

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF

THE DISTRICT SCHOOL BOARD
OF HERNANDO COUNTY, FLORIDA

FOR THE FISCAL YEAR ENDED
JUNE 30, 2022



PREPARED BY:
FINANCE DEPARTMENT



HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

**DISTRICT SCHOOL BOARD OF
HERNANDO COUNTY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal.....	i-iv
List of Principal Officials	v
Organizational Chart.....	vi
GFOA Certificate of Achievement	vii

FINANCIAL SECTION

Independent Auditor’s Report	1-4
---	-----

Management’s Discussion and Analysis	5-14
---	------

Basic Financial Statements

Government-Wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	19-20
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	21
Statement of Fiduciary Net Position – Fiduciary Funds	22
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	23
Notes to Financial Statements	24-56

Required Supplementary Information

Budgetary Comparison Schedule – General Fund.....	57-61
Budgetary Comparison Schedule – Special Revenue Fund – Other Federal Program Funds.....	62-63
Budgetary Comparison Schedule – Special Revenue Fund – Federal Education Stabilization Funds	64-66
Schedule of Net Changes in OPEB Plan Liability.....	67
Notes to Required Supplementary Information – Other Postemployment Benefits Plan.....	68
Schedule of District’s Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan	69
Schedule of District Contributions – Florida Retirement System Pension Plan	70
Schedule of District’s Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan	71

**DISTRICT SCHOOL BOARD OF
HERNANDO COUNTY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

TABLE OF CONTENTS

Schedule of District Contributions – Health Insurance Subsidy	
Pension Plan	72
Notes to Required Supplementary Information.....	73

Other Supplementary Information

Combining and Individual Fund Statements:	
Combining Balance Sheet – Non-Major Governmental Funds	74-75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds	76-77
Other Supplementary Information – Budgetary Comparison Schedules:	
Capital Projects Fund – Local Capital Improvement	78
Capital Projects Fund – Other Capital Projects	79
Debt Service Fund – Other Debt Service	80
Special Revenue Funds:	
Food Service	81
Internal Accounts	82
Debt Service Funds:	
SBE/COBI Bonds	83
Special Act Bonds	84
Capital Projects Funds:	
Public Education Capital Outlay (PECO)	85
Capital Outlay and Debt Service.....	86
Non-Major Component Units:	
Combining Schedule of Net Position – Discretely Presented Component Units	87-88
Combining Schedule of Activities – Discretely Presented Component Units	89

STATISTICAL SECTION

Financial Trend Information:	<u>Table</u>	
Net Position by Component – Government-Wide	1	90-91
Changes in Net Position – Government-Wide	2	92-93
Governmental Activities Tax Revenues by Source	3	94-95
Fund Balances of Governmental Funds	4	96-97
Summary of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds	5	98-99
Revenue Capacity Information:		
General Governmental Activities Tax Revenues by Source	6	100
Fair Market Value, Assessed Value, and Taxable Value of Property.....	7	101
Property Tax Rates – Direct and Overlapping Governments	8	102-103
Principal Property Taxpayers	9	104
Property Tax Levies and Collections.....	10	105
Debt Capacity Information:		
Ratios of Outstanding Debt by Type	11	106

**DISTRICT SCHOOL BOARD OF
HERNANDO COUNTY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

TABLE OF CONTENTS

	<u>Table</u>	
Direct and Overlapping Governmental Activities Debt.....	12	107
Calculation of Legal Debt Margin	13	108-109
Ratio of Net General Bonded Debt Outstanding	14	110
Anticipated Capital Outlay Millage Levy Required to Cover Certificates of Participation Payments	15	111
Anticipated Sales Tax Revenue Collections Required to Cover Sales Tax Revenue Bond Payments.....	16	112
Demographic and Economic Information:		
County-Wide Demographic Statistics	17	113
Principal Employers Non-Retail, Non-Government	18	114
Operating Information:		
School Building Information and Student Enrollment Data.....	19	115-116
Number of Personnel.....	20	117
Average Teacher Salaries	21	118
Operating Statistics	22	119

COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards.....	120
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	121-122
Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.....	123-125
Schedule of Findings and Questioned Costs	126-127
Independent Accountant's Report.....	128
Management Letter.....	129-130
Management Letter Comments	131
Management Response Letter	132
Impact Fee Affidavit	133

INTRODUCTORY SECTION





HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

The School District of Hernando County, Florida

Office of the Superintendent

919 N. Broad Street

Brooksville, FL 34601

Phone: (352) 797-7000

Fax: (352) 797-7010



HERNANDO
SCHOOL DISTRICT

Superintendent: John Stratton

Board Chairperson: Gus Guadagnino

Vice Chairperson: Susan Duval

Board Members:

Mark Johnson

Linda Prescott

Shannon Rodriguez

Learn it. Love it. Live it.

February 27, 2023

District School Board of Hernando County

919 North Broad Street

Brooksville, Florida 34601

Dear Chair, Members of the School Board and Citizens of Hernando County:

The Annual Comprehensive Financial Report of the District School Board of Hernando County, Florida (District) for the fiscal year ended June 30, 2022, is submitted herewith. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to set forth fairly the financial position and the changes in financial position of the District as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the District's financial affairs have been included. The responsibility for the preparation of the accompanying financial statements and other information contained in this report, based on the above standards, rests with the District's management.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been independently audited by the Purvis Gray & Company. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ending June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion on the District's financial statements for the fiscal year ended June 30, 2022. The independent auditor's report on financial statements is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District is part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grant agencies. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The standards of governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. Information related to this single audit, including the Schedule of Expenditures of Federal Awards (SEFA), schedule of findings and questioned costs, summary schedule of prior audit findings, and the independent auditor's reports on the system of internal control and on compliance with applicable requirements, is included in the compliance section.

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

The accompanying report includes all funds of both the District and the Hernando School Board Leasing Corporation (Leasing Corporation). The Leasing Corporation was formed by the School Board to be the lessor in connection with financing the acquisition and/or construction of certain educational facilities and is considered a blended component unit.

PROFILE OF THE DISTRICT

The District and its governing Board were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by the District school officials in accordance with Chapter 1001.30, Florida Statutes. The Board consists of five elected officials responsible for the adoption of policies, which govern the operation of public schools in Hernando County. The Superintendent of Schools is responsible for the administration and management of the schools within the applicable parameters of Florida Statutes, State Board of Education Rules, and District policies. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts in the District by State Board of Education Rule 6A-1.001, Florida Administrative Code.

This report contains the audited financial statements for all operations over which the School Board is financially accountable. Various potential component units were evaluated to determine whether they should be considered as part of the District's reporting entity.

Accordingly, included in the reporting entity are the Hernando County Education Direct Support Organization, Inc., (Foundation) a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, and the three charter schools, Brooksville Engineering, Science & Technology, Inc., Gulf Coast Elementary School, Inc., and Gulf Coast Academy of Science and Technology, Inc. The charter schools are not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The Charter Schools are funded through the District with FEFP funds. Both the Foundation and the charter schools are included as discretely presented component units in the accompanying financial statements. Additional information regarding these component units can be found in the notes to the financial statements.

The geographic boundaries of the District are those of Hernando County. Hernando County is located on the central-west coast of Florida, north of Tampa Bay. It is bounded 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 stretches 37 miles east to west, and 18 miles north to south, for a total of approximately 479 square miles.

During the 2021-2022 fiscal year, the District had 26 schools, including 10 elementary schools, 4 middle schools, 5 high schools, 3 K-8 schools (Challenger K-8, Explorer K-8, and Winding Waters K-8), 1 alternative school, and 3 charter schools, and served approximately 25,554 prekindergarten through adult students. The projected prekindergarten through grade 12 student enrollment for fiscal year 2021-2022 is 25,611 unweighted full-time equivalent students. The average age of the school buildings within the District is approximately 34.4 years.

The District serves students from infants through adults. Students in the District represent a diverse community of learners, including a variety of ethnic and cultural backgrounds. In addition to the various educational programs offered to K-12 students, the District offers pre-kindergarten services including: programs for babies of teen parents who are progressing toward achieving high school diplomas; programs for special education infants and toddlers below the age of three; pre-kindergarten programs for three and four-year-old disabled students; and programs for eligible low-income, at-risk students.

