	$ 837,263	$ 924,171	$ 9,919,359
Clerk of Circuit Court	656,557	96,593	110,129	863,279
Property Appraiser	363,554	40,639	23,987	428,180
Tax Collector	404,755	42,585	34,771	482,111
Sheriff	7,711,568	657,817	790,487	9,159,872
Supervisor of Elections	134,298	11,627	19,618	165,543
	$ 17,428,657	$ 1,686,524	$ 1,903,163	$ 21,018,344

Payables to the Pension Plan—The County reported a payable of $1,144,978 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2023.

Total pension expense was $41,345,182 for the fiscal year ended September 30, 2023.

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.

An employee may participate in DROP for a period not to exceed 96 months after electing to participate. 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.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2022-2023 fiscal year (September 30th) were as follows:

	Year Ended June 30, 2023 Percent of Gross Compensation		Year Ended June 30, 2024 Percent of Gross Compensation	
	Employee	Employer	Employee	Employer
FRS, Regular	3.00	10.19	3.00	13.57
FRS, Special Risk Regular	3.00	26.11	3.00	32.67
FRS, Elected County Officers	3.00	55.28	3.00	58.68
FRS, Circuit and County Court Judges	3.00	42.05	3.00	44.89
FRS, Senior Management Service	3.00	29.85	3.00	34.52
DROP, Applicable to Members from All of the Above Classes	0.00	16.58	0.00	21.13

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 $17,428,657 for the fiscal year ended September 30, 2023. 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, 2023, the County reported a liability of $136,915,657 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The County's proportionate share of the net pension liability was based on the County's 2022-23 fiscal year contributions relative to the 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the County's proportion was 0.343604846%, which was a decrease of .000996508% from its proportion measured as of June 30, 2022.

For the year ended September 30, 2023, the County recognized pension expense of $26,861,154 related to the Plan. At September 30, 2023, 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	$ 5,249,801	$ -
Difference between Expected and Actual Experience	12,855,199	-
Changes in Assumptions	8,925,298	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	5,717,968	-
Employer Specific Amounts Due to Changes in Employer Proportion	2,278,617	6,448,124
Total	$ 35,026,883	$ 6,448,124

The deferred outflows of resources related to pensions, totaling $5,249,801, 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, 2024. 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
2024	$ 2,325,785
2025	(3,026,191)
2026	21,361,294
2027	2,072,512
2028	595,558
Total	$ 23,328,958

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	$ 65,066,678	$ 15,484,939	$ 3,596,058
Clerk of Circuit Court	5,381,812	1,629,658	4,509
Property Appraiser	3,004,054	752,559	3,656
Tax Collector	3,322,408	914,468	29,431
Sheriff	59,018,884	15,889,520	2,802,845
Supervisor of Elections	1,121,821	355,739	11,625
	$ 136,915,657	$ 35,026,883	$ 6,448,124

Actuarial Assumptions. The total pension liability in the July 1, 2023 actuarial valuation was determined using the individual entry age cost method and the following actuarial assumptions:

Inflation	2.40%
Salary Increases	3.25% Average, Included Inflation
Discount Rate	6.70%
Long-term Expected Rate of Return, Net of Investment Expense	6.70%
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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

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%	2.9%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global Equity	54.0%	8.7%	7.1%	18.1%
Real Estate	10.3%	7.6%	6.6%	14.8%
Private Equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
Total	100.0%			
Assumed Inflation-Mean			2.4%	1.4%

Discount Rate. The discount rate used to measure the total pension liability in the July, 2022 valuation was 6.70%. 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 6.70%, 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 (5.70%) or 1-percentage-point higher (7.70%) than the current rate:

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
Employer's Proportionate Share of Net Pension Liability (Asset)	$ 233,879,820	$ 136,915,657	$ 55,793,531

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 Annual Comprehensive 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.

Benefits Provided. For the fiscal year ended June 30, 2022, 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, 2022 and 2021, 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 $1,686,524 for the fiscal year ended September 30, 2023. 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, 2023, the County reported a liability of $38,225,315 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The County's proportionate share of the net pension liability was based on the County's 2022-23 fiscal year contributions relative to the 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the County's proportion was 0.240693357%, which was an decrease of .002866394 from its proportion measured as of June 30, 2022.

For the year ended September 30, 2023, the County recognized pension expense of $14,484,028 related to the Plan. At September 30, 2023, 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	$ 525,676	$ -
Difference between Expected and Actual Experience	559,593	89,721
Changes in Assumptions	1,004,932	3,312,353
Net Difference between Projected and Actual Earnings on Pension Plan Investments	19,739	-
Employer Specific Amounts Due to Changes in Employer Proportion	1,007,998	719,535
Total	$ 3,117,938	$ 4,121,609

The deferred outflows of resources related to pensions, totaling $525,676, 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, 2024. 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
2023	$ (173,125)
2024	(91,372)
2025	(285,220)
2026	(587,921)
2027	(350,366)
Thereafter	(41,343)
Total	$ (1,529,347)

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	$ 19,294,785	$ 1,298,269	$ 2,398,014
Clerk of Circuit Court	2,198,444	258,465	203,810
Property Appraiser	954,761	68,565	92,659
Tax Collector	997,914	103,227	98,843
Sheriff	14,505,517	1,334,263	1,301,281
Supervisor of Elections	273,894	55,149	27,002
	$ 38,225,315	$ 3,117,938	$ 4,121,609

Actuarial Assumptions. The total pension liability in the July 1, 2022 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, Included Inflation
Discount Rate	3.65%
Long-term Expected Rate of Return, Net of Investment Expense	N/A
Municipal Bond Index	3.65%

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

The actuarial assumptions used in the June 30, 2023 valuation, were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

Discount Rate. The discount rate used to measure the total pension liability was 3.65%. 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 3.65%, 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 (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Employer's Proportionate Share of Net Pension Liability (Asset)	$ 43,609,119	$ 38,225,315	$ 33,762,504

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 Annual Comprehensive 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 2022-23 fiscal year are as follows:

	Year Ended June 30, 2023 Percent of Gross Compensation		Year Ended June 30, 2024 Percent of Gross Compensation	
	Employee	Employer	Employee	Employer
FRS, Regular	3.00	6.30	3.00	8.30
FRS, Special Risk Regular	3.00	14.00	3.00	16.00
FRS, Elected County Officers	3.00	11.34	3.00	13.34
FRS, Senior Management Service	3.00	7.67	3.00	9.67

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, 2023, 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 $1,903,163 for the fiscal year ended September 30, 2023.

NOTE K – POST EMPLOYMENT BENEFITS OTHER THAN PENSION

1. SUMMARY AND PLAN DESCRIPTION

In addition to the retirement plan described in Note J, 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.

Currently, there are no direct subsidies provided by any of the County agencies to retired employees. The Sheriff's Office has 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, 2022 with a measurement date of September 30, 2022. These liabilities are used for the reporting period ending September 30, 2023.

Actuarial Valuation Date	9/30/2022
Measurement Date	9/30/2022
County's Reporting Date	9/30/2023

At September 30, 2022, the date of the latest actuarial valuation, plan participation consisted of:

Active Plan Participants	1435
Retirees and Beneficiaries Receiving Benefits	101
Total Membership	1536

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, 2022 are as follows:

Total OPEB Liability	$ 23,840,461
OPEB Plan Fiduciary Net Position	-
County's Net OPEB Liability	$ 23,840,461
OPEB Plan Fiduciary Net Position as a Percentage of Total OPEB Liabililty	0.00%

4. CHANGES IN TOTAL OPEB LIABILITY

The changes in the OPEB Liability for the Reporting Period Ended September 30, 2023 are as follows:

Total OPEB Liability:	
Service Cost	$ 1,009,017
Interest on Total OPEB Liability	471,389
Charges of Benefit Terms	-
Difference between Expected and Actual Expense Liability	794,215
Changes in Assumptions and Other Inputs	1,591,261
Benefit Payments	(1,082,052)
Net Change in Total OPEB Liability	2,783,830
Total OPEB Liability-Beginning	21,056,631
Total OPEB Liability-Ending	$ 23,840,461
Covered Employee Payroll	$ 86,842,834
Total OPEB Liability as a Percentage of Covered Employee Payroll	27.45%

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 4.40%, 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 (3.40%) or one percentage-point higher (5.40%) than the current discount rate:

	1% Decrease 3.40%	Current Discount Rate 4.40%	1% Increase 5.40%
Total OPEB Liability	$ 25,827,768	$ 23,840,461	$ 22,041,936

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 healthcare cost trend rate of 6.50% decreasing to 4.00%, 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 or one percentage-point higher than the current healthcare cost trend rate.

	1% Decrease (5.50% decreasing to 3.00%)	Current Healthcare Discount Rate Assumption (6.50% decreasing to 4.00%)	1% Increase (7.50% decreasing to 5.00%)
Total OPEB Liability	$ 21,435,900	$ 23,840,461	$ 26,737,062

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 13.4 years.

For the year ended September 30, 2023, the County recognized OPEB expense of $1,506,351.

OPEB Expense:	
Service Cost	$ 1,009,017
Interest on Total OPEB Liability	471,389
Current-Period Benefit Changes	-
OPEB Plan Administrative Expense	-
Outflow(Inflow) of Resources due to Liability	25,945
Total OPEB Expense	$ 1,506,351

At September 30, 2023, the County has Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Amounts
Differences between Expected and Actual Experience	$ 2,583,735	$ -	$ 2,583,735
Changes in Assumptions and Other Inputs	2,879,619	3,963,076	(1,083,457)
Benefits Paid after the Measurement Date	1,414,659	-	1,414,659
	$ 6,878,013	$ 3,963,076	$ 2,914,937

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

Fiscal Year Ending	Amount
2024	$ 25,945
2025	25,945
2026	25,945
2027	25,945
2028	25,945
Thereafter	1,370,553
Total	$ 1,500,278

Estimated Deferred Outflow of Resources due to benefits paid after the measurement date is $1,414,659.

6. ACTUARIAL METHODS AND ASSUMPTIONS

The total OPEB liability at September 30, 2023 was based on actuarial valuation data, from the Measurement Date of September 30, 2022, using the following actuarial assumptions:

Actuarial cost method	Entry Age Normal
Inflation	2.50%
Discount Rate	4.40%
Salary Increases	3.4% - 7.8%
Retirement Age	FRS actuarial calculated
Mortality Rates	Tables of Regular and Special Risk Class members of 7/1/2022 Florida Retirement System actuarial valuation
Healthcare Cost Trend Rates	Getzen Model, trend starting at 6.50% (20.5% for premiums to reflect actual increase) for 2023, 6.25% for 2024 and gradually decreasing to an ultimate trend rate of 4.00%
Aging factors	2013 SOA Study "Health Care Costs-From Birth to Death
Expenses	Administrative expenses included in the per capital health costs

NOTE L – 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, 2023, there is no estimated rebate liability on any of the County's bond issues.

NOTE M – 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.

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 N – 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, 2023, claims accrued, including an estimate for claims incurred but not reported, were $6,480,000. 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.

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

Description	Workers' Compensation	County Health Insurance	Sheriff Health Insurance	Total Claims Liabilities
Liability balance September 30, 2021	$ 7,420,000	$ 706,058	$ 459,041	$ 8,585,099
Claims incurred	1,385,561	14,490,429	6,565,151	22,441,141
Reinsurance recoverable	-	(2,412,557)	-	(2,412,557)
Claims paid	(2,375,561)	(11,944,474)	(6,650,222)	(20,970,257)
Liability balance September 30, 2022	6,430,000	839,456	373,970	7,643,426
Claims incurred	988,350	15,132,819	9,324,453	25,445,622
Reinsurance recoverable	-	(3,054,947)	-	(3,054,947)
Claims paid	(938,350)	(12,147,481)	(9,298,723)	(22,384,554)
Liability balance September 30, 2023	$ 6,480,000	$ 769,847	$ 399,700	$ 7,649,547
Cash available to pay claims September 30, 2023 reported in governmental activities	$ 9,181,727	$ 5,938,510	$ 9,082,243	

NOTE O – 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, 2023, the Division has accrued a total of $11,440,437 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 $7,948,046 as shown in the table below, are primarily for Cell 3. Cell 3 is approximately 74% filled at September 30, 2023 and has a remaining design life of approximately 6 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 $6,279,447. The class 1 landfill (all Cells) is approximately 85% filled at September 30, 2023. The County will recognize the remaining costs that have not been accrued (closure costs of $2,065,681 and postclosure costs of $923,481) as the remaining estimated capacity is filled.

The C&D landfill is approximately 100% filled at September 30, 2023. Postclosure maintenance and monitoring functions will be required for five years after closure. Remaining estimated postclosure costs for the C&D landfill are $202,106.

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 9/30/23	Estimated Remaining Postclosure Costs	Percent Accrued	Postclosure Accrued Liability at 9/30/23	Total Accrued Liability at 9/30/23
NW Cells 1, 2, & 3	$ 7,948,046	74.01%	$ 5,882,365	$ 6,279,447	85.29%	$ 5,355,966	$ 11,238,331
NW C & D	-	0.00%	-	202,106	100.00%	202,106	202,106
	$ 7,948,046		$ 5,882,365	$ 6,481,553		$ 5,558,072	$ 11,440,437

Amortization expense for 2023 was a decrease of $359,401 for the Class 1 landfill and an increase of $13,222 for the C&D landfill.

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, 2023, cash and investments of $10,442,428 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 P – 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	$ 36,369,084	$ 1,775,736
Other Post Employment Benefits	6,051,789	826,224
Deferred Charges on Debt Refunding	323,984	-
	$ 42,744,857	$ 2,601,960
Deferred Inflows of Resources:		
Pensions	9,808,410	761,323
Other Post Employment Benefits	3,481,436	481,640
Leases	6,115,008	26,588,421
Other items, applicable to a future period	-	4,295
	$ 19,404,854	$ 27,835,679
Statement of Governmental Funds Balance Sheet		
Deferred Inflows of Resources:		
Taxes, applicable to a future period	2,193,842	
Ambulance fees, applicable to a future period	6,379,310	
Lease payments, applicable to a future period	6,115,008	
Other items, applicable to a future period	247,526	
	$ 14,935,686	

NOTE Q – 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 R – 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.

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 (AL 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. In fiscal year 2021, the County incurred immaterial costs from Tropical Storm Elsa which were later reimbursed in fiscal year 2022. The County incurred minor costs for preventative measures in preparation for Hurricane Ian in fiscal year 2022. The County is working with FEMA and FDEM for potential reimbursement of these expenditures. These events are in varying stages of application, 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 years 2021 and 2022, 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, along with completing other eligible projects ad identified in this Act.

NOTE S – RESTATED BEGINNING NET POSITION

Effective October 1,2022, Hernando County adopted GASB Statement No. 96, *SBITAs*. Implementation of the Statement requires SBITA Assets and liabilities for all SBITAs with terms greater than 12 months. The financial statements of Governmental Activities of the County have been restated to comply with the asset and liability recognition criteria of the Statement as follows:

	Net Position Beginning of Year	Cumulative Effect of Restatement	Net Position Beginning of Year, Restated
Governmental Activities	$ 384,757,347	$ 1,450,184	$ 386,207,531

HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB)
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
SEPTEMBER 30, 2023

	2018	2019
Total OPEB Liability:		
Service Cost	$ 1,181,694	$ 1,137,228
Interest on Total OPEB Liability	589,509	682,764
Difference between Expected and Actual Expense	-	3,055,234
Changes in Assumptions and Other Inputs	(725,447)	(5,912,172)
Benefit Payments	(552,150)	(468,206)
Net Change in Total OPEB Liability	$ 493,606	$ (1,505,152)
Total OPEB Liability-Beginning	18,110,814	18,604,420
Total OPEB Liability-Ending	$ 18,604,420	$ 17,099,268
Covered Employee Payroll	$ 79,723,027	$ 71,544,598
Total OPEB Liability as a Percentage of Covered Employee Payroll	23.34%	23.90%

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 2.41% as of the beginning of the measurement period to 2.19% as of September 30, 2022. This changed 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.

2020	2021	2022	2023
$ 887,762	$ 1,158,078	$ 932,064	$ 1,009,017
674,524	559,255	499,456	471,389
-	119,256	-	794,215
1,686,520	(291,981)	344,953	1,591,261
(750,886)	(837,449)	(1,024,189)	(1,082,052)
$ 2,497,920	$ 707,159	$ 752,284	$ 2,783,830
17,099,268	19,597,188	20,304,347	21,056,631
$ 19,597,188	$ 20,304,347	$ 21,056,631	$ 23,840,461
$ 74,406,382	$ 76,535,704	$ 78,831,775	$ 86,842,834
26.34%	26.53%	26.71%	27.45%

HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB)
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
SEPTEMBER 30, 2023

Valuation Date	September 30, 2022
Measurement Date	September 30, 2022

Methods and Assumptions Used to Determine Total OPEB Liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Discount Rate	4.40%
Salary Increases	Salary increase rates used in the July 1, 2022 actuarial valuation of the Florida Retirement System; 3.4%-7.8%, including inflation.
Retirement Age	Retirement rates used in the July 1, 2022 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2013 through 2018.
Mortality	Mortality tables used for Regular and Special Risk Class members in the July 1, 2022 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2013 through 2018 and include generational projections.
Healthcare Cost Trend Rates	For the Board of County Commissioners Plan, based on the Getzen Model, with trend starting at 6.50% (20.5% for premiums to relfect actual increase) for 2023, 6.25% for 2024 and gradually trending to an ultimate trend rate of 4.00% plus 0% increase for excise tax. For the Sheriff Plan, based on the Getzen Model, with trend starting at 6.50% for 2023, 6.25% for 2024 and gradually trending to an ultimate trend rate of 4.00%.
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, 2023

Last Ten 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	196.68%	78.85%
2021	0.345012032%	26,061,739	84,464,514	30.86%	96.40%
2022	0.344601354%	128,219,397	88,881,468	144.26%	82.89%
2023	0.343604846%	136,915,657	95,549,759	143.29%	82.38%

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 Plan 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	33.39%	2.63%
2020	0.236121420%	28,830,041	82,071,964	35.13%	3.00%
2021	0.238770916%	29,288,844	84,464,514	34.68%	3.56%
2022	0.243559752%	25,796,867	88,881,468	29.02%	4.81%
2023	0.240693357%	38,225,315	95,549,759	40.01%	4.12%

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, 2023

Last Ten 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	15.19%
2021	13,787,937	(13,787,937)	-	87,067,438	15.84%
2022	15,171,292	(15,171,292)	-	91,063,551	16.66%
2023	17,428,657	(17,428,657)	-	96,466,611	18.07%

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%
2022	1,509,420	(1,509,420)	-	91,063,551	1.66%
2023	1,686,524	(1,686,524)	-	96,466,611	1.75%

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

HERNANDO COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

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

Changes in Benefit Terms from the year ended June 30, 2022 to June 30, 2023:

FRS - No significant changes.

HIS - No significant changes.

Changes in Assumptions from the year ended June 30, 2022 to June 30, 2023:

FRS - No significant changes.

HIS - Both the discount rate and Municipal Bond Index rate changed from 3.54% to 3.65%

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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, Library Estate Fund and Local Provider Participation 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.

Non-Ad Valorem Revenue Bonds 2022

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

Capital Project Funds

Impact Fees

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.

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, 2023

	Special Revenue Funds		
	Stormwater Management	**State Housing Initiative Partnership**	**Court-Related Funds**
ASSETS			
Cash and Cash Equivalents	$ -	$ -	$ -
Pooled Cash and Investments	4,332,259	5,362,640	8,311,958
Cash with Fiscal Agent	5,149	-	-
Accounts Receivable (net)	-	46,510	-
Due from Other Governments	900	-	111,511
Prepaid Items	-	-	7,470
Total Assets	**4,338,308**	**5,409,150**	**8,430,939**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilites			
Accounts Payable	15,654	31,514	188,285
Retainage Payable	139,379	-	500,000
Accrued Liabilites	25,163	-	27,525
Due to Other funds	-	-	-
Due to Other Governments	-	-	-
Unearned Revenue	-	-	-
Deposits	-	-	-
Advances from Other Funds	-	-	-
Total Liabilities	180,196	31,514	715,810
Fund Balances			
Nonspendable:			
Inventories	-	-	-
Prepaid Items	-	-	7,470
Restricted For:			
Grant Funded Programs	-	5,377,636	-
Court Programs	-	-	7,707,659
Special Assessment Projects	-	-	-
Environment Conservation	4,158,112	-	-
Bond covenants or debt service	-	-	-
Public Safety	-	-	-
Capital Projects	-	-	-
Other Purposes	-	-	-
Committed to:			
Other Purposes	-	-	-
Assigned to:			
Public Safety	-	-	-
Other Purposes	-	-	-
Total Fund Balances	4,158,112	5,377,636	7,715,129
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 4,338,308**	**$ 5,409,150**	**$ 8,430,939**

See accompanying independent auditors' report.

Special Revenue Funds					
Municipal Service Benefit Units	**Miscellaneous Special Revenue Fund**	**Clerk of Court and Comptroller**	**Property Appraiser Special Revenue Funds**	**Sheriff Special Revenue Funds**	**Total Special Revenue Funds**
$ 250	$ -	$ -	$ 1,665,493	$ 4,980,266	$ 6,646,009
6,747,630	18,042,705	4,440,332	-	-	47,237,524
-	-	-	-	-	5,149
14,476	132,867	-	-	32,766	226,619
-	462,694	40,951	-	212,695	828,751
-	-	25,179	-	-	32,649
6,762,356	**18,638,266**	**4,506,462**	**1,665,493**	**5,225,727**	**54,976,701**
1,392,477	859,130	6,038	2,422	18,226	2,513,746
-	50,464	-	-	-	689,843
-	69,870	42,966	-	112,998	278,522
72,644	-	-	-	-	72,644
-	2,942,045	1,034,583	84	200	3,976,912
-	7,109	-	-	-	7,109
-	-	252,791	-	-	252,791
-	450,000	-	-	-	450,000
1,465,121	4,378,618	1,336,378	2,506	131,424	8,241,567
-	-	-	-	-	-
-	-	25,179	-	-	32,649
-	263,966	-	-	-	5,641,602
-	-	-	-	-	7,707,659
3,923,438	-	-	-	-	3,923,438
-	-	-	-	-	4,158,112
873,355	-	-	-	-	873,355
-	-	-	-	5,094,303	5,094,303
500,442	-	-	-	-	500,442
-	7,336,656	3,144,905	-	-	10,481,561
-	563,833	-	1,662,987	-	2,226,820
-	6,089,531	-	-	-	6,089,531
-	5,662	-	-	-	5,662
5,297,235	14,259,648	3,170,084	1,662,987	5,094,303	46,735,134
$ 6,762,356	**$ 18,638,266**	**$ 4,506,462**	**$ 1,665,493**	**$ 5,225,727**	**$ 54,976,701**

HERNANDO COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Debt Service Funds		
	Non-Ad Valorem Refunding Revenue Bonds 2010	Non-Ad Valorem Refunding Revenue Note 2012	Non-Ad Valorem Revenue Bonds 2022
ASSETS			
Cash and Cash Equivalents	$ -	$ -	$ -
Pooled Cash and Investments	7,177	9,110	2
Cash with Fiscal Agent	-	-	-
Accounts Receivable (net)	-	-	-
Due from Other Governments	-	-	-
Prepaid Items	-	-	-
Total Assets	**7,177**	**9,110**	**2**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilites			
Accounts Payable	-	-	-
Retainage Payable	-	-	-
Accrued Liabilites	-	-	-
Due to Other funds	-	-	-
Due to Other Governments	-	-	-
Unearned Revenue	-	-	-
Deposits	-	-	-
Advances from Other Funds	-	-	-
Total Liabilities	-	-	-
Fund Balances			
Nonspendable:			
Inventories	-	-	-
Prepaid Items	-	-	-
Restricted For:			
Grant Funded Programs	-	-	-
Court Programs	-	-	-
Special Assessment Projects	-	-	-
Environment Conservation	-	-	-
Bond covenants or debt service	7,177	9,110	2
Public Safety	-	-	-
Capital Projects	-	-	-
Other Purposes	-	-	-
Committed to:			
Other Purposes	-	-	-
Assigned to:			
Public Safety	-	-	-
Other Purposes	-	-	-
Total Fund Balances	7,177	9,110	2
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 7,177**	**$ 9,110**	**$ 2**

See accompanying independent auditors' report.