The District also offers programs for adults to learn the necessary skills in order to enter the workforce or increase opportunities for advancement in current positions. Also, students from foreign countries have the opportunity to learn communication skills through the District's English for Speakers of Other Languages (ESOL) programs, and all citizens can take fee-supported courses to increase personal development in various subjects such as computers, photography, and personal financial planning.

The annual budget serves as the foundation for the District's financial planning and control. The District establishes and maintains budgetary controls. The objective is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District. Activities of all governmental fund types are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the object level within each function level for all funds.

Budgetary information is integrated into the accounting system. To facilitate budgetary control, budget balances are encumbered when purchase orders are issued. Appropriations expire at year-end and encumbrances outstanding are honored in the subsequent year's appropriations.

In order to provide budgetary control for salaries, the District utilizes a centralized position control system. The District has adopted a staffing plan that establishes teaching positions based primarily on student populations served. Additionally, support and administrative positions are created based on established criteria.

FACTORS AFFECTING FINANCIAL CONDITION

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

Economic Conditions

Hernando County has experienced limited population growth, increasing 2.4 percent or 4,692 since the 2020 census. The County's current population as of December 2022, is 199,207 with anticipated growth estimated to be 218,237 in the year 2030 and 235,005 in the year 2040. The median age is 48.8 years.

The local area economy continues to be affected by the national and State economic downturn. Unemployment rate decreased during 2021-2022 at 5.1 percent for Hernando County and 4.6 percent for the State as of January 2023. The County's rate is reportedly higher than the national average of 3.7 percent during the same period.

The final property tax roll for Hernando County increased approximately \$851 million or 7.42 percent, bringing the tax roll to \$12.32 billion for the 2021-2022 fiscal year.

While the District is heavily reliant upon State funding for the core of the educational programs within the District, and while the economic conditions of the nation and State interact with State funding adequacy and availability, the economic outlook for the District is consistent with the national situation. The State of Florida is heavily dependent upon sales tax collections and tourism. Any funding fluctuations will mean new programs, innovative initiatives, and educational enhancements may not be available within the desired time frames, but the positive improvements will continue to occur. In addition, the Board, Superintendent and staff are acutely aware of the perils of interrupted revenue receipts. Prudent business practices, accompanied by statutes mandating balanced budgets, result in a continual review of the financial condition of the District.

The District recognizes that the continued enhancement of the local economy is of mutual benefit to both the District and the County and that an excellent system of public education is a significant factor in attracting new business and industry to the County. The District remains Hernando County's largest employer, employing 2,982 full-time employees, including 1,535 instructional personnel.

Long-Term Financial Planning

The District has a policy to operate in accordance with the State of Florida and has developed a long range strategic plan. The Strategic Plan is built upon a foundation of five key pillars which include, student achievement, people, facility operations, communication and community engagement, and fiscal responsibility and organizational effectiveness. The plan sets forth goals and objectives in all areas of the District and outlines steps to be taken for their achievement. The Board reviews the plan annually with periodic progress reports made by staff.

Relevant Financial Policies

The District follows procedures established by Board Policy, Florida Statutes and the State Board of Education rules in establishing and adopting annual budgets for each of the governmental fund types.

Budgets are prepared using the same modified accrual basis as is used to account for governmental funds. Appropriations are controlled at the object level (e.g. salaries, benefits and purchased services) within each function activity (e.g. instruction, student personnel services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.

ACADEMIC ACCOMPLISHMENTS

The District is committed to provide learning opportunities for all students to achieve individual success in life. Pillar one, of the Strategic Plan includes expanding educational career and technical programs along with advanced academic options, students can be architects of their learning goals.

We currently offer the International Baccalaureate (IB) Program at Springstead High School. The esteemed Cambridge Assessment International Education and AICE Diploma program is offered at Central High School. We continue to expand our career and technical programs and students can take honors.

Advanced Placement and Dual Enrollment classes are at the middle and high school levels. We also offer the nationally recognized college readiness program, AVID at Weeki Wachee High School. Our Controlled Educational Choice program allows parents to choose a school other than the one for which they are zoned through our open choice program.