	Capital Projects Funds			
Total Debt Service Funds	**Impact Fees**	**Restore Act Projects**	**Total Capital Projects Funds**	**Total Nonmajor Governmental Funds**
$ -	$ -	$ -	$ -	$ 6,646,009
16,289	22,812,848	-	22,812,848	70,066,661
-	-	-	-	5,149
-	-	-	-	226,619
-	-	101,070	101,070	929,821
-	-	-	-	32,649
16,289	**22,812,848**	**101,070**	**22,913,918**	**77,906,908**
-	80,250	32,075	112,325	2,626,071
-	-	19,094	19,094	708,937
-	-	-	-	278,522
-	-	68,995	68,995	141,639
-	-	-	-	3,976,912
-	1,351,565	-	1,351,565	1,358,674
-	-	-	-	252,791
-	-	-	-	450,000
-	1,431,815	120,164	1,551,979	9,793,546
-	-	-	-	-
-	-	-	-	32,649
-				
-	-	-	-	5,641,602
-	-	-	-	7,707,659
-	-	-	-	3,923,438
-	-	-	-	4,158,112
16,289	-	-	-	889,644
-	-	-	-	5,094,303
-	21,381,033	(19,094)	21,361,939	21,862,381
-	-	-	-	10,481,561
-	-	-	-	2,226,820
-	-	-	-	6,089,531
-	-	-	-	5,662
16,289	21,381,033	(19,094)	21,361,939	68,113,362
$ 16,289	**$ 22,812,848**	**$ 101,070**	**$ 22,913,918**	**$ 77,906,908**

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMEBER 30, 2023

	Special Revenue Funds		
	Stormwater Management	State Housing Initiative Partnership	Court-Related Funds
Revenues			
Taxes	$ 1,444,399	$ -	$ -
Intergovernmental	-	618,565	313,385
Charges for Services	40,268	-	1,058,877
Fines and Forfeitures	-	-	500
Special Assessments	-	-	-
Impact Fees	-	-	-
Investment Income (Loss)	147,372	24,667	820,542
Miscellaneous	6,463	411,518	-
Total Revenues	1,638,502	1,054,750	2,193,304
Expenditures			
Current			
General Government	-	-	-
Public Safety	-	-	-
Physical Environment	365,465	-	-
Transportation	-	-	-
Economic Environment	-	588,679	-
Human Services	-	-	-
Culture and Recreation	-	-	-
Court Operations	-	-	1,560,672
Debt Service			
Principal	-	-	-
Interest and Fiscal Charges	-	-	77,563
Capital Outlay	2,078,024	-	10,369,768
Total Expenditures	2,443,489	588,679	12,008,003
Excess of Revenues Over (Under) Expenditures	**(804,987)**	**466,071**	**(9,814,699)**
Other Financing Sources (Uses)			
Transfers In	18,047	-	524,087
Transfers Out	(6,349)	-	(25,398)
Issuance of Long-Term Debt	-	-	10,080,452
Total Other Financing Sources (Uses)	11,698	-	10,579,141
Net Change in Fund Balance	**(793,289)**	**466,071**	**764,442**
Fund Balances at Beginning of Year	4,951,401	4,911,565	6,950,687
Fund Balances at End of Year	**$ 4,158,112**	**$ 5,377,636**	**$ 7,715,129**

See accompanying independent auditors' report.

Special Revenue Funds					
Municipal Service Benefit Units	Miscellaneous Special Revenue Fund	Clerk of Court and Comptroller	Property Appraiser Special Revenue Funds	Sheriff Special Revenue Funds	Total Special Revenue Funds
$ -	$ 3,804,604	$ -	$ -	$ -	$ 5,249,003
-	966,598	422,570	1,326,699	260,623	3,908,440
-	24,491	3,684,037	107,459	6,079,124	10,994,256
-	146,760	1,162,561	-	166,465	1,476,286
10,317,492	-	-	-	-	10,317,492
-	-	-	-	-	-
215,689	545,510	214,323	780	5,665	1,974,548
147,396	343,274	93,898	-	134,263	1,136,812
10,680,577	5,831,237	5,577,389	1,434,938	6,646,140	35,056,837
-	766,626	35,918	1,353,818	-	2,156,362
2,499	700,405	-	-	5,035,596	5,738,500
8,133,902	3,655	-	-	-	8,503,022
1,214,348	28,695	-	-	-	1,243,043
-	1,253,554	-	-	-	1,842,233
-	1,872,579	-	-	-	1,872,579
-	34,405	-	-	-	34,405
-	-	4,959,018	-	-	6,519,690
786,025	-	-	-	-	786,025
135,268	-	-	-	-	212,831
-	569,601	119,366	-	518,931	13,655,690
10,272,042	5,229,520	5,114,302	1,353,818	5,554,527	42,564,380
408,535	**601,717**	**463,087**	**81,120**	**1,091,613**	**(7,507,543)**
105,292	4,658,175	-	-	3,499,529	8,805,130
(832,587)	(2,620,022)	-	(81,102)	(3,677,982)	(7,243,440)
-	-	-	-	-	10,080,452
(727,295)	2,038,153	-	(81,102)	(178,453)	11,642,142
(318,760)	**2,639,870**	**463,087**	**18**	**913,160**	**4,134,599**
5,615,995	11,619,778	2,706,997	1,662,969	4,181,143	42,600,535
$ 5,297,235	**$ 14,259,648**	**$ 3,170,084**	**$ 1,662,987**	**$ 5,094,303**	**$ 46,735,134**

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMEBER 30, 2023

	Debt Service Funds		
	Non-Ad Valorem Refunding Revenue Bonds 2010	Non-Ad Valorem Refunding Revenue Note 2012	Non-Ad Valorem Revenue Bonds 2022
Revenues			
Taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Charges for Services	-	-	-
Fines and Forfeitures	-	-	-
Special Assessments	-	-	-
Impact Fees	-	-	-
Investment Income (Loss)	341	5,299	-
Miscellaneous	-	-	-
Total Revenues	341	5,299	-
Expenditures			
Current			
General Government	4	5	-
Public Safety	-	-	-
Physical Environment	-	-	-
Transportation	-	-	-
Economic Environment	-	-	-
Human Services	-	-	-
Culture and Recreation	-	-	-
Court Operations	-	-	-
Debt Service			
Principal	415,000	1,342,000	-
Interest and Fiscal Charges	26,657	248,280	890,280
Capital Outlay	-	-	-
Total Expenditures	441,661	1,590,285	890,280
Excess of Revenues Over (Under) Expenditures	**(441,320)**	**(1,584,986)**	**(890,280)**
Other Financing Sources (Uses)			
Transfers In	440,831	1,590,280	890,282
Transfers Out	-	-	-
Issuance of Long-Term Debt	-	-	-
Total Other Financing Sources (Uses)	440,831	1,590,280	890,282
Net Change in Fund Balance	**(489)**	**5,294**	**2**
Fund Balances at Beginning of Year	7,666	3,816	-
Fund Balances at End of Year	**$ 7,177**	**$ 9,110**	**$ 2**

See accompanying independent auditors' report.

	Capital Projects Funds			
Total Debt Service Funds	Impact Fees	Restore Act Projects	Total Capital Projects Funds	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ 5,249,003
-	-	384,982	384,982	4,293,422
-	-	-	-	10,994,256
-	-	-	-	1,476,286
-	-	-	-	10,317,492
-	4,273,614	-	4,273,614	4,273,614
5,640	605,418	-	605,418	2,585,606
-	-	-	-	1,136,812
5,640	4,879,032	384,982	5,264,014	40,326,491
9	36,764	-	36,764	2,193,135
-	250,406	-	250,406	5,988,906
-	-	133,027	133,027	8,636,049
-	-	-	-	1,243,043
-	-	-	-	1,842,233
-	-	-	-	1,872,579
-	-	-	-	34,405
-	-	-	-	6,519,690
1,757,000	-	-	-	2,543,025
1,165,217	-	-	-	1,378,048
-	829,099	262,168	1,091,267	14,746,957
2,922,226	1,116,269	395,195	1,511,464	46,998,070
(2,916,586)	**3,762,763**	**(10,213)**	**3,752,550**	**(6,671,579)**
2,921,393	-	-	-	11,726,523
-	(743,242)	-	(743,242)	(7,986,682)
-	-	-	-	10,080,452
2,921,393	(743,242)	-	(743,242)	13,820,293
4,807	**3,019,521**	**(10,213)**	**3,009,308**	**7,148,714**
11,482	18,361,512	(8,881)	18,352,631	60,964,648
$ 16,289	**$ 21,381,033**	**$ (19,094)**	**$ 21,361,939**	**$ 68,113,362**

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
STORMWATER MANAGEMENT
FOR THE FISCAL YEAR ENDED SEPTEMEBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 1,382,714	$ 1,382,714	$ 1,444,399	$ 61,685
Intergovernmental	1,200,000	1,300,000	-	(1,300,000)
Charges for Services	25,000	50,000	40,268	(9,732)
Investment Income (Loss)	-	-	147,372	147,372
Miscellaneous	5,500	5,500	6,463	963
Total Revenues	2,613,214	2,738,214	1,638,502	(1,099,712)
Expenditures				
Current				
Physical Environment	473,696	782,896	365,465	417,431
Capital Outlay	3,721,260	5,814,915	2,078,024	3,736,891
Total Expenditures	4,194,956	6,597,811	2,443,489	4,154,322
Excess of Revenues Over (Under) Expenditures	**(1,581,742)**	**(3,859,597)**	**(804,987)**	**3,054,610**
Other Financing Sources (Uses)				
Transfers In	14,000	14,000	18,047	4,047
Transfers Out	(3,000)	(6,349)	(6,349)	-
Reserve for Contingencies	(1,400,558)	(1,099,654)	-	1,099,654
Total Other Financing Sources (Uses)	(1,389,558)	(1,092,003)	11,698	1,103,701
Net Change in Fund Balance	**(2,971,300)**	**(4,951,600)**	**(793,289)**	**4,158,311**
Fund Balance at Beginning of Year	2,971,300	4,951,600	4,951,401	(199)
Fund Balance at End of Year	**$ -**	**$ -**	**$ 4,158,112**	**$ 4,158,112**

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 SEPTEMEBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 1,896,694	$ 1,702,330	$ 618,565	$ (1,083,765)
Investment Income (Loss)	8,000	202,364	24,667	(177,697)
Miscellaneous	400,000	400,000	411,518	11,518
Total Revenues	2,304,694	2,304,694	1,054,750	(1,249,944)
Expenditures				
Current				
Economic Environment	3,338,946	3,338,946	588,679	2,750,267
Total Expenditures	3,338,946	3,338,946	588,679	2,750,267
Excess of Revenues Over (Under) Expenditures	**(1,034,252)**	**(1,034,252)**	**466,071**	**1,500,323**
Other Financing Sources (Uses)				
Reserve for Contingencies	(1,129,627)	(3,877,311)	-	3,877,311
Total Other Financing Sources (Uses)	(1,129,627)	(3,877,311)	-	3,877,311
Net Change in Fund Balance	**(2,163,879)**	**(4,911,563)**	**466,071**	**5,377,634**
Fund Balance at Beginning of Year	2,163,879	4,911,563	4,911,565	2
Fund Balance at End of Year	**$ -**	**$ -**	**$ 5,377,636**	**$ 5,377,636**

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 SEPTEMEBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 57,292	$ 784,800	$ 313,385	$ (471,415)
Charges for Services	951,292	960,402	1,058,877	98,475
Fines and Forfeitures	324	324	500	176
Investment Income (Loss)	1,400	1,400	820,542	819,142
Miscellaneous	-	-	-	-
Total Revenues	1,010,308	1,746,926	2,193,304	446,378
Expenditures				
Current				
Court Operations	1,314,844	2,152,764	1,560,672	592,092
Debt Service				
Interest and Fiscal Charges	-	80,951	77,563	3,388
Capital Outlay	72,225	12,836,945	10,369,768	2,467,177
Total Expenditures	1,387,069	15,070,660	12,008,003	3,062,657
Excess of Revenues Over (Under) Expenditures	**(376,761)**	**(13,323,734)**	**(9,814,699)**	**3,509,035**
Other Financing Sources (Uses)				
Transfers In	524,087	524,087	524,087	-
Transfers Out	(12,000)	(25,398)	(25,398)	-
Issuance of Long-Term Debt	-	10,080,950	-	(10,080,950)
Reserve for Contingencies	(4,012,728)	(4,128,854)	10,080,452	14,209,306
Total Other Financing Sources (Uses)	(3,500,641)	6,450,785	10,579,141	4,128,356
Net Change in Fund Balance	**(3,877,402)**	**(6,872,949)**	**764,442**	**7,637,391**
Fund Balance at Beginning of Year	3,877,402	6,872,949	6,950,687	77,738
Fund Balance at End of Year	**$ -**	**$ -**	**$ 7,715,129**	**$ 7,715,129**

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 SEPTEMEBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Special Assessments	$ 10,101,278	$ 10,253,169	$ 10,317,492	$ 64,323
Investment Income (Loss)	30,000	98,109	215,689	117,580
Miscellaneous	97,970	97,970	147,396	49,426
Total Revenues	10,229,248	10,449,248	10,680,577	231,329
Expenditures				
Current				
Public Safety	42,598	80,970	2,499	78,471
Physical Environment	7,963,053	8,183,053	8,133,902	49,151
Transportation	1,369,249	1,372,889	1,214,348	158,541
Debt Service				
Principal	786,305	786,305	786,025	280
Interest and Fiscal Charges	135,570	135,570	135,268	302
Capital Outlay	12,200	8,560	-	8,560
Total Expenditures	10,308,975	10,567,347	10,272,042	295,305
Excess of Revenues Over (Under) Expenditures	**(79,727)**	**(118,099)**	**408,535**	**526,634**
Other Financing Sources (Uses)				
Transfers In	85,000	85,000	105,292	20,292
Transfers Out	(216,530)	(804,493)	(832,587)	(28,094)
Issuance of Long-Term Debt	-	-	-	-
Reserve for Contingencies	(5,743,560)	(4,925,329)	-	4,925,329
Total Other Financing Sources (Uses)	(5,875,090)	(5,644,822)	(727,295)	4,917,527
Net Change in Fund Balance	**(5,954,817)**	**(5,762,921)**	**(318,760)**	**5,444,161**
Fund Balance at Beginning of Year	5,954,817	5,762,921	5,615,995	(146,926)
Fund Balance at End of Year	**$ -**	**$ -**	**$ 5,297,235**	**$ 5,297,235**

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MISCELLEOUS SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMEBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 2,919,702	$ 2,919,702	$ 3,804,604	$ 884,902
Intergovernmental	1,404,751	1,609,625	966,598	(643,027)
Charges for Services	1,549,800	37,300	24,491	(12,809)
Fines and Forfeitures	280,000	175,000	146,760	(28,240)
Investment Income (Loss)	5,300	5,300	545,510	540,210
Miscellaneous	93,100	327,286	343,274	15,988
Total Revenues	6,252,653	5,074,213	5,831,237	757,024
Expenditures				
Current				
General Government	1,176,166	1,250,655	766,626	484,029
Public Safety	2,043,117	1,016,955	700,405	316,550
Physical Environment	5,346	5,346	3,655	1,691
Transportation	55,101	55,101	28,695	26,406
Economic Environment	1,168,629	1,535,356	1,253,554	281,802
Human Services	1,987,029	2,379,110	1,872,579	506,531
Culture and Recreation	78,182	130,786	34,405	96,381
Capital Outlay	1,004,355	1,476,953	569,601	907,352
Total Expenditures	7,517,925	7,850,262	5,229,520	2,620,742
Excess of Revenues Over (Under) Expenditures	**(1,265,272)**	**(2,776,049)**	**601,717**	**3,377,766**
Other Financing Sources (Uses)				
Transfers In	3,916,409	4,001,530	4,658,175	656,645
Transfers Out	(2,658,948)	(2,686,301)	(2,620,022)	66,279
Reserve for Contingencies	(13,037,360)	(10,309,806)	-	10,309,806
Total Other Financing Sources (Uses)	(11,779,899)	(8,994,577)	2,038,153	11,032,730
Net Change in Fund Balance	**(13,045,171)**	**(11,770,626)**	**2,639,870**	**14,410,496**
Fund Balance at Beginning of Year	13,045,171	11,770,626	11,619,778	(150,848)
Fund Balance at End of Year	**$ -**	**$ -**	**$ 14,259,648**	**$ 14,259,648**

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 SEPTEMEBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 482,219	$ 469,606	$ 422,570	$ (47,036)
Charges for Services	3,700,650	3,700,650	3,684,037	(16,613)
Fines and Forfeitures	1,131,950	1,131,950	1,162,561	30,611
Investment Income (Loss)	18,000	18,000	214,323	196,323
Miscellaneous	-	-	93,898	93,898
Total Revenues	5,332,819	5,320,206	5,577,389	257,183
Expenditures				
Current				
General Government	463,000	423,316	35,918	387,398
Court Operations	5,444,819	5,392,522	4,959,018	433,504
Capital Outlay	40,000	119,368	119,366	2
Total Expenditures	5,947,819	5,935,206	5,114,302	820,904
Excess of Revenues Over (Under) Expenditures	**(615,000)**	**(615,000)**	**463,087**	**1,078,087**
Other Financing Sources (Uses)				
Reserve for Contingencies	(615,000)	(615,000)	-	615,000
Total Other Financing Sources (Uses)	(615,000)	(615,000)	-	615,000
Net Change in Fund Balance	**(1,230,000)**	**(1,230,000)**	**463,087**	**1,693,087**
Fund Balance at Beginning of Year	1,230,000	1,230,000	2,706,997	1,476,997
Fund Balance at End of Year	**$ -**	**$ -**	**$ 3,170,084**	**$ 3,170,084**

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 SEPTEMEBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 1,326,699	$ 1,326,699	$ 1,326,699	$ -
Charges for Services	18,461	18,461	107,459	88,998
Investment Income (Loss)	-	-	780	780
Total Revenues	1,345,160	1,345,160	1,434,938	89,778
Expenditures				
Current				
General Government	1,418,991	1,418,991	1,353,818	65,173
Capital Outlay	28,024	28,024	-	28,024
Total Expenditures	1,447,015	1,447,015	1,353,818	93,197
Excess of Revenues Over (Under) Expenditures	**(101,855)**	**(101,855)**	**81,120**	**182,975**
Other Financing Sources (Uses)				
Transfers Out	-	-	(81,102)	(81,102)
Total Other Financing Sources (Uses)	-	-	(81,102)	(81,102)
Net Change in Fund Balance	**(101,855)**	**(101,855)**	**18**	**101,873**
Fund Balance at Beginning of Year	101,855	101,855	1,662,969	1,561,114
Fund Balance at End of Year	**$ -**	**$ -**	**$ 1,662,987**	**$ 1,662,987**

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 SEPTEMEBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 199,902	$ 285,271	$ 260,623	$ (24,648)
Charges for Services	5,134,000	5,134,000	6,079,124	945,124
Fines and Forfeitures	155,000	155,000	166,465	11,465
Investment Income (Loss)	3,650	3,650	5,665	2,015
Miscellaneous	142,200	142,200	134,263	(7,937)
Total Revenues	5,634,752	5,720,121	6,646,140	926,019
Expenditures				
Current				
Public Safety	5,258,573	5,550,325	5,035,596	514,729
Capital Outlay	77,474	940,193	518,931	421,262
Total Expenditures	5,336,047	6,490,518	5,554,527	935,991
Excess of Revenues Over (Under) Expenditures	**298,705**	**(770,397)**	**1,091,613**	**1,862,010**
Other Financing Sources (Uses)				
Transfers In	2,568,529	3,499,529	3,499,529	-
Transfers Out	(3,000,000)	(3,000,000)	(3,677,982)	(677,982)
Reserve for Contingencies	(4,055,696)	(3,875,467)	-	3,875,467
Total Other Financing Sources (Uses)	(4,487,167)	(3,375,938)	(178,453)	3,197,485
Net Change in Fund Balance	**(4,188,462)**	**(4,146,335)**	**913,160**	**5,059,495**
Fund Balance at Beginning of Year	4,188,462	4,146,335	4,181,143	34,808
Fund Balance at End of Year	**$ -**	**$ -**	**$ 5,094,303**	**$ 5,094,303**

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 SEPTEMEBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment Income (Loss)	$ -	$ -	$ 341	$ 341
Total Revenues	-	-	341	341
Expenditures				
Current				
General Government	20	20	4	16
Debt Service				
Principal	415,000	415,000	415,000	-
Interest and Fiscal Charges	26,656	26,656	26,657	(1)
Total Expenditures	441,676	441,676	441,661	15
Excess of Revenues Over (Under) Expenditures	**(441,676)**	**(441,676)**	**(441,320)**	**356**
Other Financing Sources (Uses)				
Transfers In	441,657	441,657	440,831	(826)
Reserve for Contingencies	(8,619)	(7,645)	-	7,645
Total Other Financing Sources (Uses)	433,038	434,012	440,831	6,819
Net Change in Fund Balance	**(8,638)**	**(7,664)**	**(489)**	**7,175**
Fund Balance at Beginning of Year	8,638	7,664	7,666	2
Fund Balance at End of Year	**$ -**	**$ -**	**$ 7,177**	**$ 7,177**

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 SEPTEMEBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment Income (Loss)	$ -	$ -	$ 5,299	$ 5,299
Total Revenues	-	-	5,299	5,299
Expenditures				
Current				
General Government	20	20	5	15
Debt Service				
Principal	1,342,000	1,342,000	1,342,000	-
Interest and Fiscal Charges	248,281	248,281	248,280	1
Total Expenditures	1,590,301	1,590,301	1,590,285	16
Excess of Revenues Over (Under) Expenditures	**(1,590,301)**	**(1,590,301)**	**(1,584,986)**	**5,315**
Other Financing Sources (Uses)				
Transfers In	1,590,283	1,590,283	1,590,280	(3)
Reserve for Contingencies	(3,436)	(3,797)	-	3,797
Total Other Financing Sources (Uses)	1,586,847	1,586,486	1,590,280	3,794
Net Change in Fund Balance	**(3,454)**	**(3,815)**	**5,294**	**9,109**
Fund Balance at Beginning of Year	3,454	3,815	3,816	1
Fund Balance at End of Year	**$ -**	**$ -**	**$ 9,110**	**$ 9,110**

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON-AD VALOREM REVENUE BONDS 2022
FOR THE FISCAL YEAR ENDED SEPTEMEBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment Income (Loss)	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
Expenditures				
Current				
General Government	-	-	-	-
Debt Service				
Principal	-	575,000	-	575,000
Interest and Fiscal Charges	-	1,444,592	890,280	554,312
Total Expenditures	-	2,019,592	890,280	1,129,312
Excess of Revenues Over (Under) Expenditures	**-**	**(2,019,592)**	**(890,280)**	**1,129,312**
Other Financing Sources (Uses)				
Transfers In	-	2,019,592	890,282	(1,129,310)
Reserve for Contingencies	-	-	-	-
Total Other Financing Sources (Uses)	-	2,019,592	890,282	(1,129,310)
Net Change in Fund Balance	**-**	**-**	**2**	**2**
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	**$ -**	**$ -**	**$ 2**	**$ 2**

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
IMPACT FEES CAPITAL PROJECT FUND
FOR THE FISCAL YEAR ENDED SEPTEMEBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Impact Fees	$ 3,619,202	$ 3,649,975	$ 4,273,614	$ 623,639
Investment Income (Loss)	2,500	2,500	605,418	602,918
Total Revenues	3,621,702	3,652,475	4,879,032	1,226,557
Expenditures				
Current				
General Government	137,582	204,371	36,764	167,607
Public Safety	250,000	619,328	250,406	368,922
Culture and Recreation	2,177,201	2,177,201	-	2,177,201
Capital Outlay	7,629,975	9,425,249	829,099	8,596,150
Total Expenditures	10,194,758	12,426,149	1,116,269	11,309,880
Excess of Revenues Over (Under) Expenditures	**(6,573,056)**	**(8,773,674)**	**3,762,763**	**12,536,437**
Other Financing Sources (Uses)				
Transfers Out	(429,520)	(743,244)	(743,242)	2
Reserve for Contingencies	(10,026,468)	(8,876,014)	-	8,876,014
Total Other Financing Sources (Uses)	(10,455,988)	(9,619,258)	(743,242)	8,876,016
Net Change in Fund Balance	**(17,029,044)**	**(18,392,932)**	**3,019,521**	**21,412,453**
Fund Balance at Beginning of Year	17,029,044	18,392,932	18,361,512	(31,420)
Fund Balance at End of Year	**$ -**	**$ -**	**$ 21,381,033**	**$ 21,381,033**

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 SEPTEMEBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 234,940	$ 884,763	$ 384,982	$ (499,781)
Total Revenues	234,940	884,763	384,982	(499,781)
Expenditures				
Current				
Physical Environment	106,815	445,704	133,027	312,677
Capital Outlay	128,125	439,059	262,168	176,891
Total Expenditures	234,940	884,763	395,195	489,568
Net Change in Fund Balance	**-**	**-**	**(10,213)**	**(10,213)**
Fund Balance at Beginning of Year	-	-	(8,881)	(8,881)
Fund Balance at End of Year	**$ -**	**$ -**	**$ (19,094)**	**$ (19,094)**

See accompanying independent auditors' report.