The Florida Department of Education provides a grading report of all public schools in the state and for each of the 67 school district as part of their school accountability report. The District has again received a "B" grade for the 2021-22 fiscal year. Student achievement is measure by the District's graduation and drop-out rates. Graduation Rates are released by the State in late fall each year. According to the annual report of graduation rates, the 2022 graduation rate for Hernando School District is 89%, exceeding the state average of 87.3%.

More than 50 of Hernando County School District teachers have earned Master degrees or higher. Additionally, the District has 25 teachers who have successfully completed the rigorous and time-intensive program of the National Board of Professional Teaching Standards. To achieve the highly esteemed National Certification, teachers are required to provide a portfolio of information regarding teaching styles, examples of work performed by students, and successfully pass an examination.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District School Board of Hernando County for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This was the twentieth consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

The preparation and completion of this Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation and completion of this report.

In closing, we would like to thank the members of the School Board for their leadership and support in planning and conducting the financial operations of the District. We also thank the citizens of Hernando County, whose cooperation, support, and assistance have contributed greatly to the operation of this innovative school system.

Respectfully submitted,



John Stratton
Superintendent of Schools



Lisa Becker
Executive Director of Business Services



Joyce McIntyre
Director of Finance

District School Board of Hernando County, Florida

List of Principal Officials

School Board Members and Superintendent

(Members are elected for a four-year term; Superintendent is an appointed position)



Mark Johnson
District 1
Member Since Nov. 2022



Linda K. Prescott
District 2
Member Since Nov. 2016



Shannon Rodriguez
District 3
Member Since Nov. 2022



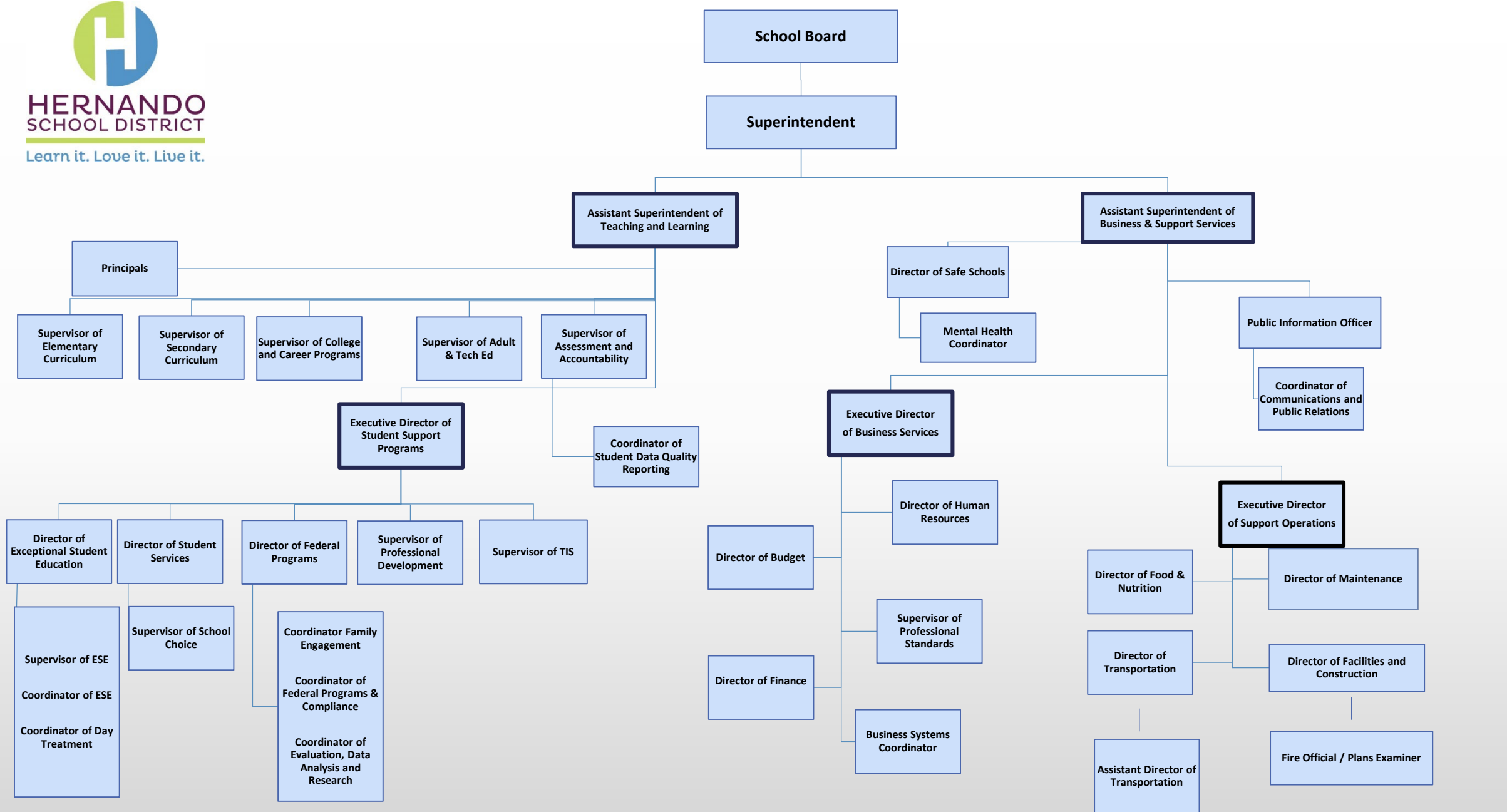
Gus Guadagnino
District 4
Member Since Nov 2012



Susan Duval
District 5
Member Since Nov. 2014



John Stratton
Superintendent





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**District School Board of Hernando County
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION





HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

INDEPENDENT AUDITOR'S REPORT

Hernando County District School Board and
Superintendent of Schools
Brooksville, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Hernando County District School Board (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of three charter schools, which represent 68.74%, 45.4%, and 75.18%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2022, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the three charter schools, are based solely on the report of the other auditors.

Basis for Opinions

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

Hernando County District School Board and
Superintendent of Schools
Brooksville, Florida

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Hernando County District School Board and
Superintendent of Schools
Brooksville, Florida

INDEPENDENT AUDITOR'S REPORT

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, required pension and other postemployment benefits related schedules and major fund budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual non-major fund financial statements, other budgetary comparison schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents, and are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

Hernando County District School Board and
Superintendent of Schools
Brooksville, Florida

INDEPENDENT AUDITOR'S REPORT

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



February 27, 2023
Ocala, Florida

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022**

The management of the Hernando County District School Board (the District) has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2022. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, and should be considered in conjunction with the District's financial statements and notes to financial statements found immediately following the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021-2022 fiscal year are as follows:

- Total Net Position is \$285,876,437 which represents a 21.16 percent increase from the 2020-2021 fiscal year.
- General revenues totaled \$268,580,455 or 93 percent, of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital gains and contributions total \$20,593,473, or .07 percent, of all revenues.
- Expenses total \$239,242,805 only \$20,593,473 of these expenses were offset by program revenues, with the remainder paid from general revenues.
- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$285,876,437.
- The total combined assigned and unassigned fund balance of the General Fund representing the net fund balance that is spendable and not restricted, totals \$36,043,723, or 18.40 percent, of total General Fund revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the primary government presented on the accrual basis of accounting. The statement of net position provides information about the government's financial position, its assets, its liabilities, and its deferred outflows of resources using an economic resources measurement focus. Assets plus deferred outflows of resources, less liabilities, equals net position, which is a measure of the District's financial health.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022**

The statement of activities presents information about the change in the District's net position, the results of operations during the fiscal year. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The government activities of the District include such functions as instruction, pupil personnel services, administration, pupil transportation, maintenance, and other items.

The government-wide financial statements include not only the District itself (known as the primary government), but also Brooksville Engineering, Science & Technology, Inc., Gulf Coast Elementary School, Inc., and Gulf Coast Academy of Science and Technology, Inc., all Charter Schools, which the District is required to report as component units. Financial information for the component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 15-16 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be classified under two categories: governmental funds and fiduciary funds.