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

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, 2023

	Central Fueling System	Risk Management	Workers' Compensation
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ -	$ -	$ 200,000
Pooled Cash and Investments	756,104	1,522,618	9,181,727
Accounts Receivable (net)	3,123	-	-
Due from Other Governments	109	-	
Inventories	18,683	-	-
Total Current Assets	778,019	1,522,618	9,381,727
Non-Current Assets:			
Capital Assets, not depreciated	27,350	-	
Capital Assets, net of accumulated depreciation	2,176	-	-
Total Non-Current Assets	29,526	-	-
Total Assets	807,545	1,522,618	9,381,727
Deferred Outflows of Resources	7,259	28,601	20,482
LIABILITIES			
Current Liabilities:			
Accounts Payable	130,806	621	53,237
Accrued Liabilities	3,319	5,921	3,885
Due Within One Year	3,428	3,544	2,832,264
Total Current Liabilities	137,553	10,086	2,889,386
Non-Current Liabilities:			
Due in More Than One Year	74,278	124,616	3,759,959
Total Non-Current Liabilities	74,278	124,616	3,759,959
Total Liabilities	211,831	134,702	6,649,345
Deferred Inflows of Resources	2,135	8,796	9,141
NET POSITION			
Net Investment in Capital Assets	29,256	-	-
Unrestricted	571,582	1,407,721	2,743,723
Total Net Position	$ 600,838	$ 1,407,721	$ 2,743,723

See accompanying independent auditors' report.

Computer Replacement	Vehicle Maintenance	Fleet Replacement	County Health Insurance	Sheriff Health Insurance	Total
$ -	$ 720	$ -	$ -	$ 9,082,243	$ 9,282,963
528,874	679,495	2,583,766	5,938,510	-	21,191,094
-	3,130	26,350	-	70,948	103,551
				-	109
-	141,156	-	-	-	159,839
528,874	824,501	2,610,116	5,938,510	9,153,191	30,737,556
					27,350
-	1,200,018	20,148,901	110,596	286,040	21,747,731
-	1,200,018	20,148,901	110,596	286,040	21,775,081
528,874	2,024,519	22,759,017	6,049,106	9,439,231	52,512,637
-	129,883	11,817	2,080	-	200,122
-	295,052	116,569	3,782,046	880,873	5,259,204
-	42,650	92,416	2,660	823	151,674
-	18,267	1,371,861	806,881	431,450	5,467,695
-	355,969	1,580,846	4,591,587	1,313,146	10,878,573
-	700,066	6,844,519	120,629	271,260	11,895,327
-	700,066	6,844,519	120,629	271,260	11,895,327
-	1,056,035	8,425,365	4,712,216	1,584,406	22,773,900
-	92,716	4,527	2,863	-	120,178
-	1,200,018	17,293,791	-	-	18,523,065
528,874	(194,367)	(2,952,849)	1,336,107	7,854,825	11,295,616
$ 528,874	$ 1,005,651	$ 14,340,942	$ 1,336,107	$ 7,854,825	$ 29,818,681

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMEBER 30, 2023

	Central Fueling System	Risk Management	Workers' Compensation
Operating Revenues			
Charges for Services	$ 1,709,613	$ 4,976,525	$ 1,885,636
Miscellaneous	-	-	23,377
Total Operating Revenues	1,709,613	4,976,525	1,909,013
Operating Expenses			
Personnel Services	117,307	129,285	93,495
Other Services & Charges	1,585,602	4,811,277	301,324
Claims	-	-	988,350
Depreciation and Amortization	1,306	-	-
Total Operating Expenses	1,704,215	4,940,562	1,383,169
Operating Income (Loss)	5,398	35,963	525,844
Non-Operating Revenues (Expenses)			
Investment Income (Loss)	17,877	36,918	246,176
Interest Expense	-	-	-
Gain (Loss) on Sale of Capital Assets	-	-	-
Total Non-Operating Revenues (Expenses)	17,877	36,918	246,176
Income (Loss) Before Transfers	23,275	72,881	772,020
Transfers In	-	-	-
Transfers Out	(5,439)	(5,079)	(4,127)
Total Contributions and Transfers	(5,439)	(5,079)	(4,127)
Change in Net Position	**17,836**	**67,802**	**767,893**
Net Position-Beginning	583,002	1,339,919	1,975,830
Net Position-Ending	**$ 600,838**	**$ 1,407,721**	**$ 2,743,723**

See accompanying independent auditors' report.

Computer Replacement	Vehicle Maintenance	Fleet Replacement	County Health Insurance	Sheriff Health Insurance	Total
$ -	$ 3,914,439	$ 5,547,728	$ 11,785,230	$ 10,467,880	$ 40,287,051
-	93,208	14,626	859,830	485,722	1,476,763
-	4,007,647	5,562,354	12,645,060	10,953,602	41,763,814
-	790,597	139,848	2,529,565	-	3,800,097
7,482	3,011,005	870,397	1,296,776	1,948,844	13,832,707
-	-	-	12,787,198	9,324,453	23,100,001
-	70,790	3,451,705	36,865	37,310	3,597,976
7,482	3,872,392	4,461,950	16,650,404	11,310,607	44,330,781
(7,482)	135,255	1,100,404	(4,005,344)	(357,005)	(2,566,967)
14,954	5,369	26,790	121,262	82,308	551,654
-	-	(188,856)	(4,563)	(10,835)	(204,254)
(19,528)	871	352,133	-	-	333,476
(4,574)	6,240	190,067	116,699	71,473	680,876
(12,056)	141,495	1,290,471	(3,888,645)	(285,532)	(1,886,091)
-	-	-	3,126,790	-	3,126,790
-	(95,082)	(4,677)	(1,429)	-	(115,833)
-	(95,082)	(4,677)	3,125,361	-	3,010,957
(12,056)	**46,413**	**1,285,794**	**(763,284)**	**(285,532)**	**1,124,866**
540,930	959,238	13,055,148	2,099,391	8,140,357	28,693,815
$ 528,874	**$ 1,005,651**	**$ 14,340,942**	**$ 1,336,107**	**$ 7,854,825**	**$ 29,818,681**

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMEBER 30, 2023

	Central Fueling System	Risk Management	Workers' Compensation
Cash Flows from Operating Activities			
Receipts from Customers	$ 1,707,426	$ 4,976,525	$ 1,888,511
Receipts from Inter-Fund Services	-	-	-
Payments to Suppliers	(1,566,869)	(4,811,953)	(266,888)
Payments to Employees	(114,343)	(116,798)	(81,912)
Claims Paid	-	-	(938,350)
Other Receipts (Payments)	-	-	23,377
Net Cash provided by (used in) Operating Activities	26,214	47,774	624,738
Cash Flows from Noncapital Financing Activities			
Transfers from Other Funds	-	-	-
Transfers to Other Funds	(5,439)	(5,079)	(4,127)
Net Cash Provided by (used in) Noncapital Financing Activities	(5,439)	(5,079)	(4,127)
Cash Flows From Capital and Related Financing Activites			
Additions to Capital Assets	(27,350)	-	-
Proceeds from Capital Debt	-	-	-
Principal Paid on Capital Debt	-	-	-
Interest Paid on Capital Debt	-	-	-
Interest Payments on Long-Term Leases	-	-	-
Principal Payments on Long-Term Leases	-	-	-
Proceeds From Sale of Capital Assets	-	-	-
Net Cash provided by (used for) Capital and Related financing activities	(27,350)	-	-
Cash Flows for Investing Activities			
Interest Received	17,877	36,918	246,176
Net Cash Provided by Investing Activities	17,877	36,918	246,176
Net Increase (Decrease) in Cash and Cash Equivalents	**11,302**	**79,613**	**866,787**
Cash and Cash Equivalents at Beginning of Year	744,802	1,443,005	8,514,940
Cash and Cash Equivalents at End of Year	**$ 756,104**	**$ 1,522,618**	**$ 9,381,727**

See accompanying independent auditors' report.

Computer Replacement	Vehicle Maintenance	Fleet Replacement	County Health Insurance	Sheriff Health Insurance	Total
$ -	$ 3,911,584	$ 5,539,339	$ 11,785,230	$ 759,469	$ 30,568,084
-	-	-	-	9,748,818	9,748,818
(7,482)	(3,078,533)	(990,692)	(3,009,108)	(1,668,576)	(15,400,101)
-	(694,214)	(97,046)	(2,524,449)	-	(3,628,762)
-	-	-	(12,856,807)	(9,298,722)	(23,093,879)
-	93,208	14,626	859,830	485,722	1,476,763
(7,482)	232,045	4,466,227	(5,745,304)	26,711	(329,077)
-	-	-	3,126,790	-	3,126,790
-	(95,082)	(4,677)	(1,429)	-	(115,833)
-	(95,082)	(4,677)	3,125,361	-	3,010,957
-	-	(6,628,339)	-	-	(6,655,689)
-	-	4,062,000	-	-	4,062,000
-	-	(1,042,826)	-	-	(1,042,826)
-	-	(188,856)	-	-	(188,856)
-	-	-	(4,563)	(10,915)	(15,478)
-	-	-	(34,272)	(29,388)	(63,660)
-	1,691	363,344	-	-	365,035
-	1,691	(3,434,677)	(38,835)	(40,303)	(3,539,474)
14,954	5,369	26,790	121,262	11,360	480,706
14,954	5,369	26,790	121,262	11,360	480,706
7,472	**144,023**	**1,053,663**	**(2,537,516)**	**(2,232)**	**(376,888)**
521,402	536,192	1,530,103	8,476,026	9,084,475	30,850,945
$ 528,874	**$ 680,215**	**$ 2,583,766**	**$ 5,938,510**	**$ 9,082,243**	**$ 30,474,057**

Continued

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMEBER 30, 2023

	Central Fueling System	Risk Management	Workers' Compensation
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	$ 5,398	$ 35,963	$ 525,844
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (used for) Operating Activities			
Depreciation and Amortization	1,306	-	-
Other Post-Employment Benefits	2,065	1,380	1,882
Pension Adjustments	9,120	13,985	7,454
(Increase) Decrease in			
Accounts Receivable	(2,078)	-	2,875
Due from Other Funds	-	-	-
Due from Other Governments	(109)	-	-
Inventories	52,076	-	-
Increase (Decrease) in			
Accounts Payable	(33,343)	(676)	34,436
Accrued Liabilities	(8,221)	(2,878)	2,247
Due to Other Funds	-	-	-
Unearned Revenues	-	-	-
Claims Liabilities	-	-	50,000
Total Adjustments	20,816	11,811	98,894
Net cash Provided by (used in) Operating Activities	**$ 26,214**	**$ 47,774**	**$ 624,738**

See accompanying independent auditors' report.

Computer Replacement	Vehicle Maintenance	Fleet Replacement	County Health Insurance	Sheriff Health Insurance	Total
$ (7,482)	$ 135,255	$ 1,100,404	$ (4,005,344)	$ (357,005)	$ (2,566,967)
-	70,790	3,451,705	36,865	37,310	3,597,976
-	13,936	2,459	1,002	-	22,724
-	57,394	10,434	4,413	-	102,800
-	(2,855)	(8,389)	-	40,407	29,960
-	-	-	-	-	-
-	-	-	-	-	(109)
-	37,409	-	-	-	89,485
					-
-	(104,937)	(120,295)	(1,712,332)	280,268	(1,656,879)
-	25,053	29,909	(299)	-	45,811
-	-	-	-		-
-	-	-	-	-	-
-	-	-	(69,609)	25,731	6,122
-	96,790	3,365,823	(1,739,960)	383,716	2,237,890
$ (7,482)	**$ 232,045**	**$ 4,466,227**	**$ (5,745,304)**	**$ 26,711**	**$ (329,077)**

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Custodial Funds

Board of County Commissioners Custodial Fund

To account for assets held by the Board of County Commissioners as 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 by the Clerk of Circuit Court as 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 by the Tax Collector as agent, including tax and tag funds.

Sheriff Custodial Fund

To account for assets held by the Sheriff as agent, including service fees.

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2023

	Board of County Commissioners	Clerk of the Circuit Court	Sheriff
ASSETS			
Cash and Cash Equivalents	$ -	$ 4,840,607	$ 217,443
Pooled Cash and Investments	461,687	-	-
Due from Other Governments	-	-	-
Total Assets	**461,687**	**4,840,607**	**217,443**
LIABILITIES			
Accounts Payable	447,992	33,044	43,646
Due to Other Governments	(1,038)	674,461	55,429
Installment Tax Escrow	-	-	-
Deposits	14,733	-	-
Other Current Liabilities	-	2,449,445	-
Total Liabilities	**461,687**	**3,156,950**	**99,075**
NET POSITION:			
Restricted for:			
Individuals and Other Governments	-	1,683,657	118,368
Total Net Position	**$ -**	**$ 1,683,657**	**$ 118,368**

See accompanying independent auditors' report.

Tax Collector	Total
$ 3,681,214	$ 8,739,264
-	461,687
52	52
3,681,266	**9,201,003**
26,944	551,626
3,654,243	4,383,095
79	79
-	14,733
-	2,449,445
3,681,266	**7,398,978**
-	1,802,025
$ -	**$ 1,802,025**

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES TO FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMEBER 30, 2023

	Board of County Commissioners	Clerk of the Circuit Court	Sheriff
ADDITIONS:			
Tax Collections for Other Governments	$ -	$ -	$ -
State of Florida collections	-	42,020,544	-
Other collections	5,965,630	17,008,918	-
Miscellaneous - Revenues	-	-	1,631,643
Total additions	**5,965,630**	**59,029,462**	**1,631,643**
DEDUCTIONS:			
Payments of Taxes to State of Florida	-	41,768,685	-
Payments of Taxes to Other Governments	-	-	
Other Payments	5,965,630	17,748,738	1,697,252
Miscellaneous - Expenses	-	-	-
Total deductions	**5,965,630**	**59,517,423**	**1,697,252**
Change in net position	-	(487,961)	(65,609)
Net Position-beginning of the year	-	2,171,618	183,977
Net Position-end of year	**$ -**	**$ 1,683,657**	**$ 118,368**

See accompanying independent auditors' report.

Tax Collector	Total
$ 133,418,236	$ 133,418,236
-	42,020,544
-	22,974,548
14,625	1,646,268
133,432,861	**200,059,596**
-	41,768,685
133,418,236	133,418,236
-	25,411,620
14,625	14,625
133,432,861	**200,613,166**
-	(553,570)
-	2,355,595
$ -	**$ 1,802,025**

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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 more broad and more complete understanding of the County and its financial affairs than is possilbe 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 account 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 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 tables contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

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

Debt Capacity

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

Operating Information

These tables 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 annual comprehensive financial reports for the relevant year.

HERNANDO COUNTY, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(DOLLARS EXPRESSED IN THOUSANDS)

	FISCAL YEAR			
	2014	2015[(a)]	2016	2017
Governmental Activities				
Net Investment in Capital Assets	$ 292,320	$ 303,506	$ 306,373	$ 304,605
Restricted	72,678	61,254	62,476	57,323
Unrestricted	32,333	(28,753)	(42,266)	(46,513)
Total Governmental Activities Net Position	$ 397,331	$ 336,007	$ 326,583	$ 315,415
Business-type Activities				
Net Investment in Capital Assets	$ 168,614	$ 171,560	$ 174,660	$ 171,817
Restricted	10,442	9,597	12,753	17,783
Unrestricted	33,505	37,215	42,892	49,047
Total Business-type Activities Net Position	$ 212,561	$ 218,372	$ 230,305	$ 238,647
Primary Government				
Net Investment in Capital Assets	$ 460,934	$ 475,066	$ 481,033	$ 476,422
Restricted	83,120	70,851	75,229	75,106
Unrestricted	65,838	8,462	626	2,534
Total Primary Government Net Position	$ 609,892	$ 554,379	$ 556,888	$ 554,062

(a) 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.

(b) GASB 87 was implemented in 2022, requiring an increase in beginning net position of $543,985 (governmental). Prior years have not been restated in this schedule.

(c) GASB 96 was implemented in 2023, requiring an increase in beginning net position of $1,450,184 (governmental). Prior years have not been restated in this schedule.

FISCAL YEAR					
2018	**2019**	**2020**	**2021**	**2022**[(b)]	**2023**[(c)]
$ 304,941	$ 306,203	$ 331,520	$ 312,258	$ 318,931	$ 340,223
60,065	78,821	90,385	102,989	111,550	146,198
(61,512)	(85,382)	(90,418)	(46,020)	(45,724)	(82,783)
$ 303,494	$ 299,642	$ 331,487	$ 369,227	$ 384,757	$ 403,638
$ 172,789	$ 178,095	$ 188,883	$ 202,054	$ 225,879	$ 244,667
18,818	18,818	51,337	20,932	20,932	16,855
54,634	64,808	32,345	76,324	82,381	105,041
$ 246,241	$ 261,721	$ 272,565	$ 299,310	$ 329,192	$ 366,563
$ 477,730	$ 484,298	$ 520,403	$ 514,312	$ 544,810	$ 584,890
78,884	97,639	141,722	123,921	132,482	163,053
(6,878)	(20,574)	(58,073)	30,304	36,657	22,258
$ 549,736	$ 561,363	$ 604,052	$ 668,537	$ 713,949	$ 770,201

HERNANDO COUNTY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(DOLLARS EXPRESSED IN THOUSANDS)

	FISCAL YEAR			
	2014	2015	2016	2017
Expenses				
Governmental Activities:				
General Government	$ 21,044	$ 22,134	$ 24,583	$ 26,219
Public Safety	74,079	74,105	86,582	92,685
Physical Environment	988	1,195	1,230	1,304
Transportation	19,983	20,187	23,236	24,465
Economic Environment	1,689	2,355	3,095	3,487
Human Services	10,009	8,762	7,275	7,504
Culture and Recreation	5,173	5,146	5,714	5,712
Court Operations	6,656	6,868	6,773	7,163
Interest on Long-term Debt	1,144	1,062	1,038	1,074
Total Governmental Activities Expenses	$ 140,765	$ 141,814	$ 159,526	$ 169,613
Business-type Activities:				
Water and Sewer District	$ 25,505	$ 25,882	$ 27,673	$ 30,933
Aviation Operations	2,914	2,242	2,567	2,233
Waste Management	6,918	3,348	6,447	7,594
Building Department	1,990	2,218	2,786	2,807
Zoning Department [(a)]	359	-	-	-
Total Business-type Activities Expenses	37,686	33,690	39,473	43,567
Total Primary Government Expenses	$ 178,451	$ 175,504	$ 198,999	$ 213,180
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	$ 13,730	$ 14,238	$ 12,050	$ 12,419
Public Safety	27,931	29,063	31,168	31,312
Physical Environment	306	214	345	865
Transportation	3,165	4,856	5,398	5,692
Economic Environment	54	96	-	66
Human Services	245	229	250	231
Culture and Recreation	851	833	915	1,037
Court Operations	5,120	5,059	4,832	4,848
Operating Grants and Contributions	2,408	5,033	4,935	5,993
Capital Grants and Contributions	1,887	3,006	1,777	4,728
Total Government Activities Program Revenues	$ 55,697	$ 62,627	$ 61,670	$ 67,191
Business-type Activities:				
Charges for Services:				
Water and Sewer District	$ 26,568	$ 28,569	$ 31,032	$ 33,832
Aviation Authority	1,629	1,607	1,806	1,701
Waste Management	7,420	7,668	7,653	7,803
Building Department	1,900	2,602	2,970	2,915
Zoning Department	320	-	-	-
Operating Grants and Contributions	245	294	94	110
Capital Grants and Contributions	1,549	2,531	5,306	4,469
Total Business-type Activities Program Revenues	39,631	43,271	48,861	50,830
Total Primary Government Program Revenues	$ 95,328	$ 105,898	$ 110,531	$ 118,021

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

FISCAL YEAR					
2018	2019	2020	2021	2022	2023
$ 28,208	$ 30,046	$ 30,576	$ 28,309	$ 29,912	$ 43,222
99,101	112,171	120,003	96,101	114,899	140,780
1,402	6,393	8,128	8,325	8,805	9,580
25,206	26,123	27,506	27,643	20,418	31,621
2,856	2,561	4,808	5,943	2,320	2,962
7,936	8,302	8,444	9,204	6,693	9,309
6,220	6,823	6,418	6,665	6,734	8,064
7,384	7,641	7,525	7,940	8,175	8,494
1,162	1,226	1,094	887	707	2,394
$ 179,475	$ 201,286	$ 214,502	$ 191,017	$ 198,663	$ 256,426
$ 31,357	$ 32,622	$ 34,129	$ 33,721	$ 44,316	$ 37,610
2,257	2,692	3,028	3,071	2,839	3,260
9,792	8,943	12,227	9,230	10,627	10,226
3,258	3,524	4,142	4,162	4,575	4,894
-	-	-	-	-	-
46,664	47,781	53,526	50,184	62,357	55,990
$ 226,139	$ 249,067	$ 268,028	$ 241,201	$ 261,020	$ 312,416
$ 13,428	$ 14,555	$ 15,481	$ 12,809	$ 31,585	$ 15,975
35,831	46,038	47,217	49,221	41,534	50,707
503	101	223	264	309	8,242
6,307	13,234	13,510	13,862	18,494	6,911
-	18	19	24	573	30
242	278	215	239	229	234
1,051	961	890	1,177	1,889	1,891
5,090	5,059	4,413	4,953	980	5,386
5,361	6,393	32,962	14,807	2,340	18,343
6,035	4,546	7,952	5,957	5,330	961
$ 73,848	$ 91,183	$ 122,882	$ 103,313	$ 103,263	$ 108,680
$ 33,861	$ 35,859	$ 38,933	$ 41,625	$ 45,281	$ 47,295
1,895	1,972	2,120	2,183	12,311	1,840
7,896	8,169	9,032	9,406	11,131	11,388
3,547	3,677	3,803	4,453	4,802	5,428
-	-	-	-	-	-
107	1,521	842	165	44	1,566
6,629	7,870	8,533	16,127	11,400	18,314
53,935	59,068	63,263	73,959	84,969	85,831
$ 127,783	$ 150,251	$ 186,145	$ 177,272	$ 188,232	$ 194,511

HERNANDO COUNTY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(DOLLARS EXPRESSED IN THOUSANDS)

	FISCAL YEAR			
	2014	**2015**	**2016**	**2017**
Net (Expense)/Revenue				
Governmental Activities	$ (85,068)	$ (79,187)	$ (97,856)	$ (102,422)
Business-type Activities	1,945	9,581	9,388	7,263
Total Primary Government Net Expense	$ (83,123)	$ (69,606)	$ (88,468)	$ (95,159)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes				
Property Taxes	$ 59,178	$ 58,984	$ 61,572	$ 62,915
Fuel Taxes	6,089	6,242	8,146	8,722
Sales Taxes	8,029	8,697	9,100	9,337
Other Taxes	1,667	2,530	2,560	2,597
State Shared Revenue	4,428	4,756	4,889	5,102
Investment Earnings	1,475	1,671	1,437	562
Miscellaneous	4,351	1,274	1,378	1,597
Gain on Sale of Capital Assets	28	221	349	205
Extraordinary Item	-	-	-	-
Transfers	(18)	610	(998)	217
Total Governmental Activities	85,227	84,985	88,433	91,254
Business-type Activities:				
Investment Earnings	605	743	701	348
Gain on Sale of Capital Assets	50	46	28	(11)
Miscellaneous	900	864	818	958
Transfers	18	(610)	998	(217)
Total Business-type Activities	1,573	1,043	2,545	1,078
Total Primary Government	$ 86,800	$ 86,028	$ 90,978	$ 92,332
Change in Net Assets				
Governmental Activities	159	5,798	(9,423)	(11,168)
Business-type Activities	3,518	10,624	11,933	8,341
Total Primary Government	3,677	16,422	2,510	(2,827)

FISCAL YEAR					
2018	**2019**	**2020**	**2021**	**2022**	**2023**
$ (105,627)	$ (110,103)	$ (91,620)	$ (87,704)	$ (95,400)	$ (147,746)
7,271	11,287	9,737	23,775	22,612	29,841
$ (98,356)	$ (98,816)	$ (81,883)	$ (63,929)	$ (72,788)	$ (117,905)
$ 69,647	$ 72,134	$ 86,534	$ 91,910	$ 98,386	$ 113,236
8,970	8,872	8,328	8,841	9,016	12,497
9,878	10,241	10,458	12,286	13,501	15,279
2,710	2,454	2,597	2,570	3,276	2,968
5,335	5,601	5,317	6,133	7,775	8,051
532	5,190	4,126	405	(5,488)	10,480
1,682	1,613	4,640	2,936	1,959	1,828
53	-	-	564	1,319	-
-	-	-	-	-	-
154	145	119	(201)	5,525	837
98,961	106,250	122,119	125,444	135,269	165,176
245	3,514	2,610	175	(3,387)	5,786
315	12	47	1,914	(858)	204
1,057	812	676	681	1,163	2,378
(154)	(145)	(119)	201	3,542	(837)
1,463	4,193	3,214	2,971	460	7,531
$ 100,424	$ 110,443	$ 125,333	$ 128,415	$ 135,729	$ 172,707
(6,666)	(3,853)	30,499	37,740	39,869	17,430
8,734	15,480	12,951	26,746	23,072	37,372
2,068	11,627	43,450	64,486	62,941	54,802

HERNANDO COUNTY, FLORIDA
FUND BALANCE OF GOVERNMENT FUNDS
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	2014	**2015**	**2016**	**2017**
General Fund				
Nonspendable	$ 46	$ 829	$ 4,570	$ 7,503
Restricted	312	142	341	771
Committed	4,812	5,374	5,320	5,717
Assigned	5,712	4,000	3,000	-
Unassigned	12,034	12,992	9,443	6,860
Total General Fund	$ 22,916	$ 23,337	$ 22,674	$ 20,851
All other Governmental Funds				
Nonspendable	$ 78	$ 65	$ 57	$ 51
Restricted	69,625	59,257	59,914	54,225
Committed	1,017	1,140	1,247	1,286
Assigned	9,220	10,164	8,104	15,252
Unassigned	-	-	-	(471)
Total all other Governmental Funds	$ 79,940	$ 70,626	$ 69,322	$ 70,343

2018	2019	2020	2021	2022	2023
$ 5,890	$ 3,909	$ 1,469	$ 811	$ 699	$ 679
1,015	1,046	1,676	913	860	15,999
5,913	7,677	7,052	7,510	10,093	11,985
28	-	339	4,791	7,460	1,213
9,760	9,346	48,035	51,771	47,982	62,697
$ 22,606	$ 21,978	$ 58,571	$ 65,796	$ 67,094	$ 92,573
$ 51	$ 181	$ 128	$ 157	$ 46	$ 40
55,439	72,330	81,497	92,823	105,209	130,299
1,353	1,625	1,823	2,014	2,024	2,227
12,207	11,864	13,412	14,714	14,829	12,878
2,643	-	-	-	-	(126)
$ 71,693	$ 86,000	$ 96,860	$ 109,708	$ 122,108	$ 145,318

HERNANDO COUNTY, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(DOLLARS EXPRESSED IN THOUSANDS)

	FISCAL YEAR			
	2014	2015	2016	2017
Revenue				
Taxes	$ 66,892	$ 67,733	$ 72,115	$ 74,178
Licenses and Permits	60	390	446	504
Intergovernmental	20,716	23,624	23,916	27,279
Charges for Services	21,034	28,395	26,403	25,585
Fines and Forfeitures	1,692	1,621	1,543	1,540
Special Assessments	19,155	19,140	20,404	21,479
Impact Fees	422	892	1,299	2,733
Interest	1,334	1,460	1,281	486
Miscellaneous	8,535	2,552	2,553	2,428
Total Revenues	$ 139,840	$ 145,807	$ 149,960	$ 156,212
Expenditures				
Current				
General Government	$ 18,516	$ 20,258	$ 21,271	$ 21,946
Public Safety	70,449	75,963	78,707	81,327
Physical Environment	966	1,131	1,094	1,144
Transportation	13,500	13,584	14,932	15,720
Economic Environment	1,639	2,298	3,031	3,415
Human Services	8,538	7,043	5,520	5,710
Culture and Recreation	4,316	4,615	4,758	4,852
Court Operations	6,525	6,708	6,585	6,952
Debt Service				
Principal	3,085	2,888	3,854	4,075
Interest and Fiscal Charges	1,078	990	978	975
Capital Outlay	15,663	19,297	13,475	12,268
Total Expenditures	$ 144,275	$ 154,775	$ 154,205	$ 158,384
Excess of Revenues Over (Under) Expenditures	(4,435)	(8,968)	(4,245)	(2,172)
Other Financing Sources (Uses)				
Transfers In	6,812	6,046	10,989	14,063
Transfers Out	(8,266)	(7,834)	(9,469)	(15,061)
Sale of Capital Assets	-	-	-	-
Additions to Long-Term Debt	1,713	1,864	757	2,368
Total Other Financing Sources (Uses)	259	76	2,277	1,370
Net Change in Fund Balances	(4,176)	(8,892)	(1,968)	(802)
Debt Service as a Percentage of Noncapital Expenditures	3.2%	2.8%	3.6%	3.5%

FISCAL YEAR					
2018	2019	2020	2021	2022	2023
$ 81,305	$ 83,660	$ 97,420	$ 103,329	$ 111,084	$ 126,832
529	625	579	611	610	643
28,931	29,157	56,962	40,671	38,809	44,516
29,449	32,234	33,764	36,749	37,816	40,606
1,732	1,642	1,653	1,764	1,585	1,725
23,056	36,458	36,730	37,266	38,044	38,821
3,129	3,176	3,264	4,550	5,052	4,274
454	4,580	3,732	383	(5,259)	10,480
2,690	2,975	6,843	4,562	4,550	3,661
$ 171,275	$ 194,507	$ 240,947	$ 229,885	$ 232,291	$ 271,558
$ 23,999	$ 24,519	$ 24,113	$ 27,806	$ 30,781	$ 34,603
86,506	92,621	97,700	102,462	109,531	120,764
1,188	6,170	7,913	8,161	8,806	9,362
15,600	15,851	17,215	18,408	20,195	20,719
2,771	2,478	4,701	5,957	2,320	2,871
6,094	6,448	6,577	7,670	6,693	7,143
5,291	5,783	5,482	6,243	6,661	7,015
7,222	7,490	7,358	7,856	8,057	8,365
4,185	4,322	4,576	4,964	4,137	4,893
987	1,035	912	671	732	1,849
14,878	14,150	17,190	20,395	23,608	36,115
$ 168,721	$ 180,867	$ 193,737	$ 210,593	$ 221,521	$ 253,699
2,554	13,640	47,210	19,292	10,770	17,859
14,640	15,961	16,208	14,480	11,730	3,472
(15,333)	(16,977)	(17,482)	(19,404)	(12,771)	(1,298)
53	-	-	-	-	
1,189	1,056	1,516	5,708	3,626	32,262
549	40	242	784	2,585	30,712
3,103	13,680	47,452	20,076	13,355	48,571
3.4%	3.2%	3.1%	3.0%	2.5%	3.1%

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
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
2022	13,501	7,369	1,949	850	4,830	2,050	237
2023	14,104	7,814	1,967	875	5,099	619	237

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

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]
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	7,685,431	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
2022	24,884,232	1,883,804	16,033,070	1,857,269	4,413,228	617,692	11,619,842	1,239,577	10,937	12,870,356	8.9344
2023	28,928,102	2,059,565	18,217,430	2,026,581	4,777,494	639,703	13,439,935	1,386,878	11,185	14,837,998	8.6429

(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

HERNANDO COUNTY, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
DIRECT RATES[a]										
Countywide										
Hernando County Government:										
General Fund	6.9912	6.9912	6.9912	6.8912	6.8912	7.8912	7.6412	7.4412	6.9912	6.6997
Special Revenue										
Transportation Trust Fund	0.7091	0.7091	0.7091	0.7091	0.7091	0.7091	0.7091	0.8091	0.8091	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	**7.8105**	**7.8105**	**7.8105**	**7.7105**	**7.7105**	**8.7105**	**8.4605**	**8.3605**	**7.9105**	**7.6190**
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	0.5534	0.6700	0.6700	0.6700	0.9100	0.9100	0.9100	0.9100	0.9100	0.9100
Fire Services	-	-	-	0.5000	-	-	-	-	-	-
Total Other	**0.6673**	**0.7839**	**0.7839**	**1.2839**	**1.0239**	**1.0239**	**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]	**8.4775**	**8.5941**	**8.5942**	**8.9692**	**8.7342**	**9.7344**	**9.4844**	**9.3844**	**8.9344**	**8.6429**
OVERLAPPING RATES[d]										
Countywide										
School Board	7.1670	7.1960	6.8690	6.6190	6.3400	6.1630	5.9130	6.7770	6.5250	6.3400
Southwest Florida Water Management District	0.3658	0.3488	0.3317	0.3131	0.2955	0.2801	0.2669	0.2535	0.2260	0.2043
Not Countywide										
Municipalities										
City of Brooksville	6.6962	6.6439	6.6426	6.9763	6.2000	6.2000	5.9000	5.9000	5.9000	5.9000
City of Weeki Wachee	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.

Data represents the millage used to approve the budget and calculate taxes to support the following year, and are based on the tax roll effective January 1 for the reflected year.

Source: Hernando County Property Appraiser

HERNANDO COUNTY, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR COMPARED TO THE FISCAL YEAR NINE YEARS EARLIER
(DOLLARS EXPRESSED IN THOUSANDS)

		2023			2014		
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.	Manufacturing	$ 321,021	1	2.16%	$ 284,834	1	3.96%
Withlacoochee River Electric Co-op	Electric Utility	249,864	2	1.68%	176,804	2	2.46%
Wal-Mart Regional Distribution	Distribution	118,167	3	0.80%	115,458	3	1.61%
Duke Energy	Electric Utility	114,313	4	0.77%	74,457	4	1.04%
HCA Health Services of Florida, Inc.	Hospital/Health Care	83,581	5	0.56%	46,813	6	0.65%
BW Hibiscus Springs LLC	Apartments	61,569	6	0.41%			
Wal-Mart Stores, Inc.	Retail Sales	57,430	7	0.39%			
Florida Gas Transmissions	Utility	46,848	8	0.32%	49,076	5	0.68%
Oak Hill Community Hospital	Hospital	42,952	9	0.29%			
Wal-Mart Stores East LP	Retail Sales	35,360	10	0.24%			
Bright House Networks	Cable Utility				31,323	8	0.44%
AT&T Telecommunications	Telecommunications				42,575	7	0.59%
Millenennium Venture Limited	Senior Care				22,280	9	0.31%
MIS SCV LLC	Apartments				21,984	10	0.31%
Totals		$ 1,131,105		7.62%	$ 865,604		12.05%

Source: Hernando County Property Appraiser

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[e]	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
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)	92,808	91,320	(2,890)	88,430	95.28%	451	88,881	95.77%
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%
2022	147,864	(208)	147,656	147,545	(4,969)	142,576	96.56%	149	142,725	96.66%
2023	161,913	(997)	160,916	161,216	(5,952)	155,264	96.49%	273	155,537	96.66%

(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 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 4% discount is allowed if the taxes are paid in November, with the discount declining by 1% 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, 2022 through March 31, 2023 are reflected as levied for the Fiscal Year Ending September 30, 2023. Tax Certificates for unpaid taxes and assessments for that year will be sold no later than June 1, 2023.

(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 that are not on the tax notice. Non-ad valorem taxes are reported as Special Assessments in Governmental Funds and as Charges for Services in Proprietary Funds.

(f) Fiscal Year 2023 includes a tax software transition. Data has been provided from both systems.

Source: Hernando County Tax Collector

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	Financed Purchase Obligations	Leases Payable	Water and Sewer Revenue Bonds[a]	Notes Payable	Leases Payable	Total Primary Government	Debt as a Ratio to Personal Income[b]	Debt Per Capita
2014 [c]	$ 6,983	$30,900	$ 217	$ -	$ 40,666	$23,196	$ -	$ 101,962	1.79%	$ 583
2015	5,209	31,665	54	-	38,337	40,540	-	115,805	1.92%	655
2016	3,964	29,852	-	-	35,949	57,739	-	127,504	2.00%	712
2017	2,691	30,413	-	-	33,465	57,955	-	124,524	1.87%	679
2018	2,345	30,789	-	-	30,901	55,047	-	119,082	1.69%	642
2019	1,993	27,135	-	-	28,228	52,193	-	109,549	1.48%	574
2020	1,622	27,009	823	-	26,852	49,274	-	105,580	1.28%	549
2021	1,240	27,561	451	-	70,779	833	-	100,864	1.09%	513
2022	844	24,287	342	4,791	67,063	637	865	98,829	1.10%	496
2023	32,644	23,983	-	4,756	62,547	432	-	124,362	1.36%	609

(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) See Table 14 for the personal income and population figures used for this percentage calculation.

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

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

HERNANDO COUNTY, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(DOLLARS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA)

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)]
2014	$ 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
2022	844	11	833	0.01%	4
2023	32,644	16	32,628	0.22%	160

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

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[(a)]				
State Board of Education Bonds, Series 2014A Refunding	$ -	$ 101,000		
State Board of Education Bonds, Series 2020A Refunding	-	563,000		
Bonds Payable-Unamortized Premium		123,414		
Certificates of Participation, Series 2016A	-	82,190,000		
Certificates of Participation - Unamortized Premium	-	7,509,838		
Capital Improvement Bonds - 2020 Series Refunding		3,225,000		
Capital Improvement Bonds - Unamortized Premium		241,562		
Total School Board	$ -	$ 93,953,814	100%	$ 93,953,814
CITY OF BROOKSVILLE				
USDA Loan	$ -	$ 94,000		
Florida Capital Improvement Revenue Note, Series 2011	-	919,372		
Patch Truck Loan		44,819		
USDA Fire Truck Loan		60,634		
2021 Mini Pumper Loan		274,881		
DPW Building		3,316,430		
Total City of Brooksville	$ -	$ 4,710,136	5%	$ 235,507
Subtotal Overlapping Debt	**$ -**	**$ 98,663,950**		**$ 94,189,321**
COUNTY BOARD				
Non-revolving line of credit draws	$ -	$ 8,605,875		
Non-Ad Valorem Refunding Revenue Bonds, Series 2010	-	425,000		
Non-Ad Valorem Refunding Revenue Note, Series 2012	-	7,266,000		
Non-Ad Valorem Revenue Bonds, Series 2022	-	31,285,000		
Hernando County, Florida Direct Debt	$ -	$ 47,581,875	100%	47,581,875
Total Direct and Overlapping Debt	**$ -**	**$ 146,245,825**		**$ 141,771,196**

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

(a) Outstanding debt obligations for Hernando County School Board at June 30, 2023.

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, AND
NON-AD VALOREM REVENUE BOND, SERIES 2022
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	Interest	Total	
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
2022	43,166	-	43,166	1,707	332	2,039	21.17
2023 [c]	52,652	-	52,652	2,332	1,718	4,050	13.00

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

(b) No expenditures relate directly to the gross revenue, however gross revenues not used for debt service are used for other purposes.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUE BOND COVERAGE
TAXABLE WATER AND SEWER REFUNDING REVENUE BOND, SERIES 2021A
WATER AND SEWER REFUNDING REVENUE BOND, 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	
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
2022	42,626	22,293	20,333	2,999	23,332	5,361	438	5,799	4.02
2023	50,413	36,215	14,198	4,076	18,274	4,000	1,937	5,937	3.08

(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 Water and Sewer Refunding Revenue Bonds, Series 2013A, and the Water and Sewer portion of the Non-Ad Valorem Refunding Revenue Bonds, Series 2010.

(e) For FY 2021, the principal amount including the bond premium is $27,241,605. See Note H.

HERNANDO COUNTY, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population[a]				Permanent Households[a]	Personal Income Per Capital [c][f]	Total Personal Income (in thousands) [c][f]	Median Age[b]	Citizens With a Bachelors Degree[b]	Public School Enrollment[d]	Unemployment Rate[e]
	City of Brooksville	City of Weeki Wachee	Unincorporated Hernando County	Total							
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	46,080	9,245,435	48.0	12.6%	23,415	4.2%
2022	9,481	-	189,726	199,207	81,503	45,456	8,965,617	50.0	12.8%	24,058	3.2%
2023	9,566	-	194,699	204,265	83,399	45,456	9,174,184	47.9	14.3%	23,624	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 Office of Economic Development

(c) Source: Bureau of Economic and Business Research, University of Florida

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

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

(f) Note: Personal Income Per Capita is reported based on the prior calendar year data, due to timing of census data annually.

HERNANDO COUNTY, FLORIDA
PRINCIPAL EMPLOYERS
NON-RETAIL, NON-GOVERNMENT
CURRENT FISCAL YEAR COMPARED TO THE FISCAL YEAR NINE YEARS EARLIER

		2023			2014		
Employer	**Type of Operation**	**Employees**	**%**	**Rank**	**Employees**	**%**	**Rank**
Oak Hill Hospital	Healthcare	1,800	2.35	1	1,136	1.93	1
Walmart Distribution Center	Distribution Center	1,027	1.34	2	1,020	1.73	2
Bravera Health (formerly Bayfront Health)	Healthcare	1,018	1.33	3	965	1.64	3
Healthsouth	Healthcare	355	0.46	4	288	0.49	4
Barrette Outdoor Living	Supplier	350	0.46	5	-	-	0
Cemex	Manufacturer	250	0.33	6	240	0.41	6
HPH Hospice	Healthcare	221	0.29	7	181	0.31	8
Micro-Matic	Supplier	205	0.27	8	-	-	0
Accuform Signs, Inc.	Manufacturer	194	0.25	9	274	0.47	5
Sparton Electronics	Manufacturer	135	0.18	10	215	0.37	7
Suntrust Bank		-	-		85	0.14	9
Withlacoochee River Electric Coop		-	-		80	0.14	10
	Totals	5,555	7.26 %		4,484	7.63 %	
	Total Employment of Hernando County	76,457			58,867		

Note: Percentages shown represent the number of employees as a percent of Hernando County's total employment.

Source: Hernando County Office of Business Development

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HERNANDO COUNTY, FLORIDA
COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
General Government	227	225	237	244	247	236	249	251	263	284
PublicSafety	773	776	782	782	791	859	859	890	917	946
PhysicalEnvironment	7	7	8	8	1	1	1	1	1	2
Transportation	92	93	92	96	93	90	94	97	97	101
EconomicEnvironment	7	8	10	10	10	9	9	8	8	11
HumanServices	21	20	19	21	23	21	21	23	23	24
CultureandRecreation	66	63	63	70	66	61	62	61	61	80
Courts	88	85	78	83	79	81	77	77	77	77
Business-Type Activities										
Airport	5	4	4	4	4	6	6	5	4	9
WaterandWastewater	139	134	132	131	134	136	136	134	134	150
BusinessDevelopment	28	27	27	31	34	34	35	41	42	46
SolidWaste	28	33	32	32	31	30	32	33	31	41
Total	1,481	1,475	1,484	1,512	1,513	1,564	1,581	1,621	1,658	1,771

Source: Hernando County Department of Financial Services.

HERNANDO COUNTY, FLORIDA
OPERATING INDIVATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2014	2015	2016	2017
General Government				
Number of public programs broadcast	206	190	196	288
Number of employee records managed	772	771	782	795
Public Safety				
Total incidents responded to (HCFR)	26,254	28,951	30,496	31,704
Number of emergency citizen volunteers	79	27	431	0
Number of building permits issued	11,104	12,048	12,525	12,370
Physical Environment				
Extension Classes/programs	20,172	29,730	32,267	30,770
Transportation				
Number of signals maintained	88	85	85	86
Number of lane miles of roads re-surfaced	36	42	39	8
Economic Environment				
Number of sucessful business projects	9	8	8	3
Number of veteran clients served	6,918	7,916	8,909	6,141
Human Services				
Animals impounded	2,923	2,950	2,725	3,143
Number of human service requests processed	9,099	10,789	6,285	9,558
Culture and Recreation				
Registered library card holders	102,910	109,366	116,994	122,503
Number of participants in the County Recreation programs	17,955	20,045	22,049	24,790
Court Operations				
Number of judicial cases managed	64,290	53,796	51,869	66,156
Water and Sewer				
Water consumption in millions of gallons a day	16.8	16.7	17.7	18.8
Average number of water accounts	57,376	58,251	58,281	59,952
Number of meter reads	740,748	719,986	751,440	773,101
Aviation Operations				
Number of airport & industrial park leases	141	138	133	173
Waste Management				
Total tons landfilled	114,370	117,230	122,259	127,047
Tons of Convenience Center waste Collected	6,161	6,945	7,814	7,968
Tons of recyclables collected & processed	11,976	11,839	11,685	10,815

Source: Various County Departments.

2018	2019	2020	2021	2022	2023
233	230	196	133	98	122
783	784	777	801	801	816
32,023	30,772	31,646	37,727	38,064	38,752
22	7	0	8	19	18
14,622	14,725	15,790	19,575	21,580	19,905
37,798	40,905	51,938	54,858	41,030	39,842
88	88	89	89	92	97
72	11	15	15	0	38
1	2	4	2	1	3
8,418	10,030	3,800	3,453	4,028	3,834
2,867	3,156	2,318	2,232	2,682	2,896
7,843	6,685	7,065	7,452	7,517	5,469
110,813	101,723	92,940	95,172	80,236	78,317
23,596	31,516	4,848	5,808	21,890	20,753
61,550	59,204	52,225	56,742	56,754	62,217
18.3	18.8	19.5	19.8	20.5	21.6
62,756	61,425	63,226	63,910	64,631	66,126
778,212	787,143	793,812	802,722	817,963	819,606
184	190	188	190	193	193
131,425	130,683	137,799	149,024	160,636	142,065
7,986	7,270	8,031	8,632	10,405	7,976
10,069	10,088	10,541	10,747	8,740	8,281

HERNANDO COUNTY, FLORIDA
CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2014	2015	2016	2017
General Government				
Number of buildings	160	165	169	177
Fleet Vehicles	423	403	378	392
Public Safety				
Sheriff's patrol vehicles:	324	325	336	348
Radio Towers	5	5	4	4
Transportation				
Lane miles	2,407	2,457	2,492	2,516
Culture and Recreation				
Park acreage - developed	340	340	340	340
Park acreage - undeveloped	1,206	1,206	1,206	1,206
Trails-Jogging/Exercise/Nature	30	30	30	30
Playgrounds	14	14	14	13
Boat ramps (lanes)	16	16	16	8
Picnic shelters	190	190	190	190
Number of libraries/branches	5	5	4	4
Aviation Operations				
Number of runways	2	2	2	2
Runways in linear feet	12,000	12,000	12,000	12,000
Land (acres)	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
Remaining available landfill capacity (cubic yards)	2,704,818	2,452,353	2,435,065	2,059,982
Water				
Trans & dist lines (miles)	1,232	1,232	1,232	1,709
Maximum daily storage capacity (million gallons)	19.08	19.08	19.78	19.78
Number of meters in service	57,376	58,251	58,281	63,139
Sewer				
Number of pumping or lift stations	301	301	301	307
Collection & Trans lines (miles)	501	501	513	515
Reclaimed water trans & dist lines (miles)	4.30	4.30	4.30	4.30
Number of manholes	6,952	7,106	7,165	7,200

Source: Various County Departments.