- **Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term* inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's *near-term* financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's *near-term* financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 12 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue – Federal Education Stabilization Fund, Capital Projects – Local Capital Improvement Fund, and Capital Projects – Other Capital Projects Fund, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022**

The District adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for all the major funds to demonstrate compliance with this budget.

The basic governmental fund financial statements and the major budgetary comparison schedules presented as required supplementary information can be found on pages 17-21 and 57-66.

- **Fiduciary Funds.** Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as student activity funds. Fiduciary funds are not reflected in the government-wide statements because the resources are not available to support the District's own programs. In its fiduciary capacity, the District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. The District uses private-purpose trust funds to account for scholarship funds established by private donors. The District uses agency funds to account for resources held for student activities and groups.

The basic fiduciary funds financial statements can be found on pages 22-23 of this report.

Notes to Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 24-56 of this report.

Required Supplementary Information. In addition to this management's discussion and analysis, this report also presents certain required supplementary information concerning the District's progress in funding its obligations to provide postemployment benefits other than pensions to its employees. The schedule of funding progress, other postemployment benefits plan, and required supplementary information can be found on pages 67-73 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary Information. Combining and individual fund statements and other schedules can be found on pages 74-89 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the District's net position as of June 30, 2022, compared to net position as of June 30, 2021:

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022**

Net Position, End of Year

	Governmental Activities	
	June 30, 2022	June 30, 2021
Current and Other Assets	\$ 129,076,849	\$ 95,572,076
Capital Assets	392,365,206	386,760,111
Total Assets	<u>521,442,055</u>	<u>482,332,187</u>
Deferred Outflows of Resources	<u>42,026,403</u>	<u>46,768,827</u>
Long-Term Liabilities	197,630,691	282,192,177
Other Liabilities	1,422,736	771,971
Total Liabilities	<u>199,053,427</u>	<u>282,964,148</u>
Deferred Inflows of Resources	<u>78,538,594</u>	<u>10,191,552</u>
Net Position:		
Net Investment in Capital Assets	292,583,818	281,484,392
Restricted	38,946,428	56,297,775
Unrestricted	(45,653,809)	(101,836,853)
Total Net Position	<u>\$ 285,876,437</u>	<u>\$ 235,945,314</u>

The largest portion of the District's net position reflects its investment in capital assets (e.g., land; buildings and fixed equipment; furniture, fixtures and equipment net of depreciation), less any related debt still outstanding net of unspent debt proceeds. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources used to repay the debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2022 and June 30, 2021, are as follows:

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022**

Operating Results for the Fiscal Year Ended

	Governmental Activities	
	June 30, 2022	June 30, 2021
Revenues:		
Program Revenues:		
Charges for Services	\$ 561,753	\$ 628,119
Operating Grants and Contributions	17,525,053	13,037,352
Capital Grants and Contributions	2,506,667	1,195,883
General Revenues:		
Property Taxes	81,094,793	65,618,052
Local Sales Tax	16,728,348	13,157,697
Grants and Contributions Not Restricted to Specific Programs	159,590,773	150,721,592
Unrestricted Investment Earnings	173,776	78,700
Miscellaneous	10,992,765	5,278,081
Total Revenues	<u>289,173,928</u>	<u>249,715,476</u>
Functions/Program Expenses:		
Instruction	123,718,594	129,183,841
Student Personnel Services	11,163,038	10,743,255
Instructional Media Services	3,195,859	1,354,828
Instruction and Curriculum Development Services	3,432,563	5,844,572
Instructional Staff Training Services	3,137,425	4,043,552
Instruction-Related Technology	582,345	566,717
Board	504,153	555,285
General Administration	2,540,934	2,242,723
School Administration	12,956,441	12,927,212
Facility Services - Non-Capitalized	411,563	781,908
Fiscal Services	5,333,919	2,228,554
Food Services	14,293,656	14,812,812
Central Services	3,913,540	2,709,875
Student Transportation Services	8,871,045	7,855,689
Operation of Plant	17,905,368	19,049,816
Maintenance of Plant	7,215,558	6,539,336
Administrative Technology Services	2,287,312	3,115,093
Community Services	14,361	11,424
Unallocated Interest on Long-Term Debt	3,170,428	3,315,159
Unallocated Depreciation Expense	14,594,703	14,169,364
Total Functions/Program Expenses	<u>239,242,805</u>	<u>242,051,015</u>
Change in Net Position	49,931,123	7,664,461
Net Position, Beginning	<u>235,945,314</u>	<u>228,280,853</u>
Net Position, Ending	<u>\$ 285,876,437</u>	<u>\$ 235,945,314</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022**

The total governmental net position increased by \$49,931,123 during the current year, as compared to a net increase of \$7,664,461 in the previous year. Total revenues increased by \$39,458,452 compared to the prior year. District expenses decreased \$2,808,210.