2018	2019	2020	2021	2022	2023
176	160	159	158	159	158
398	421	432	412	428	444
365	376	391	391	391	346
4	4	4	4	4	4
2,556	2,771	2,776	2,795	2,795	2,798
340	340	340	340	340	340
1,206	1,206	1,206	1,206	1,206	1,206
30	30	30	30	30	30
13	12	12	12	12	12
8	8	8	8	8	8
190	190	192	192	192	192
4	4	4	4	4	4
2	2	2	2	2	2
12,000	12,000	12,000	12,000	11,200	11,200
2,400	2,400	2,400	2,400	2,400	2,400
6,601,544	6,601,544	6,601,544	6,601,544	6,008,640	6,008,660
1,878,573	1,701,456	1,512,854	1,309,446	1,080,970	883,652
1,096	1,019	1,070	1,070	1,082	1,089
19.78	19.77	19.77	19.77	19.07	19.75
62,756	61,425	65,008	65,592	69,252	68,778
298	299	310	312	314	314
507	515	515	518	521	530
4.30	2.09	14.60	14.60	14.60	8.25
7,200	7,300	7,300	7,300	7,420	7,420

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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

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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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 25, 2024.

Report on 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.

Honorable Board of County Commissioners
Hernando County, Florida

Report on 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 June 25, 2024, 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
June 25, 2024

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

Opinion on 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, 2023. 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.

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 state projects for the year ended September 30, 2023.

Basis for Opinion for Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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.* Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibility of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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.

Report on Internal Control over Compliance *(Continued)*

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General

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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 25, 2024, 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
June 25, 2024

HERNANDO COUNTY, FLORIDA
Schedule of Federal Awards and State Financial Assistance
Year Ended September 30, 2023

Federal/State/Pass Through Grantor	Grant Program Name	Assistance Listing	Grant ID	Expenditures
DEPARTMENT OF JUSTICE				
Direct				
	Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	15PBJA-21-GG-01388-JAGX	1,324
	Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	15PBJA-22-GG-02580-JAGX	38,226
Pass Through	FLORIDA DEPARTMENT OF LAW ENFORCEMENT			
	Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	8C122	42,072
	Subtotal AL 16.738			*81,622*
Direct				
	Equitable Sharing Program/Federal Forfeitures	16.922	FL0270000	247,631
Total	*DEPARTMENT OF JUSTICE*			*329,253*
DEPARTMENT OF TRANSPORTATION				
	Highway Safety Cluster:			
Pass Through	FLORIDA DEPARTMENT OF TRANSPORTATION			
	State & Community Highway Safety	20.600	G2F44	53,626
	Total Highway Safety Cluster (AL 20.600)			53,626
Direct				
	Airport Improvement Program	20.106	3-12-0008-024-2020	1,337,523
	Airport Improvement Program	20.106	3-12-0008-026-2021; ACRGP	5,223
	Airport Improvement Program	20.106	3-12-0008-027-2021	899,381
	Airport Improvement Program	20.106	3-12-0008-028-2022; ARPA	59,000
	Subtotal AL 20.106			*2,301,127*
Pass Through	FLORIDA DEPARTMENT OF TRANSPORTATION			
	Highway Planning & Construction- Federal Aid Highway Program (PL)	20.205	G2774; FPN 493335-4-14-01	693,679
	Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G2701; FPN 441107-1-38-01/02	18,078
	Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G2700; FPN 441103-1-38-01-02	13,559
	Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G1L10;FPN 436712-58/68-01/02	13,211
	Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G1U02; FPN 437484-1-38-01/02	829
	Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G2153; FPN 439509-1-58/68-01/02	9,175
	Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G2472: FPN 438651-1-38-01/02	77,240
	Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G2681: FPN 439508-1-58/68-01/02	827,814
	Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G2L29; FPN 437484-1-58/68-01/02	1,399
	Subtotal AL 20.205			*1,654,984*
Pass Through	FLORIDA DEPARTMENT OF TRANSPORTATION			
	Metropolitan Transportation Planning (Section 5305d)	20.505	G1W20; FPN 401983-1-14-21	7,318
	Metropolitan Transportation Planning (Section 5305d)	20.505	G2249; FPN 401983-1-14-22	87,211
	Subtotal AL 20.505			*94,529*
	Federal Transit Cluster:			
Direct				
	Urbanized Area Formula Program (Section 5307)	20.507	FL-2018-031; X970	70,780
	Urbanized Area Formula Program (Section 5307)	20.507	FL-2018-105; X998	392,360
	Urbanized Area Formula Program (Section 5307)	20.507	FL-2019-082; Y037	42,774
	Urbanized Area Formula Program (Section 5307)	20.507	FL-2020-118; Y105	28,547
	Urbanized Area Formula Program (Section 5307)	20.507	FL-2020-092; Y091 (CARES)	2,080,036
	Urbanized Area Formula Program (Section 5307)	20.507	FL-2021-082; Y149	1,137,177
	Urbanized Area Formula Program (Section 5307)	20.507	FL-2022-033; Y177 (ARPA)	112,578
	Subtotal AL 20.507			*3,864,252*
	Total Federal Transit Cluster (AL 20.507)			*3,864,252*
Pass Through	FLORIDA DEPARTMENT OF TRANSPORTATION			
	Formula Grants for Rural Areas (Section 5311)	20.509	G1H25; FPN 401982-2-84-20	43,732
	Formula Grants for Rural Areas (Section 5311)	20.509	G1W00; FPN 401982-1-84-21	82,939
	Formula Grants for Rural Areas (Section 5311)	20.509	G2401; FPN 401982-1-84-22	12,630
	Subtotal AL 20.509			*139,301*

HERNANDO COUNTY, FLORIDA
Schedule of Federal Awards and State Financial Assistance
Year Ended September 30, 2023

Federal/State/Pass Through Grantor Grant Program Name		Assistance Listing	Grant ID	Expenditures
Total	*DEPARTMENT OF TRANSPORTATION*			*8,107,819*
DEPARTMENT OF TREASURY				
Direct				
	Gulf Restore- Direct Component	21.015	1RDCGR110034-01-00	43,921
	Gulf Restore- Direct Component	21.015	1RDCGR110125-01-00	208,035
	Subtotal AL 21.015			251,956
Direct				
	Equitable Sharing Program	21.016	FL0270000	2
Direct				
	Coronavirus State & Local Fiscal Recovery Funds	21.027	SLT-1502	5,610,791
Pass Through	FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION			
	Coronavirus State & Local Fiscal Recovery Funds	21.027	WG049	416,895
	Coronavirus State & Local Fiscal Recovery Funds	21.027	WG026	44,641
	Subtotal AL 21.027			6,072,327
Direct				
	Local Assistance & Tribal Consistency Fund	21.032	LATCF-1545	8,450
Total	*DEPARTMENT OF TREASURY*			*6,332,735*
GULF COAST ECOSYSTEM RESTORATION COUNCIL				
Pass Through	*THE GULF CONSORTIUM*			
	Oil Spill Impact Program	*87.052*	*200110141.01; GNTSP20FL0110*	*133,025*
Total	*GULF COAST ECOSYSTEM RESTORATION COUNCIL*			*133,025*
ELECTION ASSISTANCE COMMISSION				
Pass Through	FLORIDA DEPARTMENT OF STATE- DIVISION OF ELECTIONS			
	Help America Vote Act (HAVA) Election Security Grants	90.404	23.e.es.100.026	*101,167*
Total	*ELECTION ASSISTANCE COMMISSION*			*101,167*
DEPARTMENT OF HEALTH & HUMAN SERVICES				
Direct				
	Substance Abuse & Mental Health Service Administration (SAMHSA)	93.243	5H79TI081928-04	201,873
	Substance Abuse & Mental Health Service Administration (SAMHSA)	93.243	5H79TI081928-05	111,511
	Subtotal AL 93.243			313,384
Pass Through	FLORIDA DEPARTMENT OF REVENUE			
	Child Support Enforcement	93.563	C0C27	217,965
Total	*DEPARTMENT OF HEALTH & HUMAN SERVICES*			*531,349*
DEPARTMENT OF HOMELAND SECURITY				
Pass Through	FLORIDA DIVISION OF EMERGENCY MANAGEMENT			
	Disaster Grants - Public Assistance	97.036	Z2205	171,856
Pass Through	FLORIDA DIVISION OF EMERGENCY MANAGEMENT			
	HAZARD MITIGATION GRANT PRG (HMGP)	97.039	H0359; 4337-148-R	176,212
	HAZARD MITIGATION GRANT PRG (HMGP)	97.039	H0454; 4337-074-R	52,199
	Subtotal AL 97.039			228,411

HERNANDO COUNTY, FLORIDA
Schedule of Federal Awards and State Financial Assistance
Year Ended September 30, 2023

Federal/State/Pass Through Grantor Grant Program Name		Assistance Listing	Grant ID	Expenditures
Pass Through	FLORIDA DIVISION OF EMERGENCY MANAGEMENT			
	Emergency Management Performance Grant	97.042	G0431	81,250
Total	*DEPARTMENT OF HOMELAND SECURITY*			*481,517*
TOTAL EXPENDITURES OF FEDERAL AWARDS				***$ 16,016,865***
FLORIDA EXECUTIVE OFFICE OF THE GOVERNOR				
	Emergency Management Program (EMPA)	31.063	A0297	$ 64,787
	Emergency Management Program (EMPA)	31.063	A0357	17,250
	Subtotal CSFA 31.063			*82,037*
Total	*FLORIDA EXECUTIVE OFFICE OF THE GOVERNOR*			*82,037*
FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION				
	Statewide Water Quality Restoration Projects	37.039	LPF2701	1,442,213
	Statewide Water Quality Restoration Projects	37.039	LPA0109	495,527
	Subtotal CSFA 37.039			1,937,740
Total	*FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION*			*1,937,740*
FLORIDA DEPARTMENT OF COMMERCE				
	Growth Management Implementation	40.024	P0452	*102,000*
	Economic Development Grant Program	40.043	G0081	*267,159*
Total	*FLORIDA DEPARTMENT OF COMMERCE*			*369,159*
FLORIDA HOUSING FINANCE CORPORATION				
	State Housing Initiatives Partnership Program (SHIP)	40.901	2017/2018	10,000
	State Housing Initiatives Partnership Program (SHIP)	40.901	2019/2020	57,545
	State Housing Initiatives Partnership Program (SHIP)	40.901	2020/2021	284,877
	State Housing Initiatives Partnership Program (SHIP)	40.901	2021/2022	236,241
	State Housing Initiatives Partnership Program (SHIP)	40.901	2022/2023	15
	Subtotal CSFA 40.901			*588,678*
Total	*FLORIDA HOUSING FINANCE CORPORATION*			*588,678*
FLORIDA DEPARTMENT ARGICULTURE & CONSUMER SERVICES				
	Mosquito Control	42.003	28451	$ 22,330
Total	*FLORIDA DEPARTMENT ARGICULTURE & CONSUMER SERVICES*			*22,330*
FLORIDA DEPARTMENT OF FINANCIAL SERVICES				
	Local Government Fire Service Grants	43.009	FM450	47,534
Total	*FLORIDA DEPARTMENT OF FINANCIAL SERVICES*			47,534

HERNANDO COUNTY, FLORIDA
Schedule of Federal Awards and State Financial Assistance
Year Ended September 30, 2023

Federal/State/Pass Through Grantor Grant Program Name		Assistance Listing	Grant ID	Expenditures
FLORIDA DEPARTMENT OF STATE				
	State Aid to Libraries	45.030	20-ST-19	85,226
	State Aid to Libraries	45.030	21-ST-19	130,999
	State Aid to Libraries	45.030	22-ST-19	411,608
	Subtotal CSFA 45.030			627,833
Total	*FLORIDA DEPARTMENT OF STATE*			*627,833*
DEPARTMENT OF EDUCATION & COMMISSIONER OF EDUCATION				
	Coach Aaron Feis Guardian Program	48.140	01B-90210-2D001	141,214
Total	*DEPARTMENT OF EDUCATION & COMMISSIONER OF EDUCATION*			*141,214*
FLORIDA DEPARTMENT OF TRANSPORTATION				
	Commission for Transportation Disadvantaged Planning Grant	55.002	G2946	19,429
	Commission for Transportation Disadvantaged Planning Grant	55.002	G2924	13,853
	Commission for Transportation Disadvantaged Planning Grant	55.002	G2I90	9,103
	Commission for Transportation Disadvantaged Planning Grant	55.002	G2I76	8,783
	Subtotal CSFA 55.002			*51,168*
	Aviation Development Grants	55.004	G1O95; FPN 438514-1-94-01	1,207
	Aviation Development Grants	55.004	G1U46; FPN 444468-1-94-01	53,710
	Aviation Development Grants	55.004	G2440; FPN 450402-1-94-01	14,182
	Aviation Development Grants	55.004	G2I03; FPN 452521-1-94-01	18,484
	Subtotal CSFA 55.004			*87,583*
	Public Transit Block Program	55.010	G1571: FPN 408104-1-84-19	98,953
	Public Transit Block Program	55.010	G1H26; FPN 408104-1-84-20	6,573
	Subtotal CSFA 55.010			*105,526*
	Local Transportation Projects	55.039	G1G22; FPN 445742-1-94-01	61,449
Total	*FLORIDA DEPARTMENT OF TRANSPORTATION*			*305,726*
FLORIDA DEPARTMENT OF HEALTH				
	County Grant Awards (EMS)	64.005	C1027	19,274
Total	*FLORIDA DEPARTMENT OF HEALTH*			*19,274*
FLORIDA DEPARTMENT OF MANAGEMENT SERVICES				
	Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S22-23-01-34	13,700
	Local Government Cybersecurity Grant Program	72.009	DMS-22/23-293	*26,233*
Total	*FLORIDA DEPARTMENT OF MANAGEMENT SERVICES*			*39,933*
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE				***$ 4,181,458***

HERNANDO COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTERMBER 30, 2023

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, 2023. 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, 2023:

Program	Assistance Listing	Loan Outstanding
State Housing Initiatives Partnership (SHIP)	40.901	$ 13,041,841

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 only exception to this is the funding received under

Assistance Listing 97.036- FEMA Public Assistance Program (See Note 7 for additional details). The total expenditures of the program/project may be more than shown.

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.

The following grant programs had prior year expenditures included on the FY23 Schedule of Expenditures of Federal Awards and State Financial Assistance; AL 20.106 Grant 3-12-0008-027-2021 $320,089 & AL 40.043 Grant G0081 $34,419.

Note 6 – Indirect Costs

Hernando County Board of County Commissioners elected to use the 10% de minimis cost rate in fiscal year 2023 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 $171,856 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.

HERNANDO COUNTY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2023

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)**
21.027	Coronavirus State and Local Fiscal Recovery Funds
CSFA Number(s)	**Name of State Project(s)**
37.039	Statewide Water Quality Restoration Projects
45.030	State Aid to Libraries

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, 2023

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.

Hernando County Board of County Commissioners
Other Supplemental Information
Schedule of Receipts & Expenditures related to Deepwater Horizon Oil Spill
For the Fiscal Year Ending September 30, 2023

CSFA	Assistance Listing	Program	Funding Agency	Pass-Thru	Project	Award Identifier	Expenditures	Revenue			
								Federal	State	Local	Total
	21.015	Gulf RESTORE - Direct Component	Department of Treasury	N/A	Bayou Drive Repair & Restoration	1 RDCGR110034-01-00	$ 43,921	$ 43,921	$ -	$ -	$ 43,921
	21.015	Gulf RESTORE - Direct Component	Department of Treasury	N/A	Linda Pedersen Park Improvements	1 RDCGR110125-01-00	$ 218,247	$ 208,035	$ -	$ -	$ 208,035
	87.052	RESTORE Council Oil Spill Impact Program	Gulf Coast Ecosystem Restoration Council	The Gulf Consortium	Artificial Reef Program	GNTSP20FL0110	$ 133,025	$ 133,025	$ -	$ -	$ 133,025
							$ 395,193	$ 384,982	$ -	$ -	$ 384,982

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

Note 2: AL 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: AL 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, 2023, and have issued our report thereon dated June 25, 2024.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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 Report 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 June 25, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General,* requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. 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 districts 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
June 25, 2024

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 365.173(2)(d), Florida Statutes, during the year ended September 30, 2023. 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.

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

MSL, P.A.
Certified Public Accountants

Tampa, Florida
June 25, 2024

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, 2023. 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.

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

MSL, P.A.
Certified Public Accountants

Tampa, Florida
June 25, 2024

BOND COMPLIANCE

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2023
(UNAUDITED)

BOND COMPLIANCE INFORMATION

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

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

HISTORIC GROWTH OF WATER AND WASTEWATER SYSTEM CUSTOMERS

	Number of Active Accounts	
Fiscal Year	**Water**	**Sewer**
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
2022	65,643	32,351
2023	66,136	32,648
Average Annual Compound Growth Rate	**1.52%**	**1.99%**

Note: Figures represent number of active accounts at the close of each Fiscal Year ended September 30.

HISTORIC WATER CONSUMPTION FLOWS

Fiscal Year	Average Daily Flow (MGD)	Peak Daily Flow (MGD)
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	26.68
2020	19.505	26.695
2021	19.867	31.118
2022	20.453	27.078
2023	21.598	29.468

HISTORIC WASTEWATER TREATMENT PLANT FLOWS

Fiscal Year	Average Daily Flow (MGD)
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
2022	4.578
2023	4.693

Source: Hernando County Utilities Department

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2023
(UNAUDITED)

WATER SYSTEM
Monthly User Rates

	2021	2022	2023	2024
Monthly Base Charge:				
Residential Single-Family Services and Residential Irrigation Service:				
Base Charge All Meter Sizes	$ 8.41	$ 8.75	$ 8.97	$ 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"	42.03	43.71	44.80	45.92
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
5,001 - 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
50,000-75,000	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	$ 1.81	$ 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
Commercial, Residential Multi-Family and Commercial Irrigation Service:				
Block 1	$ 1.74	$ 1.81	$ 1.86	$ 1.91
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

Note: Amounts shown to be applied on a per ERU basis.

Source: Hernando County Utilities Department

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2023
(UNAUDITED)

WASTEWATER SYSTEM
Monthly User Rates

	2021	2022	2023	2024
Monthly Base Charge:				
Residential Single-Family Services:				
Base Charge All Meter Sizes	$ 22.11	$ 23.22	$ 24.38	$ 25.60
Commercial, Residential Multi-Family Service:				
Base Charge by Meter Size:				
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
customer with 12" Meter	$ 4.92	$ 5.17	$ 5.43	$ 5.70

Source: Hernando County Utilities Department

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2023
(UNAUDITED)

COUNTY SYSTEM RATES

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:

Meter Size	ERU Meter Factor	2019		2020		2021		2022		2023	
		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	1,726	5,316
1"	2.5	2,868	8,860	2,868	8,860	2,868	8,860	2,868	8,860	2,868	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	407,560	131,905	407,560	131,905	407,560

Source: Hernando County Utilities Department

COUNTY SYSTEM RATES (CONTINUTED)

OTHER COUNTY SYSTEM RATES AND CHARGES

The County has several other charges that are applicable to miscellaneous or customer-related 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 Description	2019	2020	2021	2022	2023
Water Hook-up Fees					
Meter Size:					
5/8" x 3/4"	$ 250	$ 350	$ 350	$ 350	$ 350
5/8" x 3/4" - Short/Long Tap-In	350	690	690	690	690
1"	750	860	860	860	860
1 1/2"	1,170	1,550	1,550	1,550	1,550
2"	1,400	1,685	1,685	1,685	1,685
3"	Contracted	Contracted	Contracted	Contracted	Contracted
4"	Contracted	Contracted	Contracted	Contracted	Contracted
6"	Contracted	Contracted	Contracted	Contracted	Contracted
8"	Contracted	Contracted	Contracted	Contracted	Contracted
Wastewater Hook-up Fees					
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	$ 35	$ 35	$ 35	$ 40
After 5:00 p.m., Weekends, Holidays	70	70	70	70	80

Source: Hernando County Utilities Department

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
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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					
	2024	**2025**	**2026**	**2027**	**2028**	**TOTAL**
WATER SYSTEM						
Water Production	$ 22,439,757	$ 7,635,000	$ -	$ 33,348,200	$ -	$ 63,422,957
Water Distribution/Storage	3,501,728	269,600	500,000	-	-	4,271,328
Total Water Systems	25,941,485	7,904,600	500,000	33,348,200	-	67,694,285
WASTEWATER SYSTEM						
Treatment and Effluent Disposal	15,347,495	73,200,000	2,200,000	-	-	$ 90,747,495
W.W. Collection/Effluent Transmission	37,754,350	7,629,600	800,000	68,000	15,420,000	61,671,950
Total Wastewater System	53,101,845	80,829,600	3,000,000	68,000	15,420,000	152,419,445
TOTAL - WATER & WASTEWATER SYSTEM	$ 79,043,330	$ 88,734,200	$ 3,500,000	$ 33,416,200	$ 15,420,000	$ 220,113,730

FUNDING SOURCES FOR FIVE-YEAR WATER AND SEWER CAPITAL IMPROVEMENTS PROGRAM

	2024	**2025**	**2026**	**2027**	**2028**	**TOTAL**
WATER SYSTEM						
Capital Reserves	$ 15,319,640	$ 6,654,600	$ -	$ 24,386,000	$ -	$ 46,360,240
Renewal & Replacement Fund	4,125,463	50,000	500,000	-	-	4,675,463
Connection Fees	757,857	1,200,000	-	8,962,200	-	10,920,057
Other Funding Sources	5,738,525	-	-	-	-	5,738,525
Total Water Systems	25,941,485	7,904,600	500,000	33,348,200	-	67,694,285
WASTEWATER SYSTEM						
Capital Reserves	$ 17,862,907	$ 13,419,600	$ 2,600,000	$ 68,000	$ 1,265,000	$ 35,215,507
Renewal & Replacement Fund	2,115,394	2,800,000	-	-	-	4,915,394
Connection Fees	3,250,787	60,000,000	-	-	-	63,250,787
Other Funding Sources	29,872,757	4,610,000	400,000	-	14,155,000	49,037,757
Total Wastewater System	53,101,845	80,829,600	3,000,000	68,000	15,420,000	152,419,445
TOTAL - WATER & WASTEWATER SYSTEM	$ 79,043,330	$ 88,734,200	$ 3,500,000	$ 33,416,200	$ 15,420,000	$ 220,113,730

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2023
(UNAUDITED)

HISTORICAL OPERATING RESULTS AND DEBT SERVICE COVERAGE - COUNTY SYSTEM

The following table shows certain historical operating data for the Water and Sewer Systrem 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				
	2019	**2020**	**2021**	**2022**	**2023**
REVENUE					
Water & Wastewater Sales Revenues	$ 36,133,965	$ 38,922,432	$ 41,614,139	$ 44,541,692	$ 47,280,354
Other Operating Revenues	519,832	412,227	298,658	385,477	328,260
Investment Income (Loss)	2,206,169	1,664,166	101,977	(2,301,508)	2,804,962
Total Gross Revenues[(a)]	38,859,966	40,998,825	42,014,774	42,625,661	50,413,576
OPERATING EXPENSES[(b)]					
Personal Services	9,897,899	10,225,603	8,966,060	9,920,134	11,534,476
Other Operating Expenses	10,826,671	13,097,421	12,624,161	13,440,060	16,372,471
Depreciation Equivalent Charges[(c)]	(366,071)	(453,088)	(816,113)	(1,067,592)	(1,421,479)
Total Operating Expenses	20,358,499	22,869,936	20,774,108	22,292,602	26,485,468
NET REVENUES[(d)]	**$18,501,467**	**$18,128,889**	**$21,240,666**	**$20,333,059**	**$23,928,108**
CONNECTION FEES					
Water Connection Fees	807,319	763,215	1,214,679	1,091,244	1,157,001
Wastewater Connection Fees	1,495,310	1,436,950	2,150,737	1,908,221	2,919,017
Total Connection Fees	2,302,629	2,200,165	3,365,416	2,999,465	4,076,018
Pledged Funds[(e)]	20,804,096	20,329,054	24,606,082	23,332,524	28,004,126
Actual Senior Lien Debt Service	$ 3,982,002	$ 2,577,705	$ 1,830,428	$ 5,361,035	$ 5,938,466
Actual Coverage on Net Revenues[(f)]	4.65	7.03	11.60	3.79	4.03
Required Coverage	1.10	1.10	1.35	1.35	1.35
Actual Coverage on Pledged Funds[(f)]	5.22	7.89	13.44	4.35	4.72
Required Coverage	1.20	1.20	1.20	1.20	1.20

(a) Pursuant to the Resolution, does not include Sewer Connection Fees, Water Connection Fees, or Special Assessment Proceeds.

(b) Pursuant to the Resolution, does not include amortization or depreciation.

(c) For purposes of this table, charges associated with replacement of vehicles in-lieu of depreciation have been eliminated. This is consisten with definition of Operating Expenses in the Resolution, which excludes depreciation, amortization, and other similar charges.

(d) Net revenues are defined in the Resolution as Gross Revenues less Operating Expenses.

(e) 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.

(f) 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 is equal to $0.00.

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 the fiscal year ending September 30, 2023.

Customer	Class	Meter Size	Type of Service	System Revenue	% of Total County Sales Revenue
Hernando County Jail	Commercial	6"	Water & Sewer	$ 179,619	0.38%
Hernando Correctional Institute	Commercial	6"	Water & Sewer	147,111	0.31%
Oak Hill Hospital	Commercial	6"	Water & Sewer	142,582	0.30%
Oak Hill Hospital - Cooling Tower	Commercial	2"	Water	127,129	0.27%
Bridgewater Club Apartments	Commercial	6"	Water & Sewer	111,013	0.23%
Brooksville Regional Hospital	Commercial	6"	Water & Sewer	60,291	0.13%
Hernando County School Board	Commercial	6"	Water & Sewer	55,170	0.12%
Evergreen Woods	Commercial	4"	Water & Sewer	52,340	0.11%
Vitality Living Spring Hill	Commercial	4"	Water & Sewer	33,382	0.07%
Spring Hill Hospital - Cooling Tower	Commercial	2"	Water	16,634	0.04%

Source: Hernando County Utilities Department

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
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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 no 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 a table is not intended to represent revenues of the County which would necessarily be available to pay debt service on the Serries 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

	FISCAL YEAR ENDING SEPTEMBER 30					
REVENUES	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Taxes						
Local Communications Services Tax	$ 1,658,612	$ 1,494,033	$ 1,508,963	$ 1,504,621	$ 1,656,179	$ 1,644,002
Licenses and Permits - Other	462,182	489,033	485,251	530,672	504,505	426,455
Intergovernmental						
Local Governmental Half-Cent Sales Tax[(a)]	9,823,445	10,113,257	10,333,528	12,179,208	13,550,762	14,103,869
State Revenue Sharing	4,970,666	5,223,897	4,913,385	5,726,289	7,369,002	7,814,124
Other[(b)]	4,916,876	6,023,774	32,700,262	13,730,732	4,900,011	5,701,178
Charges for Service						
General Government	8,475,322	9,373,508	13,179,182	10,500,253	9,710,211	13,825,704
Public Safety	2,673,726	2,791,145	476,860	3,752,649	3,765,060	758,583
Physical Environment	313,140	-	173,550	140,264	200,314	-
Transportation	152,677	147,853	120,283	118,139	132,034	147,805
Human Services	204,134	224,203	181,143	194,870	184,655	170,411
Culture and Recreation	854,542	764,664	737,690	1,028,982	1,021,659	973,028
Other	28,561	29,197	29,720	31,998	30,417	-
Fines and Forfeitures	110,167	137,409	128,878	198,608	147,248	248,671
Investment Income (Loss)	227,855	1,120,746	1,166,271	84,734	(2,371,310)	4,997,392
Miscellaneous Revenue	1,456,065	1,637,594	5,401,409	2,746,219	2,483,866	1,841,042
Total Sources of Non-Ad Valorem Revenues	**$ 36,327,970**	**$ 39,570,313**	**$ 71,536,375**	**$ 52,468,238**	**$ 43,284,613**	**$ 52,652,264**

(a) 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.

(b) 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[(a)]	Final Maturity	Maximum Annual Debt Service
Non-Revolving Line of Credit	Covenant to Budget and Appropriate Legally Available Non-Ad Valorem Revenues	$ 13,087,890	5/1/2032	$ 3,141,150
Non-Ad Valorem Refunding Revenue Bonds, Series 2010	Covenant to Budget and Appropriate Legally Available Non-Ad Valorem Revenues	$ 425,000	2/1/2024	$ 433,766
Non-Ad Valorem Refunding Revenue Bonds, Series 2012	Covenant to Budget and Appropriate Legally Available Non-Ad Valorem Revenues	$ 7,266,000	2/1/2028	$ 1,550,321
Non-Ad Valorem Revenue Bonds, Series 2022	Covenant to Budget and Appropriate Legally Available Non-Ad Valorem Revenues	$ 31,285,000	6/1/2052	$ 3,690,788

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
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GENERAL FUND REVENUES AND EXPENDITURES

The following table shows information regarding the General Fund for the County's fiscal years ending September 30, 2018 through September 30, 2023.

	FISCAL YEAR ENDING SEPTEMBER 30					
	2018	**2019**	**2020**	**2021**	**2022**	**2023**
REVENUES						
Taxes	$ 55,176,696	$ 58,402,513	$ 71,651,035	$ 75,177,661	$ 79,668,627	$ 90,284,483
Licenses and Permits	462,182	489,034	485,251	530,672	504,505	426,455
Intergovernmental	19,718,014	21,360,928	47,947,175	31,636,229	25,769,775	33,375,083
Charges for Services	12,702,102	13,330,570	14,898,428	15,767,155	15,044,350	15,875,531
Fines and Forfeitures	110,167	137,409	128,878	198,608	147,248	248,671
Investment Income (Loss)	227,855	1,120,746	1,166,271	84,734	(2,371,310)	4,997,392
Miscellaneous Revenue	1,456,065	1,637,594	5,401,409	2,746,219	2,483,866	1,841,042
TOTAL REVENUES	**$ 89,853,081**	**$ 96,478,794**	**$ 141,678,447**	**$ 126,141,278**	**$ 121,247,061**	**$ 147,048,657**
EXPENDITURES						
Current						
General Government	$ 22,264,779	$ 22,766,601	$ 22,837,187	$ 26,002,200	$ 27,475,790	$ 32,276,854
Public Safety	48,693,366	51,776,924	55,173,881	57,634,971	62,627,142	69,455,191
Physical Environment	328,852	444,670	496,058	515,117	603,428	619,375
Transportation	2,514,283	2,415,463	2,723,307	2,878,645	3,179,680	3,181,742
Economic Environment	469,298	558,060	2,949,502	4,928,949	713,316	1,028,384
Human Services	4,609,019	4,686,387	4,828,136	5,941,076	4,965,909	5,270,636
Culture and Recreation	5,201,253	5,675,994	5,442,599	6,177,042	6,597,701	6,980,987
Court Operations	1,266,448	1,388,518	1,540,870	1,558,259	1,671,019	1,845,366
Debt Service						
Principal	424,739	441,217	563,348	811,662	910,419	1,607,299
Interest and Fiscal Charges	66,194	69,632	78,403	75,771	70,940	297,839
Capital Outlay	3,358,739	3,607,192	4,155,093	7,729,843	8,157,892	9,938,732
TOTAL EXPENDITURES	**$ 89,196,970**	**$ 93,830,658**	**$ 100,788,384**	**$ 114,253,535**	**$ 116,973,236**	**$ 132,502,405**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 656,111	$ 2,648,136	$ 40,890,063	$ 11,887,743	$ 4,273,825	$ 14,546,252
OTHER FINANCING SOURCES (USES)						
Transfers In[(a)]	$ 3,365,406	$ 2,390,979	$ 775,376	$ 357,922	$ 855,149	$ 1,374,146
Transfers Out[(a)]	(5,412,852)	(5,666,358)	(5,629,608)	(5,019,325)	(4,174,031)	(6,306,615)
Lease Liabilities Issued	-	-	-	-	459,141	624,460
Additions to Long-Term Debt	142,399	-	556,530	-	-	15,122,899
TOTAL OTHER FINANCING SOURCES (USES)	**$ (1,905,047)**	**$ (3,275,379)**	**$ (4,297,702)**	**$ (4,661,403)**	**$ (2,859,741)**	**$ 10,814,890**
Net Change in Fund Balances	$ (1,248,936)	$ (627,243)	$ 36,592,361	$ 7,226,340	$ 1,414,084	$ 25,361,142
BEGINNING FUND BALANCE	23,854,816	$ 22,605,880	$ 21,978,637	$ 58,570,998	$ 65,797,338	$ 65,797,338
ENDING FUND BALANCE	**$ 22,605,880**	**$ 21,978,637**	**$ 58,570,998**	**$ 65,797,338**	**$ 67,211,422**	**$ 91,158,480**

(a) Transfers from or to other funds within the County.

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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.

Joshua Stringfellow, CPA
Acting Financial Services Director
Office of Doug Chorvat Jr., Clerk of Circuit Court and Comptroller

State of Florida
County of Hernando

The foregoing instrument, Affidavit, dated 6/14/24 and consisting of 1 pages, was acknowledged before me this 14 day of June, 2024 by Joshua Stringfellow who is personally known to me or has produced _____ as identification.

(Seal)

NOTARY PUBLIC STATE OF FLORIDA
CHELSEA WORTHINGTON
Commission # HH 010414
Expires June 15, 2024
Bonded Thru Budget Notary Services

NOTARY SIGNATURE

HERNANDO COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT

FINANCIAL STATEMENTS

Year Ended September 30, 2023

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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 Audit of the Financial Statements

Opinion

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, 2023, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Clerk as of September 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Clerk, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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, 2023, 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.

Honorable Doug Chorvat, Jr.
Clerk of the Circuit Court and Comptroller
Hernando County, Florida

Supplementary 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 27, 2024 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 27, 2024

HERNANDO COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2023

	General	Records Modernization	Fines and Forfeitures	Total
ASSETS				
Cash	$ 6,100	$ -	$ -	$ 6,100
Equity in pooled cash and investments	1,590,814	3,142,242	1,298,090	6,031,146
Accounts receivable	54,784	-	-	54,784
Due from other government agencies	135,027	-	40,951	175,978
Prepaid items	174,050	25,179	-	199,229
TOTAL ASSETS	$ 1,960,775	$ 3,167,421	$ 1,339,041	$ 6,467,237
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 211,250	$ 1,028	$ 5,010	$ 217,288
Accrued wages and benefits	144,156	1,773	41,193	187,122
Due to Hernando County Board of County Commissioners	1,537,050	-	-	1,537,050
Due to other government agencies	-	-	1,034,583	1,034,583
Deposits	68,319	-	252,791	321,110
TOTAL LIABILITIES	1,960,775	2,801	1,333,577	3,297,153
FUND BALANCES				
Restricted for: Record modernization	-	3,164,620	-	3,164,620
Restricted for: Court operations	-	-	5,464	5,464
TOTAL FUND BALANCES	-	3,164,620	5,464	3,170,084
TOTAL LIABILITIES AND FUND BALANCE	$ 1,960,775	$ 3,167,421	$ 1,339,041	$ 6,467,237

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, 2023

	General	Records Modernization	Fines and Forfeitures	Total
REVENUES				
Intergovernmental	$ -	$ -	$ 422,570	$ 422,570
Charges for services	1,619,749	519,897	3,164,140	5,303,786
Fines and forfeitures	-	-	1,162,561	1,162,561
Interest income	269,847	133,633	80,690	484,170
Miscellaneous	8,125	-	93,898	102,023
TOTAL REVENUES	1,897,721	653,530	4,923,859	7,475,110
EXPENDITURES				
General government:				
Personnel services	4,847,229	-	-	4,847,229
Operating expenditures	2,982,078	35,918	-	3,017,996
Court operations:				
Personnel services	-	-	3,337,987	3,337,987
Operating expenditures	-	26,602	155,238	181,840
Capital outlay	156,711	119,366	-	276,077
TOTAL EXPENDITURES	7,986,018	181,886	3,493,225	11,661,129
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,088,297)	471,644	1,430,634	(4,186,019)
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Hernando County Board of County Commissioners	7,623,536	-	-	7,623,536
Transfers (out):				
Distribution of excess appropriations to the Hernando County Board of County Commissioners	(1,535,239)	-	-	(1,535,239)
Distribution of excess court revenue to the State of Florida	-	-	(1,439,191)	(1,439,191)
TOTAL OTHER FINANCING SOURCES (USES)	6,088,297	-	(1,439,191)	4,649,106
NET CHANGE IN FUND BALANCE	-	471,644	(8,557)	463,087
FUND BALANCE, BEGINNING OF YEAR	-	2,692,976	14,021	2,706,997
FUND BALANCE, END OF YEAR	$ -	$ 3,164,620	$ 5,464	$ 3,170,084

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, 2023

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 1,567,000	$ 1,567,000	$ 1,619,749	$ 52,749
Interest income	9,000	9,000	269,847	260,847
Miscellaneous	-	-	8,125	8,125
TOTAL REVENUES	1,576,000	1,576,000	1,897,721	321,721
EXPENDITURES				
General government:				
Personnel services	5,366,947	5,366,947	4,847,229	519,718
Operating expenditures	3,637,589	3,637,589	2,982,078	655,511
Capital outlay	195,000	195,000	156,711	38,289
TOTAL EXPENDITURES	9,199,536	9,199,536	7,986,018	1,213,518
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,623,536)	(7,623,536)	(6,088,297)	1,535,239
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Hernando County Board of County Commissioners	7,623,536	7,623,536	7,623,536	-
Transfers (out):				
Distribution of excess appropriations to the Hernando County Board of County Commissioners	-	-	(1,535,239)	(1,535,239)
TOTAL OTHER FINANCING SOURCES (USES)	7,623,536	7,623,536	6,088,297	(1,535,239)
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, 2023

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 660,000	$ 660,000	$ 519,897	$ (140,103)
Interest income	8,000	8,000	133,633	125,633
TOTAL REVENUES	668,000	668,000	653,530	(14,470)
EXPENDITURES				
General government:				
Operating expenditures	463,000	423,316	35,918	387,398
Court operations:				
Personnel services	405,000	405,000	-	405,000
Operating expenditures	375,000	335,316	26,602	308,714
Capital outlay	40,000	119,368	119,366	2
Reserves	615,000	615,000	-	615,000
TOTAL EXPENDITURES	1,898,000	1,898,000	181,886	1,716,114
NET CHANGE IN FUND BALANCE	(1,230,000)	(1,230,000)	471,644	1,701,644
FUND BALANCE, BEGINNING OF YEAR	1,230,000	1,230,000	2,692,976	1,462,976
FUND BALANCE, END OF YEAR	$ -	$ -	$ 3,164,620	$ 3,164,620

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, 2023

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 482,219	$ 469,606	$ 422,570	$ (47,036)
Charges for services	3,040,650	3,040,650	3,164,140	123,490
Fines and forfeitures	1,131,950	1,131,950	1,162,561	30,611
Interest income	10,000	10,000	80,690	70,690
Miscellaneous	-	-	93,898	93,898
TOTAL REVENUES	4,664,819	4,652,206	4,923,859	271,653
EXPENDITURES				
Court operations:				
Personnel services	3,846,502	3,780,764	3,337,987	442,777
Operating expenditures	123,644	176,769	155,238	21,531
TOTAL EXPENDITURES	3,970,146	3,957,533	3,493,225	464,308
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	694,673	694,673	1,430,634	735,961
OTHER FINANCING SOURCES (USES)				
Transfers (out):				
Distribution of excess court revenue to State of Florida	(694,673)	(694,673)	(1,439,191)	(744,518)
NET CHANGE IN FUND BALANCE	-	-	(8,557)	(8,557)
FUND BALANCE, BEGINNING OF YEAR	-	-	14,021	14,021
FUND BALANCE, END OF YEAR	$ -	$ -	$ 5,464	$ 5,464

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, 2023

ASSETS		
Equity in pooled cash and investments		$ 4,946,369
	TOTAL ASSETS	4,946,369
LIABILITIES		
Accounts payable		33,044
Due to Hernando County Board of County Commissioners		105,762
Due to other government agencies		674,461
Other current liabilities		2,449,445
	TOTAL LIABILITIES	3,262,712
NET POSITION		
Restricted for:		
Individuals and other governments		$ 1,683,656

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, 2023

ADDITIONS		
State of Florida collections		$ 42,020,544
Hernando County Board of County Commissioners collections		618,321
Other collections		17,006,547
	TOTAL ADDITIONS	59,645,412
DEDUCTIONS		
Payments to Hernando County Board of County Commissioners		615,951
Payments to the State of Florida		41,768,685
Other payments		17,748,738
	TOTAL DEDUCTIONS	60,133,374
	NET DECREASE IN FIDUCIARY NET POSITION	(487,962)
NET POSITION-BEGINNING OF THE YEAR		2,171,618
NET POSITION-END OF THE YEAR		$ 1,683,656

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, 2023

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.

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 $595,981 and net revenues accrued were $843,210 for a total state distribution of $1,439,191. 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 $1,034,583 included net revenues of $625,685 scheduled to be returned to the state in January 2024, and $408,898 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.

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.

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, 2023, the fair value of the Clerk's cash and cash equivalents was as follows:

	Fair Value	Credit Rating
Cash on Hand	$ 6,100	N/A
Demand Deposits	680,901	N/A
Total Cash and Cash Equivalents	$ 687,001	

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, 2023 (Ratings from Standard and Poor's):

	Maturity	Fair Value	Rating
Investments			
Investment Pools:			
Florida Trust - Short-Term Bond Fund	Immediate	$ 1,509,115	AAAf
Florida Trust - Day to Day Fund	Immediate	354,689	AAAmmf
FLCLASS	51 days	4,216,239	AAAm
Florida PRIME Local Government Surplus Trust	48 Days	4,216,571	AAAm
Total Investments		$ 10,296,614	

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 $6,100, $6,031,146, and $4,946,369 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, 2022	Additions	Retirements	Balance September 30, 2023	Due Within One Year
Accrued Compensated Balance	$ 315,541	$ 507,705	$ (465,886)	$ 357,360	$ 357,360

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, 2021 through 2023 were: $607,598, $758,871, and $863,279, 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 $126,374, $143,875, and $152,144 for the fiscal years ended September 30, 2021 through 2023, 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 $1,254,351 for life and health insurance coverage to the Board for the fiscal year ended September 30, 2023.

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 $9,009 for the fiscal year ended September 30, 2023.

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, 2023

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, 2023

	Trust Fund	Court Registry	Ordinary Witness	Total
ASSETS				
Equity in pooled cash and investments	$ 2,468,797	$ 2,464,929	$ 12,643	$ 4,946,369
TOTAL ASSETS	2,468,797	2,464,929	12,643	4,946,369
LIABILITIES				
Accounts payable	4,917	15,484	12,643	33,044
Due to Hernando County Board of County Commissioners	105,762	-	-	105,762
Due to other government agencies	674,461	-	-	674,461
Other current liabilities	-	2,449,445	-	2,449,445
TOTAL LIABILITIES	785,140	2,464,929	12,643	3,262,712
NET POSITION				
Restricted for:				
Individuals and other governments	$ 1,683,656	$ -	$ -	$ 1,683,656

HERNANDO COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS

Year Ended September 30, 2023

	Trust Fund	Court Registry	Domestic Relations	Ordinary Witness	Total
ADDITIONS					
State of Florida collections	$ 42,020,544	$ -	$ -	$ -	$ 42,020,544
Hernando County Board of County Commissioners collections	618,321	-	-	-	618,321
Other collections	14,138,907	2,464,929	390,068	12,643	17,006,547
TOTAL ADDITIONS	56,777,772	2,464,929	390,068	12,643	59,645,412
DEDUCTIONS					
Payments to Hernando County Board of County Commissioners	615,951	-	-	-	615,951
Payments to the State of Florida	41,768,685	-	-	-	41,768,685
Other payments	14,881,098	2,464,929	390,068	12,643	17,748,738
TOTAL DEDUCTIONS	57,265,734	2,464,929	390,068	12,643	60,133,374
NET DECREASE IN FIDUCIARY NET POSITION	(487,962)	-	-	-	(487,962)
NET POSITION-BEGINNING OF THE YEAR	2,171,618	-	-	-	2,171,618
NET POSITION-END OF THE YEAR	$ 1,683,656	$ -	$ -	$ -	$ 1,683,656

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 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, 2023, 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 27, 2024.

Report on 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

Report on 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 27, 2024

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, 2023. 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 AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied with the aforementioned requirements in all material respects. An examination involves performing procedures to obtain evidence about the Clerk's compliance with those requirements, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Clerk's compliance with those requirements, 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.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on the Clerk's compliance with the specified requirements.

In our opinion, the Clerk complied with the aforementioned requirements for the fiscal year ended September 30, 2023, in all material respects.

MSL, P.A.
Certified Public Accountants

Tampa, Florida
February 27, 2024

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, 2023, and have issued our report thereon dated February 27, 2024.

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 27, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General,* requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. 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 27, 2024

Doug Chorvat Jr.
Clerk of Circuit Court & Comptroller, Hernando County FL
Department of Financial Services
20 N. Main Street, Brooksville, FL 34601 – (352) 540-6788

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Doug Chorvat, Jr., Clerk of Circuit Court & Comptroller, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of Hernando County which is a local governmental entity of the State of Florida.

2. The governing body of Hernando County adopted no Ordinances or Resolutions during the audited Fiscal Year to implement a new impact fee.

3. Hernando County has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Doug Chorvat, Jr.
Clerk of Circuit Court & Comptroller,
Hernando County, FL

STATE OF FLORIDA
COUNTY OF HERNANDO

SWORN TO AND SUBSCRIBED before me this 25 day of June, 2024.

NOTARY PUBLIC
Print Name HEIDI KURPPE

Personally known ✓ or produced identification _____

Type of identification produced: _____

My Commission Expires:
July 11, 2026

HEIDI KURPPE
Commission # HH 286208
Expires July 11, 2026

HERNANDO COUNTY, FLORIDA
PROPERTY APPRAISER

FINANCIAL STATEMENTS

Year Ended September 30, 2023

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MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable John C. Emerson
Property Appraiser
Hernando County, Florida

Report on the Audit of the Financial Statements

Opinion

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, 2023, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Property Appraiser as of September 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Property Appraiser, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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, 2023, and the changes in its financial position for the fiscal 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.

Honorable John C. Emerson
Property Appraiser
Hernando County, Florida

Supplementary 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 January 3, 2024, 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
January 3, 2024

HERNANDO COUNTY, FLORIDA
PROPERTY APPRAISER

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2023

	General Fund	Geographic Information System Fund	Non-Major Governmental Funds	Total
ASSETS				
Cash and cash equivalents	$ 291,612	$ 1,664,542	$ 81,969	$ 2,038,123
TOTAL ASSETS	$ 291,612	$ 1,664,542	$ 81,969	$ 2,038,123
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Vouchers payable	$ 6,488	$ 1,555	$ 867	$ 8,910
Due to the Hernando County, Florida, Board of County Commissioners	280,963	-	81,018	361,981
Due to other governments	4,161	-	84	4,245
TOTAL LIABILITIES	291,612	1,555	81,969	375,136
FUND BALANCES				
Committed for GIS function	-	1,662,987	-	1,662,987
TOTAL FUND BALANCES	-	1,662,987	-	1,662,987
TOTAL LIABILITIES AND FUND BALANCES	$ 291,612	$ 1,664,542	$ 81,969	$ 2,038,123

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, 2023

	General Fund	Geographic Information System Fund	Non-Major Governmental Funds	Total
REVENUES				
Intergovernmental revenues:				
Hernando County, Florida, Board of County Commissioners	$ 3,152,776	$ 936,405	$ 253,885	$ 4,343,066
Other taxing districts	46,692	136,409	-	183,101
Total intergovernmental revenues	3,199,468	1,072,814	253,885	4,526,167
Charges for services	-	33,381	74,078	107,459
Interest	-	780	-	780
TOTAL REVENUES	3,199,468	1,106,975	327,963	4,634,406
EXPENDITURES				
General government:				
Personnel services	2,559,016	741,436	220,982	3,521,434
Operating	340,384	365,521	25,879	731,784
Capital outlay	14,944	-	-	14,944
TOTAL EXPENDITURES	2,914,344	1,106,957	246,861	4,268,162
EXCESS OF REVENUES OVER EXPENDITURES	285,124	18	81,102	366,244
OTHER FINANCING USES				
Transfers (out):				
Distribution of excess fees to the Hernando County, Florida, Board of County Commissioners	(280,963)	-	(81,018)	(361,981)
Distribution of excess fees to other taxing districts	(4,161)	-	(84)	(4,245)
TOTAL OTHER FINANCING USES	(285,124)	-	(81,102)	(366,226)
NET CHANGE IN FUND BALANCES	-	18	-	18
FUND BALANCE, BEGINNING OF YEAR	-	1,662,969	-	1,662,969
FUND BALANCE, END OF YEAR	$ -	$ 1,662,987	$ -	$ 1,662,987

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, 2023

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental revenues:				
Hernando County, Florida,				
Board of County Commissioners	$ 3,152,776	$ 3,152,776	$ 3,152,776	$ -
Other taxing districts	46,692	46,692	46,692	-
TOTAL REVENUES	3,199,468	3,199,468	3,199,468	-
EXPENDITURES				
General government:				
Personnel services	2,716,051	2,716,051	2,559,016	157,035
Operating	447,892	447,892	340,384	107,508
Capital outlay	25,525	25,525	14,944	10,581
Non-operating	10,000	10,000	-	10,000
TOTAL EXPENDITURES	3,199,468	3,199,468	2,914,344	285,124
EXCESS OF REVENUES OVER EXPENDITURES	-	-	285,124	285,124
OTHER FINANCING SOURCES (USES)				
Transfers (out):				
Distribution of excess fees to the Hernando County, Florida, Board of County Commissioners	-	-	(280,963)	(280,963)
Distribution of excess fees to Other taxing districts	-	-	(4,161)	(4,161)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(285,124)	(285,124)
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, 2023

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental revenues:				
Hernando County, Florida,				
Board of County Commissioners	$ 936,405	$ 936,405	$ 936,405	$ -
Other taxing districts	136,409	136,409	136,409	-
Total intergovernmental revenues	1,072,814	1,072,814	1,072,814	-
Charges for services	18,461	18,461	33,381	14,920
Interest	-	-	780	780
TOTAL REVENUES	1,091,275	1,091,275	1,106,975	15,700
EXPENDITURES				
General government:				
Personnel services	754,931	754,931	741,436	13,495
Operating	410,175	410,175	365,521	44,654
Capital outlay	28,024	28,024	-	28,024
TOTAL EXPENDITURES	1,193,130	1,193,130	1,106,957	86,173
NET CHANGE IN FUND BALANCES	(101,855)	(101,855)	18	101,873
FUND BALANCE, BEGINNING OF YEAR	101,855	101,855	1,662,969	1,561,114
FUND BALANCE, END OF YEAR	$ -	$ -	$ 1,662,987	$ 1,662,987

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
PROPERTY APPRAISER

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

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, 2023, 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	2,037,973	N/A
Total Cash and Cash Equivalents	$ 2,038,123	

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, 2022	Additions	Retirements	Balance September 30, 2023	Due Within One Year
Accrued Compensated Balance	$ 250,528	$ 230,125	$ (225,475)	$ 255,178	$ 229,660

These liabilities are not reported in the financial statements of the Property Appraiser but are reported in 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, 2021 through 2023 were: $300,862, $378,747, and $428,180, 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 $60,039, $65,445, and $64,468, for the fiscal years ended September 30, 2021 through 2023, respectively, which were equal to the required contribution for each fiscal year.

NOTE 7 - 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 $12,811 for general liability and $584,287 for employee life and health insurance coverage to the Board for the fiscal year ended September 30, 2023.

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 $8,911 for the fiscal year ended September 30, 2023.

NOTE 8 - 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 9 - COMMITMENT

The Property Appraiser has the following future commitment to one vendor for six separate aerial mapping projects:

Year Ending September 30,	Amount
2024	$ 173,576
2025	173,576
2026	218,776
	$ 565,928

SUPPLEMENTARY INFORMATION

Combining and Individual Fund Financial Statements and Schedule

HERNANDO COUNTY, FLORIDA
PROPERTY APPRAISER

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2023

	County Fees and Commissions Fund	Addressing Fund	Addressing Fees Fund	GIS Business Units Fund	Total
ASSETS					
Cash and cash equivalents	$ 5,757	$ 5,038	$ 59,210	$ 11,964	$ 81,969
TOTAL ASSETS	$ 5,757	$ 5,038	$ 59,210	$ 11,964	$ 81,969
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Vouchers payable	$ -	$ 392	$ -	$ 475	$ 867
Due to the Hernando County, Florida, Board of County Commissioners	5,673	4,646	59,210	11,489	81,018
Due to other governments	84	-	-	-	84
TOTAL LIABILITIES	5,757	5,038	59,210	11,964	81,969
FUND BALANCES					
Committed for specific purpose	-	-	-	-	-
TOTAL FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 5,757	$ 5,038	$ 59,210	$ 11,964	$ 81,969

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
PROPERTY APPRAISER

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE NON-MAJOR GOVERNMENTAL FUNDS

Year Ended September 30, 2023

	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	$ -	$ 129,237	$ -	$ 124,648	$ 253,885
Charges for services	14,868	-	59,210	-	74,078
TOTAL REVENUES	14,868	129,237	59,210	124,648	327,963
EXPENDITURES					
General government:					
Personnel services	-	112,967	-	108,015	220,982
Operating	9,111	11,624	-	5,144	25,879
TOTAL EXPENDITURES	9,111	124,591	-	113,159	246,861
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,757	4,646	59,210	11,489	81,102
OTHER FINANCING SOURCES (USES)					
Transfers (out):					
Distribution of excess fees to the Hernando County, Florida, Board of County Commissioners	(5,673)	(4,646)	(59,210)	(11,489)	(81,018)
Distribution of excess fees to other taxing districts	(84)	-	-	-	(84)
TOTAL OTHER FINANCING SOURCES (USES)	(5,757)	(4,646)	(59,210)	(11,489)	(81,102)
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

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - ADDRESSING FUND

Year Ended September 30, 2023

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental revenues:				
Hernando County, Florida, Board of County Commissioners	$ 129,237	$ 129,237	$ 129,237	$ -
TOTAL REVENUES	129,237	129,237	129,237	-
EXPENDITURES				
General government:				
Personnel services	117,613	117,613	112,967	4,646
Operating	11,624	11,624	11,624	-
TOTAL EXPENDITURES	129,237	129,237	124,591	4,646
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	4,646	4,646
OTHER FINANCING SOURCES (USES)				
Transfers (out):				
Distribution of excess fees to the Hernando County, Florida, Board of County Commissioners	-	-	(4,646)	(4,646)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(4,646)	(4,646)
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

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GIS BUSINESS UNITS FUND

Year Ended September 30, 2023

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental revenues:				
Hernando County, Florida, Board of County Commissioners	$ 124,648	$ 124,648	$ 124,648	$ -
TOTAL REVENUES	124,648	124,648	124,648	-
EXPENDITURES				
General government:				
Personnel services	110,800	110,800	108,015	2,785
Operating	13,848	13,848	5,144	8,704
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	124,648	124,648	113,159	11,489
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	11,489	11,489
OTHER FINANCING SOURCES (USES)				
Transfers (out):				
Distribution of excess fees to the Hernando County, Florida, Board of County Commissioners	-	-	(11,489)	(11,489)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(11,489)	(11,489)
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.

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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*

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, 2023, and have issued our report thereon dated January 3, 2024.

Report on 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

Report on 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 January 3, 2024.

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 Property Appraiser'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 Property Appraiser's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MSL, P.A.
Certified Public Accountants

Tampa, Florida
January 3, 2024

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, 2023. The Property Appraiser's 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 complied with the aforementioned requirements in all material respects. An examination involves performing procedures to obtain evidence about the Property Appraiser's compliance with those requirements, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Property Appraiser's compliance with those requirements, 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.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on the Property Appraiser's compliance with the specified requirements.

In our opinion, the Property Appraiser complied with the aforementioned requirements for the fiscal year ended September 30, 2023, in all material respects.

MSL, P.A.
Certified Public Accountants

Tampa, Florida
January 3, 2024

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, 2023 and have issued our report thereon dated January 3, 2024.

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 3, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General,* requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. 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
January 3, 2024

HERNANDO COUNTY, FLORIDA
SHERIFF

FINANCIAL STATEMENTS

Year Ended September 30, 2023

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MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Al Nienhuis
Sheriff
Hernando County, Florida

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Sheriff as of September 30, 2023, and the respective change 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 fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Sheriff, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheriff's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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, 2023, and the changes in its financial position for the fiscal 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.

Honorable Al Nienhuis
Sheriff
Hernando County, Florida

Supplementary 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 January 24, 2024, 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 24, 2024

HERNANDO COUNTY, FLORIDA
SHERIFF

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2023

	General	E-911	Inmate Welfare	Inmate Revenue	Non-Major Governmental Funds	Total
ASSETS						
Cash and cash equivalents	$ 3,172,826	$ 1,462,699	$ 1,731,434	$ 384,580	$ 1,837,661	$ 8,589,200
Due from other funds	22,663	-	32,766	-	-	55,429
Due from other governments	271,078	13,700	-	134,175	64,820	483,773
TOTAL ASSETS	$ 3,466,567	$ 1,476,399	$ 1,764,200	$ 518,755	$ 1,902,481	$ 9,128,402
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts payable	$ 756,529	$ 13,343	$ 563	$ 1,130	$ 3,190	$ 774,755
Accrued wages and benefits payable	2,563,466	10,488	16,689	81,517	4,304	2,676,464
Due to Hernando County Board of County Commissioners	146,572	-	-	436,108	-	582,680
Due to other governments	-	-	200	-	-	200
TOTAL LIABILITIES	3,466,567	23,831	17,452	518,755	7,494	4,034,099
FUND BALANCES						
Restricted for:						
Law enforcement activities	-	-	-	-	713,533	713,533
Communications	-	1,452,568	-	-	960,460	2,413,028
Education and training	-	-	-	-	220,994	220,994
Inmate benefits	-	-	1,746,748	-	-	1,746,748
TOTAL FUND BALANCES	-	1,452,568	1,746,748	-	1,894,987	5,094,303
TOTAL LIABILITIES AND FUND BALANCE	$ 3,466,567	$ 1,476,399	$ 1,764,200	$ 518,755	$ 1,902,481	$ 9,128,402

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, 2023

	General	E-911	Inmate Welfare	Inmate Revenue	Non-Major Governmental Funds	Total
REVENUES						
Intergovernmental	$ -	$ -	$ -	$ -	$ 260,623	$ 260,623
Charges for services	296,337	1,057,521	889,370	3,505,425	626,808	6,375,461
Fines and forfeitures	-	-	-	-	166,465	166,465
Interest revenue	22,695	1,653	1,747	903	1,362	28,360
Miscellaneous	54,221	-	5,163	-	129,100	188,484
TOTAL REVENUES	373,253	1,059,174	896,280	3,506,328	1,184,358	7,019,393
EXPENDITURES						
Public safety:						
Personnel services	56,055,962	639,335	386,581	2,119,380	59,552	59,260,810
Operating expenditures	9,203,681	332,876	168,250	277,495	1,052,127	11,034,429
Capital outlay	2,117,342	43,033	-	-	475,898	2,636,273
Debt service:						
Principal	342,482	-	-	-	-	342,482
Interest	10,838	-	-	-	-	10,838
Court services:						
Personnel services	1,500,660	-	-	-	-	1,500,660
Operating expenditures	306,068	-	-	-	-	306,068
TOTAL EXPENDITURES	69,537,033	1,015,244	554,831	2,396,875	1,587,577	75,091,560
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(69,163,780)	43,930	341,449	1,109,453	(403,219)	(68,072,167)
OTHER FINANCING SOURCES (USES)						
Transfers in:						
Hernando County Board of County Commissioners:						
Appropriations	69,575,299	-	-	2,568,529	931,000	73,074,828
Transfers (out):						
Hernando County Board of County Commissioners:						
Other revenues	(373,253)	-	-	(3,505,425)	-	(3,878,678)
Excess fees	(38,266)	-	-	(172,557)	-	(210,823)
TOTAL OTHER FINANCING SOURCES (USES)	69,163,780	-	-	(1,109,453)	931,000	68,985,327
NET CHANGE IN FUND BALANCE	-	43,930	341,449	-	527,781	913,160
FUND BALANCE, BEGINNING OF YEAR	-	1,408,638	1,405,299	-	1,367,206	4,181,143
FUND BALANCE, END OF YEAR	$ -	$ 1,452,568	$ 1,746,748	$ -	$ 1,894,987	$ 5,094,303

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, 2023

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 280,000	$ 280,000	$ 296,337	$ 16,337
Interest revenue	30,000	30,000	22,695	(7,305)
Miscellaneous	27,000	27,000	54,221	27,221
TOTAL REVENUES	337,000	337,000	373,253	36,253
EXPENDITURES				
Public safety:				
Personnel services	58,526,404	55,878,119	56,055,962	(177,843)
Operating expenditures	8,068,923	9,399,138	9,203,681	195,457
Capital outlay	1,200,594	2,126,406	2,117,342	9,064
Debt service:				
Principal	-	342,482	342,482	-
Interest	-	10,838	10,838	-
Court services:				
Personnel services	1,453,586	1,500,649	1,500,660	(11)
Operating expenditures	325,792	317,667	306,068	11,599
TOTAL EXPENDITURES	69,575,299	69,575,299	69,537,033	38,266
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(69,238,299)	(69,238,299)	(69,163,780)	74,519
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Hernando County, Florida, Board of County Commissioners:	69,575,299	69,575,299	69,575,299	-
Transfers (out):				
Hernando County, Florida, Board of County Commissioners:				
Other revenues	(337,000)	(337,000)	(373,253)	(36,253)
Excess fees	-	-	(38,266)	(38,266)
TOTAL OTHER FINANCING SOURCES (USES)	69,238,299	69,238,299	69,163,780	(74,519)
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, 2023

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 899,000	$ 899,000	$ 1,057,521	$ 158,521
Interest revenue	2,500	2,500	1,653	(847)
TOTAL REVENUES	901,500	901,500	1,059,174	157,674
EXPENDITURES				
Public safety:				
Personnel services	622,877	641,247	639,335	1,912
Operating expenditures	366,900	379,970	332,876	47,094
Capital outlay	31,250	43,060	43,033	27
TOTAL EXPENDITURES	1,021,027	1,064,277	1,015,244	49,033
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(119,527)	(162,777)	43,930	206,707
OTHER FINANCING SOURCES (USES)				
Reserve for contingencies	(1,356,653)	(1,245,861)	-	1,245,861
TOTAL OTHER FINANCING SOURCES (USES)	(1,356,653)	(1,245,861)	-	1,245,861
NET CHANGE IN FUND BALANCE	(1,476,180)	(1,408,638)	43,930	1,452,568
FUND BALANCE, BEGINNING OF YEAR	1,476,180	1,408,638	1,408,638	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ 1,452,568	$ 1,452,568

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, 2023

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Charges for services	$ 600,000	$ 600,000	$ 889,370	$ 289,370
Interest revenue	350	350	1,747	1,397
Miscellaneous	3,000	3,000	5,163	2,163
TOTAL REVENUES	603,350	603,350	896,280	292,930
EXPENDITURES				
Public safety:				
Personnel services	444,654	406,698	386,581	20,117
Operating expenditures	198,700	244,318	168,250	76,068
Capital outlay	6,000	6,000	-	6,000
TOTAL EXPENDITURES	649,354	657,016	554,831	102,185
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(46,004)	(53,666)	341,449	395,115
OTHER FINANCING SOURCES (USES)				
Reserve for contingencies	(1,359,297)	(1,351,633)	-	1,351,633
TOTAL OTHER FINANCING SOURCES (USES)	(1,359,297)	(1,351,633)	-	1,351,633
NET CHANGE IN FUND BALANCE	(1,405,301)	(1,405,299)	341,449	1,746,748
FUND BALANCE, BEGINNING OF YEAR	1,405,301	1,405,299	1,405,299	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ 1,746,748	$ 1,746,748

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, 2023

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 3,000,000	$ 3,000,000	$ 3,505,425	$ 505,425
Interest revenue	-	-	903	903
TOTAL REVENUES	3,000,000	3,000,000	3,506,328	506,328
EXPENDITURES				
Public safety:				
Personnel services	2,104,300	2,090,320	2,119,380	(29,060)
Operating expenditures	464,229	478,209	277,495	200,714
TOTAL EXPENDITURES	2,568,529	2,568,529	2,396,875	171,654
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	431,471	431,471	1,109,453	677,982
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Hernando County, Florida, Board of County Commissioners	2,568,529	2,568,529	2,568,529	-
Transfers (out):				
Hernando County, Florida, Board of County Commissioners:				
Other revenue	(3,000,000)	(3,000,000)	(3,505,425)	(505,425)
Excess fees	-	-	(172,557)	(172,557)
TOTAL OTHER FINANCING SOURCES (USES)	(431,471)	(431,471)	(1,109,453)	(677,982)
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, 2023

		Internal Service
ASSETS		
Cash and cash equivalents		$ 9,082,243
Accrued interest receivable		70,948
Right to use leased assets, net of amortization		286,040
	TOTAL ASSETS	9,439,231
LIABILITIES		
Accounts payable		880,873
Accrued interest		823
Liability for unpaid claims		399,700
Long-term leases		303,010
	TOTAL LIABILITIES	1,584,406
NET POSITION		
Unrestricted		7,854,825
	TOTAL NET POSITION	$ 7,854,825

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, 2023

	Internal Service
OPERATING REVENUES	
Inter-fund charges	$ 9,708,411
Premiums - employees	379,533
Premiums - retirees	379,936
Miscellaneous	485,722
TOTAL OPERATING REVENUES	10,953,602
OPERATING EXPENSES	
Claims	9,324,453
Other services and charges	1,547,326
Insurance	401,518
Amortization	37,310
TOTAL OPERATING EXPENSES	11,310,607
OPERATING LOSS	(357,005)
NON-OPERATING REVENUES (EXPENSES)	
Interest earnings	82,308
Interest expense	(10,835)
TOTAL NON-OPERATING REVENUES (EXPENSES)	71,473
CHANGE IN NET POSITION	(285,532)
NET POSITION, BEGINNING OF YEAR	8,140,357
NET POSITION, END OF YEAR	$ 7,854,825

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, 2023

	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from inter-fund charges	$ 9,748,818
Cash received from employees	379,533
Cash received from retirees	379,936
Other cash receipts	485,722
Payments to suppliers	(1,668,576)
Claims paid	(9,298,722)
NET CASH PROVIDED BY OPERATING ACTIVITIES	26,711
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	11,360
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Interest payments on long-term leases	(10,915)
Principal payments on long-term leases	(29,388)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(40,303)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,232)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	9,084,475
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 9,082,243
Reconciliation of operating loss to cash and cash equivalents provided by operating activities:	
Operating loss	$ (357,005)
Adjustment to reconcile operating loss to net cash provided by operating activities:	
Amortization	37,310
Changes in assets and liabilities:	
Decrease in accounts receivable	40,407
Increase in accounts payable	280,268
Increase in liability for unpaid claims	25,731
TOTAL ADJUSTMENTS	383,716
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 26,711

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
SHERIFF

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS

September 30, 2023

ASSETS		
Cash and cash equivalents		$ 233,716
	TOTAL ASSETS	233,716
LIABILITIES		
Accounts payable		43,646
Due to other funds		55,429
Due to other governments:		
Hernando County Board of County Commissioners		16,273
	TOTAL LIABILITIES	115,348
NET POSITION		
Restricted for:		
Individuals and other governments		$ 118,368

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, 2023

ADDITIONS		
Miscellaneous		$ 1,631,643
	TOTAL ADDITIONS	1,631,643
DEDUCTIONS		
Payments to Hernando County Board of County Commissioners		87,880
Other payments		1,609,372
	TOTAL DEDUCTIONS	1,697,252
	Net decrease in fiduciary net position	(65,609)
Net Position - beginning of the year		183,977
Net Position - end of the year		$ 118,368

The accompanying notes are an integral part of the financial statements.

HERNANDO COUNTY, FLORIDA
SHERIFF

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

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.

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 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
- 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.

Right-to-Use Assets

The Sheriff has recorded right to use assets within its proprietary fund as a result of implementing Governmental Accounting Standards Board ("GASB") 87. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any payments made prior to the term, less incentives, and plus ancillary charges necessary to place the asset into service. The right-to-use assets are amortized on a straight-line basis over the life of the related agreement. Right-to-use assets in governmental fund types have not been recorded, see Note 5.

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 all accumulated sick leave, 100% of all compensatory time and 100% of accumulated annual time up to 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.

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.

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.

NOTE 2 - BUDGETARY PROCESS *(Continued)*

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, 2023, the fair value of the Sheriff's cash and cash equivalents was as follows:

	Fair Value
Cash on Hand	$ 10,515
Demand Deposits	13,734,644
Certificates of Deposit	4,160,000
Total Cash and Cash Equivalents	$ 17,905,159

Such amounts are reported as cash and cash equivalents of $8,589,200, $9,082,243, and $233,716 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 - CAPITAL ASSETS/RIGHT-TO-USE 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 the County or the Sheriff. Depreciation is recorded at the County level. Most of the capital assets listed below are being depreciated over five years.

The Sheriff has recorded one right-to-use leased asset for a leased building. The related lease is discussed in the Long-Term Liabilities section. The right-to-use asset is amortized on a straight-line basis over the term of the related lease.

Capital/Right-to-use asset activity for which the Sheriff had custodial and record-keeping responsibility, for the year ended September 30, 2023, was as follows:

	Balance October 1, 2022	Additions	Deletions	Balance September 30, 2023
Automobile and Other Vehicles	$ 14,846,697	$ 1,835,108	$ (501,346)	$ 16,180,459
Furniture and Equipment	10,691,359	1,112,161	(735,215)	11,068,305
Right-to-Use Asset - Building	323,350	-	-	323,350
Construction in Progress	25,491	303,154	-	328,645
Total at Cost	25,886,897	3,250,423	(1,236,561)	27,900,759
Less Accumulated Amortization	(37,310)	(37,310)	-	(74,620)
Less Accumulated Deprecation	(17,818,743)	(2,771,359)	1,047,675	(19,542,427)
Book Value	$ 8,030,844	$ 441,754	$ (188,886)	$ 8,283,712

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 2023 capital asset additions above to capital outlay on the accompanying statement of revenues, expenditures, and changes in fund balance:

Capital Outlay	$ 2,636,273
Proceeds from Vehicle Sales/Disposals	144,148
Transfer between Asset Classes	156,628
Other Funding Sources	313,374
Total Additions	$ 3,250,423

NOTE 5 - 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, 2022	Additions	Retirements	Balance September 30, 2023	Due Within One Year
Long-Term Lease - Building	$ 332,398	$ -	$ (29,388)	$ 303,010	$ 31,750
Financed-Purchase Agreements	342,482	-	(342,482)	-	-
Accrued Compensation Absences	6,231,644	3,563,995	(3,393,036)	6,402,603	4,673,900
Total Long-Term Liabilities	$6,906,524	$ 3,563,995	$ (3,764,906)	$ 6,705,613	$ 4,705,650

The Sheriff has entered into a building lease agreement. The lease term terminates on May 2031 with monthly payments ranging from $3,229 to $3,853. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.42%, which is the County's incremental borrowing rate at October 1, 2021. As a result of the lease, the Sheriff has recorded a right-to-use asset with a net book value of $248,730 at September 30, 2023.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2023, were as follows:

Year Ending September 30,	**Principal**	**Interest**
2024	$ 31,750	$ 9,901
2025	34,571	8,744
2026	37,531	7,516
2027	40,049	6,186
2028	41,427	4,808
2029-2031	117,682	5,611
Total Payments	$ 303,010	$ 42,766

The Sheriff may lease assets for various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 – Leases. Additionally, the Sheriff may enter into various agreements meeting the definition of subscription-based-information technology arrangements (SBITAs) under GASB Statement No.96. Detailed information about the Sheriff's governmental fund type leases and SBITAs, if applicable, can be found in basic financial statements of the County.

NOTE 5 - LONG-TERM LIABILITIES *(Continued)*

Any governmental fund type leases or SBITAs that would be entered into by the Sheriff are included in the County financial statements as other financing sources and capital outlay expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance in the year of inception. Any payments made in accordance with the terms of the lease or SBITA are reported in the County financial statements as debt service expenditures (principal and interest) in the Statement of Revenues, Expenditures, and Changes in Fund Balance as they are incurred. In the Sheriff financial statements, these payments are included in operating expenditures.

NOTE 6 - 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, 2023, with one automatic one-year renewal period, expiring on September 30, 2024.

NOTE 7 - GENERAL FUND REVENUES AND EXPENDITURES

General Fund revenues and expenditures for the year ended September 30, 2023, were as follows:

	Total	Law Enforcement	Detention	Courthouse
Revenues				
Inmate Booking	$ 40,162	$ -	$ 40,162	$ -
Inmate Medical	39,390	-	39,390	-
Inmate Subsistence	195,085	-	195,085	-
Inmate Social Security	21,700	-	21,700	-
Charges for Services	296,337	-	296,337	-
Interest Income	22,695	22,695	-	-
Miscellaneous	36,304	54,221	-	-
Total Revenues	$ 373,253	$ 76,916	$ 296,337	$ -
Expenditures				
Personnel Services	$ 57,556,662	$ 41,696,460	$ 14,359,503	$ 1,500,659
Operating Expenditures	9,384,749	6,649,591	2,429,089	306,069
Capital Outlay	2,478,182	2,478,182	-	-
Debt Service	478,320	478,320	-	-
Total Expenditures	$ 69,897,873	$ 51,302,553	$ 16,788,592	$ 1,806,728

NOTE 8 - 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.

NOTE 8 - EMPLOYEE RETIREMENT PLAN *(Continued)*

Funding Policy

The Sheriff's contributions to the FRS for fiscal years ended September 30, 2021 through 2023 were: $6,624,623, $7,430,220, and $9,159,872 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 $908,153, $921,227, and $1,033,103 for the fiscal years ended September 30, 2021 through 2023, respectively, which were equal to the required contribution for each fiscal year.

NOTE 9 - 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 10 - 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 11 - 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.

NOTE 11 - SELF-INSURANCE INTERNAL SERVICE FUND *(Continued)*

Changes in claims liability amounts for the years ended September 30, 2023 and 2022, were as follows:

	2023	2022
Unpaid Claims, Beginning of Year	**$ 373,970**	$ 459,334
Incurred Claims	**9,324,453**	6,564,858
Claim Payments	**(9,298,723)**	(6,650,222)
Unpaid Claims, End of Year	**$ 399,700**	$ 373,970

NOTE 12 - 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, 2023

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.

- **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, 2023

	Special Revenue Funds			
	800MHz	Law Enforcement Education	Grants and Contributions	Total Non-Major Governmental Funds
ASSETS				
Cash and cash equivalents	$ 962,896	$ 221,748	$ 653,017	$ 1,837,661
Due from other governments	-	-	64,820	64,820
TOTAL ASSETS	$ 962,896	$ 221,748	$ 717,837	$ 1,902,481
LIABILITIES				
Accounts payable	$ 2,436	$ 754	$ -	$ 3,190
Accrued wages and benefits payable	-	-	4,304	4,304
TOTAL LIABILITIES	2,436	754	4,304	7,494
FUND BALANCES				
Restricted for:				
Law enforcement activities	-	-	713,533	713,533
Communications	960,460	-	-	960,460
Education and training	-	220,994	-	220,994
TOTAL FUND BALANCES	960,460	220,994	713,533	1,894,987
TOTAL LIABILITIES AND FUND BALANCE	$ 962,896	$ 221,748	$ 717,837	$ 1,902,481

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, 2023

	Special Revenue Funds			
	800MHz	Law Enforcement Education	Grants and Contributions	Total Non-Major Governmental Funds
REVENUES				
Intergovernmental	$ -	$ -	$ 260,623	$ 260,623
Charges for services	626,808	-	-	626,808
Fines and forfeitures	115,486	50,979	-	166,465
Interest revenue	268	926	168	1,362
Miscellaneous	88,800	-	40,300	129,100
TOTAL REVENUES	831,362	51,905	301,091	1,184,358
EXPENDITURES				
Public safety:				
Personnel services	-	-	59,552	59,552
Operating expenditures	524,329	292,588	235,210	1,052,127
Capital outlay	-	-	475,898	475,898
TOTAL EXPENDITURES	524,329	292,588	770,660	1,587,577
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	307,033	(240,683)	(469,569)	(403,219)
OTHER FINANCING SOURCES				
Hernando County Board of County Commissioners:				
Appropriations	-	-	931,000	931,000
TOTAL OTHER FINANCING SOURCES	-	-	931,000	931,000
NET CHANGE IN FUND BALANCE	307,033	(240,683)	461,431	527,781
FUND BALANCE, BEGINNING OF YEAR	653,427	461,677	252,102	1,367,206
FUND BALANCE, END OF YEAR	$ 960,460	$ 220,994	$ 713,533	$ 1,894,987

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, 2023

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 635,000	$ 635,000	$ 626,808	$ (8,192)
Fines and forfeitures	105,000	105,000	115,486	10,486
Interest revenue	-	-	268	268
Miscellaneous	88,100	88,100	88,800	700
TOTAL REVENUES	828,100	828,100	831,362	3,262
EXPENDITURES				
Public safety:				
Operating expenditures	616,000	616,000	524,329	91,671
TOTAL EXPENDITURES	616,000	616,000	524,329	91,671
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	212,100	212,100	307,033	94,933
OTHER FINANCING SOURCES (USES)				
Reserve for contingencies	(840,110)	(865,527)	-	865,527
TOTAL OTHER FINANCING SOURCES (USES)	(840,110)	(865,527)	-	865,527
NET CHANGE IN FUND BALANCE	(628,010)	(653,427)	307,033	960,460
FUND BALANCE, BEGINNING OF YEAR	628,010	653,427	653,427	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ 960,460	$ 960,460

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, 2023

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Fines and forfeitures	$ 50,000	$ 50,000	$ 50,979	$ 979
Interest revenue	700	700	926	226
TOTAL REVENUES	50,700	50,700	51,905	1,205
EXPENDITURES				
Public safety:				
Operating expenditures	206,830	294,020	292,588	1,432
TOTAL EXPENDITURES	206,830	294,020	292,588	1,432
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(156,130)	(243,320)	(240,683)	2,637
OTHER FINANCING SOURCES (USES)				
Reserve for contingencies	(305,547)	(218,357)	-	218,357
TOTAL OTHER FINANCING SOURCES (USES)	(305,547)	(218,357)	-	218,357
NET CHANGE IN FUND BALANCE	(461,677)	(461,677)	(240,683)	220,994
FUND BALANCE, BEGINNING OF YEAR	461,677	461,677	461,677	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ 220,994	$ 220,994

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, 2023

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 199,902	$ 285,271	$ 260,623	$ (24,648)
Interest revenue	100	100	168	68
Miscellaneous	51,100	51,100	40,300	(10,800)
TOTAL REVENUES	251,102	336,471	301,091	(35,380)
EXPENDITURES				
Public safety:				
Personnel services	62,216	65,414	59,552	5,862
Operating expenditures	171,867	334,129	235,210	98,919
Capital outlay	40,224	891,133	475,898	415,235
TOTAL EXPENDITURES	274,307	1,290,676	770,660	520,016
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(23,205)	(954,205)	(469,569)	484,636
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Hernando County Board of County Commissioners:				
Appropriations	-	931,000	931,000	-
Reserve for contingencies	(194,089)	(194,089)	-	194,089
TOTAL OTHER FINANCING SOURCES (USES)	(194,089)	736,911	931,000	194,089
NET CHANGE IN FUND BALANCE	(217,294)	(217,294)	461,431	678,725
FUND BALANCE, BEGINNING OF YEAR	217,294	217,294	252,102	34,808
FUND BALANCE, END OF YEAR	$ -	$ -	$ 713,533	$ 713,533

See Independent Auditor's Report.

HERNANDO COUNTY, FLORIDA
SHERIFF

INTERNAL SERVICE FUNDS

September 30, 2023

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, 2023

	Health Insurance	Dental Insurance	Wellness Clinic	Total Internal Service
OPERATING REVENUES				
Inter-fund charges	$ 8,354,534	$ 189,914	$1,163,963	$ 9,708,411
Premiums - employees	272,864	106,669	-	379,533
Premiums - retirees	343,105	36,831	-	379,936
Miscellaneous	485,722	-	-	485,722
TOTAL OPERATING REVENUES	9,456,225	333,414	1,163,963	10,953,602
OPERATING EXPENSES				
Claims	9,316,083	8,370	-	9,324,453
Professional services	513,940	25,113	838,388	1,377,441
Repairs and maintenance	-	-	16,100	16,100
Materials and supplies	-	-	145,428	145,428
Other expenses	1	-	8,356	8,357
Insurance	401,518	-	-	401,518
Amortization	-	-	37,310	37,310
TOTAL OPERATING EXPENSES	10,231,542	33,483	1,045,582	11,310,607
OPERATING INCOME (LOSS)	(775,317)	299,931	118,381	(357,005)
NON-OPERATING REVENUES				
Interest earnings	82,308	-	-	82,308
Interest expense	-	-	(10,835)	(10,835)
TOTAL NON-OPERATING REVENUES (EXPENSES)	82,308	-	(10,835)	71,473
CHANGE IN NET POSITION	(693,009)	299,931	107,546	(285,532)
NET POSITION, BEGINNING OF YEAR	7,520,179	375,703	244,475	8,140,357
NET POSITION, END OF YEAR	$ 6,827,170	$ 675,634	$ 352,021	$ 7,854,825

See Independent Auditor's Report.

HERNANDO COUNTY, FLORIDA
SHERIFF

CUSTODIAL FUNDS

September 30, 2023

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, 2023

	Civil Trust Fund	Property & Evidence Fund	Inmate Trust Fund	Total Custodial Funds
ASSETS				
Cash and cash equivalents	$ 16,273	$ 77,584	$ 139,859	$ 233,716
TOTAL ASSETS	16,273	77,584	139,859	233,716
LIABILITIES				
Accounts payable	-	419	43,227	43,646
Due to other funds	-	-	55,429	55,429
Due to other governments:				
Hernando County Board of County Commissioners	16,273	-	-	16,273
TOTAL LIABILITIES	16,273	419	98,656	115,348
NET POSITION				
Restricted for:				
Individuals and other governments	$ -	$ 77,165	$ 41,203	$ 118,368

See Independent Auditor's Report.

HERNANDO COUNTY, FLORIDA
SHERIFF

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS

Year Ended September 30, 2023

	Civil Trust Fund	Property & Evidence Fund	Inmate Trust Fund	Total Custodial Funds
ADDITIONS				
Miscellaneous	$ 92,092	$ 163,048	$ 1,376,503	$ 1,631,643
TOTAL ADDITIONS	92,092	163,048	1,376,503	1,631,643
Payments to Hernando County Board of County Commissioners	87,880	-	-	87,880
Other payments	4,212	141,970	1,463,190	1,609,372
TOTAL DEDUCTIONS	92,092	141,970	1,463,190	1,697,252
Net increase (decrease) in fiduciary net position	-	21,078	(86,687)	(65,609)
Net Position - beginning of the year	-	56,087	127,890	183,977
Net Position - end of the year	$ -	$ 77,165	$ 41,203	$ 118,368

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, 2023, and have issued our report thereon dated January 24, 2024.

Report on 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

Report on 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 24, 2024.

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 Sheriff'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 Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MSL, P.A.
Certified Public Accountants

Tampa, Florida
January 24, 2024

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, 2023. The Sheriff's 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 AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff complied with the aforementioned requirements in all material respects. An examination involves performing procedures to obtain evidence about the Sheriff's compliance with those requirements, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Sheriff's compliance with those requirements, 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.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on the Sheriff's compliance with the specified requirements.

In our opinion, the Sheriff complied with the aforementioned requirements for the fiscal year ended September 30, 2023, in all material respects.

MSL, P.A.
Certified Public Accountants

Tampa, Florida
January 24, 2024

MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Al Nienhuis
Sheriff
Hernando County, Florida

We have audited the basic financial statements of the Hernando County, Florida Sheriff (the "Sheriff") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated January 24, 2024.

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 24, 2024 should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General,* requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. 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 24, 2024

HERNANDO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS

FINANCIAL STATEMENTS

Year Ended September 30, 2023

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MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Shirley Anderson
Supervisor of Elections
Hernando County, Florida

Opinion

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, 2023, 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.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Supervisor of Elections as of September 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Supervisor of Elections, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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, 2023, and the changes in its financial position for the fiscal 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.

Honorable Shirley Anderson
Supervisor of Elections
Hernando County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2024, 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
January 3, 2024

HERNANDO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS

BALANCE SHEET - GENERAL FUND

September 30, 2023

ASSETS

Cash	$ 481,637
TOTAL ASSETS	$ 481,637

LIABILITIES AND FUND BALANCE

Accounts payable	$ 7,626
Accrued liabilities	17,286
Due to the Hernando County, Florida Board of County Commissioners	456,725
TOTAL LIABILITIES	481,637
TOTAL FUND BALANCE	-
TOTAL LIABILITIES AND FUND BALANCE	$ 481,637

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, 2023

REVENUES		
Intergovernmental revenue		$ 101,167
Charges for services		13,856
	TOTAL REVENUES	115,023
EXPENDITURES		
General government:		
Personnel services		1,160,583
Operating		654,672
Capital outlay		19,635
	TOTAL EXPENDITURES	1,834,890
	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,719,867)
OTHER FINANCING SOURCES (USES)		
Transfers in:		
Hernando County, Florida Board of County Commissioners appropriations		2,176,515
Transfers (out):		
Distribution of excess appropriations to the Hernando County, Florida Board of County Commissioners		(456,648)
	TOTAL OTHER FINANCING SOURCES (USES)	1,719,867
	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, 2023

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental revenue	$ -	$ 101,167	$ 101,167	$ -
Charges for services	-	-	13,856	13,856
TOTAL REVENUES	-	101,167	115,023	13,856
EXPENDITURES				
General government:				
Personnel services	1,340,437	1,340,437	1,160,583	179,854
Operating	836,078	917,610	654,672	262,938
Capital outlay	-	19,635	19,635	-
TOTAL EXPENDITURES	2,176,515	2,277,682	1,834,890	442,792
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,176,515)	(2,176,515)	(1,719,867)	456,648
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Hernando County, Florida Board of County Commissioners appropriations	2,176,515	2,176,515	2,176,515	-
Transfers (out):				
Distribution of excess appropriations to the Hernando County, Florida Board of County Commissioners	-	-	(456,648)	(456,648)
TOTAL OTHER FINANCING SOURCES (USES)	2,176,515	2,176,515	1,719,867	(456,648)
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, 2023

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 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, 2023, the fair value of the Supervisor of Elections' cash was as follows:

	Fair Value	Credit Rating
Demand Deposits and Money Market Funds	$ 481,637	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.

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, 2022	Additions	Retirements	Balance September 30, 2023	Due Within One Year
Accrued Compensated Balance	$ 6,399	$ 583	$ -	$ 6,982	$ 6,982

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, 2021 through 2023 were as follows: $118,261, $140,067 and $165,543 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 $16,139, $18,058, and $19,882 for the fiscal years ended September 30, 2021 through 2023, 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 $9.866 for property and casualty, and $149,604 for health insurance coverage to the Board for the fiscal year ended September 30, 2023.

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 $1,249 for the fiscal year ended September 30, 2023.

NOTE 9 - 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, 2023, and have issued our report thereon dated January 3, 2024.

Report on 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

Report on 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 January 3, 2024.

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 3, 2024

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, 2023. The Supervisor of Elections' 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 complied with the aforementioned requirements in all material respects. An examination involves performing procedures to obtain evidence about the Supervisor of Elections' compliance with those requirements, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Supervisor of Elections' compliance with those requirements, 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.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on the Supervisor of Elections' compliance with the specified requirements.

In our opinion, the Supervisor of Elections complied with the aforementioned requirements for the fiscal year ended September 30, 2023, in all material respects.

MSL, P.A.
Certified Public Accountants

Tampa, Florida
January 3, 2024

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, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the fiscal year ended September 30, 2023 and have issued our report thereon dated January 3, 2024.

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 3, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General,* requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. 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
January 3, 2024

HERNANDO COUNTY, FLORIDA
TAX COLLECTOR

FINANCIAL STATEMENTS

Year Ended September 30, 2023

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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 Audit of the Financial Statements

Opinion

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, 2023, 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.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Tax Collector as of September 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tax Collector, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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, 2023, and the changes in its financial position for the fiscal 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.

Honorable Sally L. Daniel, C.F.C
Tax Collector
Hernando County, Florida

Supplementary 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 January 23, 2024, 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
January 23, 2024

HERNANDO COUNTY, FLORIDA
TAX COLLECTOR

BALANCE SHEET - GENERAL FUND

September 30, 2023

ASSETS

Equity in pooled cash	$ 3,216,927
Accounts receivable	3,372
Due from other government units	2,503
TOTAL ASSETS	$ 3,222,802

LIABILITIES AND FUND BALANCE

LIABILITIES	
Accounts payable	$ 27,128
Salaries and benefits payable	55,589
Due to the Hernando County, Florida, Board of County Commissioners	2,735,685
Due to other governmental units	272,232
Unearned revenue	132,168
TOTAL LIABILITIES	3,222,802
TOTAL FUND BALANCE	-
TOTAL LIABILITIES AND FUND BALANCE	$ 3,222,802

HERNANDO COUNTY, FLORIDA
TAX COLLECTOR

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND

Year Ended September 30, 2023

REVENUES		
Commissions:		
Hernando County, Florida,		
Board of County Commissioners		$ 4,896,478
Other governmental units		487,255
Charges for services		2,027,247
Investment income		81
Other income		10,789
	TOTAL REVENUES	7,421,850
EXPENDITURES		
General government:		
Personnel services		3,784,646
Operating		629,287
	TOTAL EXPENDITURES	4,413,933
	EXCESS OF REVENUES OVER EXPENDITURES	3,007,917
OTHER FINANCING USES		
Transfers (out):		
Distribution of excess commissions to the Hernando County, Florida, Board of County Commissioners		(2,735,685)
Distribution of excess commissions to other governmental units		(272,232)
	TOTAL OTHER FINANCING USES	(3,007,917)
	NET CHANGE IN FUND BALANCE	-
FUND BALANCE, BEGINNING OF YEAR		-
FUND BALANCE, END OF YEAR		$ -

HERNANDO COUNTY, FLORIDA
TAX COLLECTOR

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES				
Commissions:				
Hernando County, Florida, Board of County Commissioners	$ 4,800,000	$ 4,800,000	$ 4,896,478	$ 96,478
Other governmental units	443,500	443,500	487,255	43,755
Charges for services	1,759,260	1,759,260	2,027,247	267,987
Investment income	150	150	81	(69)
Other income	1,000	1,000	10,789	9,789
TOTAL REVENUES	7,003,910	7,003,910	7,421,850	417,940
EXPENDITURES				
General government:				
Personnel services	4,026,190	4,026,190	3,784,646	241,544
Operating	829,141	829,141	629,287	199,854
TOTAL EXPENDITURES	4,855,331	4,855,331	4,413,933	441,398
EXCESS OF REVENUES OVER EXPENDITURES	2,148,579	2,148,579	3,007,917	859,338
OTHER FINANCING USES				
Distribution of excess commissions to the Hernando County, Florida, Board of County Commissioners	(1,966,850)	(1,966,850)	(2,735,685)	(768,835)
Distribution of excess commissions to other governmental units	(181,729)	(181,729)	(272,232)	(90,503)
TOTAL OTHER FINANCING USES	(2,148,579)	(2,148,579)	(3,007,917)	(859,338)
NET CHANGE IN FUND BALANCE	$ -	$ -	$ -	$ -

HERNANDO COUNTY, FLORIDA
TAX COLLECTOR

STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS

Year Ended September 30, 2023

ASSETS		
Cash and cash equivalents		$ 3,720,707
Due from other government agencies		52
	TOTAL ASSETS	3,720,759
LIABILITIES		
Accounts payable		26,944
Due to other government agencies		3,654,243
Due to the Hernando County, Florida, Board of County Commissioners		39,493
Installment tax escrow		79
	TOTAL LIABILITIES	3,720,759
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, 2023

ADDITIONS		
Tax collections for Hernando County BOCC		$ 158,831,828
Tax collections for other governments		133,418,236
Miscellaneous		14,625
	TOTAL ADDITIONS	292,264,689
DEDUCTIONS		
Payments of taxes to Hernando County BOCC		158,831,828
Payments of taxes to other governments		133,418,236
Miscellaneous		14,625
	TOTAL DEDUCTIONS	292,264,689
	Net increase in fiduciary net position	-
NET POSITION - BEGINNING		-
NET POSITION - ENDING		$ -

HERNANDO COUNTY, FLORIDA
TAX COLLECTOR

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

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.

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.

NOTE 2 - 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 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, 2023, the fair value of the Tax Collector's cash and cash equivalents were as follows:

	Carrying Value	Credit Rating
Cash on Hand	$ 10,200	N/A
Demand Deposits and Money Market Funds	6,927,434	N/A
Total Cash and Cash Equivalents	$ 6,937,634	

Such amounts are reported as cash and cash equivalents of $3,216,927 and $3,720,707 in the governmental and custodial funds, respectively.

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 2023. 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, 2022	Additions	Retirements	Balance September 30, 2023	Due Within One Year
Accrued Compensated Balance	$ 163,294	$ 216,361	$ (166,079)	$ 213,576	$ 21,358

Of these above obligations, $21,358 are expected to be paid during the fiscal year ending September 30, 2024, 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, 2021 through 2023 were: $362,341, $423,366, and $482,111, 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 $63,069, $66,889, and $68,521, for the fiscal years ended September 30, 2021 through 2023, 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 $668,423 for employee life and health insurance coverage to the Board for the fiscal year ended September 30, 2023.

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 $14,240 for the fiscal year ended September 30, 2023.

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

Year Ended September 30, 2023

	Tax and Tag	Delinquent Tax	Total
ASSETS			
Cash and cash equivalents	$ 3,698,582	$ 22,125	$ 3,720,707
Due from other government agencies	52	-	52
TOTAL ASSETS	3,698,634	22,125	3,720,759
LIABILITIES			
Accounts payable	4,819	22,125	26,944
Due to other government agencies	3,654,243	-	3,654,243
Due to the Hernando County, Florida, Board of County Commissioners	39,493	-	39,493
Installment tax escrow	79	-	79
TOTAL LIABILITIES	3,698,634	22,125	3,720,759
NET POSITION			
Restricted for:			
Individuals and other governments	$ -	$ -	$ -

HERNANDO COUNTY, FLORIDA
TAX COLLECTOR

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS

Year Ended September 30, 2023

	Tax and Tag	Delinquent Tax	Total
ADDITIONS			
Tax collections for Hernando County BOCC	$ 155,919,054	$ 2,912,774	$ 158,831,828
Tax collections for other governments	131,194,913	2,223,323	133,418,236
Miscellaneous	-	14,625	14,625
TOTAL ADDITIONS	287,113,967	5,150,722	292,264,689
DEDUCTIONS			
Payments of taxes to Hernando County BOCC	155,919,054	2,912,774	158,831,828
Payments of taxes to other governments	131,194,913	2,223,323	133,418,236
Miscellaneous	-	14,625	14,625
TOTAL DEDUCTIONS	287,113,967	5,150,722	292,264,689
Net increase in fiduciary net position	-	-	-
NET POSITION - BEGINNING	-	-	-
NET POSITION - ENDING	$ -	$ -	$ -

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 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, 2023, and have issued our report thereon dated January 23, 2024.

Report on 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

Report on 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 January 23, 2024.

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 Tax Collector'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 Tax Collector's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MSL, P.A.
Certified Public Accountants

Tampa, Florida
January 23, 2024

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, 2023. The Tax Collector's 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 complied with the aforementioned requirements in all material respects. An examination involves performing procedures to obtain evidence about the Tax Collector's compliance with those requirements, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Tax Collector's compliance with those requirements, 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.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on the Tax Collector's compliance with the specified requirements.

In our opinion, the Tax Collector complied with the aforementioned requirements for the fiscal year ended September 30, 2023, in all material respects.

MSL, P.A.
Certified Public Accountants

Tampa, Florida
January 23, 2024

MSL
Certified Public Accountants

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, 2023 and have issued our report thereon dated January 23, 2024.

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 23, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General,* requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. 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
January 23, 2024