Direct instructional expenses, including school administration, decreased \$6,506,941. Expenses for interest and unallocated depreciation increased by \$280,608.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Major Governmental Funds. The focus of the District's governmental funds is to provide information on *near-term* inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$121,553,658, an increase of \$32,848,456 in comparison with the prior year. The following schedule indicates the fund balances and changes in fund balances by major fund and other governmental (non-major) funds as reported in the basic financial statements for the fiscal years ended June 30, 2022 and June 30, 2021.

Fund Balance	June 30, 2022	June 30, 2021	Increase (Decrease)	Percentage Change
Major Governmental Funds:				
General Fund	\$ 42,485,604	\$ 34,378,258	\$ 8,107,346	23.58%
Local Capital Improvement Fund	13,091,171	11,844,516	1,246,655	10.53%
Other Capital Projects	37,730,288	25,792,706	11,937,582	46.28%
Other Governmental Funds (non-major)	28,246,595	16,689,722	11,556,873	69.25%
Total Fund Balance	<u>\$ 121,553,658</u>	<u>\$ 88,705,202</u>	<u>\$ 32,848,456</u>	<u>37.03%</u>

General Fund. The General Fund is the primary operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$18,481,216, while total fund balance was \$42,485,604. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total revenues. Unassigned fund balance represents 9.46 percent of General Fund revenues, while total assigned and unassigned fund balance represents 18.42 percent of that same amount.

During the current fiscal year, the total fund balance of the General Fund increased by \$8,107,346.

Capital Projects – Local Capital Improvements Fund. The fund balance of the Capital Projects – Non-Voted Capital Improvements Fund increased by \$1,246,655 to \$13,091,171. This increase was primarily due to a decrease in transfers out for the payment of maintenance and site improvements.

Capital Projects – Other Fund. The fund balance of the Capital Projects – Other Fund increased by \$11,963,859 to \$37,756,565. This fund is restricted for educational capital outlay needs, including new construction, renovations and remodeling projects, and debt service payments.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022**

The following schedule shows the changes in General Fund revenues and transfers in for fiscal years ended June 30, 2022 and June 30, 2021:

General Fund Revenues and Other Financing Sources	June 30, 2022	June 30, 2021	Increase (Decrease)	Percentage Change
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 227,294	\$ 223,901	\$ 3,393	1.52%
Miscellaneous Federal Direct	223,242	217,530	5,712	100.00%
Federal Through State Sources:				
Medicaid	842,553	1,570,561	(728,008)	-46.35%
Other Federal Through State Sources	59,483	193,277	(133,794)	-69.22%
State Sources:				
Florida Education Finance Program (FEFP)	102,457,781	100,812,326	1,645,455	1.63%
Categorical Programs	23,732,396	24,303,819	(571,423)	-2.35%
Other State Sources	186,616	45,270	141,346	312.23%
Local Sources:				
Ad Valorem Taxes	63,067,874	48,974,618	14,093,256	28.78%
Interest Income	173,776	39,901	133,875	335.52%
Other Local Sources	4,850,120	3,911,349	938,771	24.00%
Total Revenues	195,821,135	180,292,552	15,528,583	8.61%
Other Financing Sources:				
Transfers In	2,175,054	1,278,213	896,841	70.16%
Other Financing Sources	47,612	21,055	26,557	126.13%
Total Revenues and Other Financing Sources	<u>\$ 198,043,801</u>	<u>\$ 181,591,820</u>	<u>\$ 16,451,981</u>	9.06%

During the 2021-2022 fiscal year, Revenues and Other Financing Sources (Uses) increased by \$16,451,981, or 9.06 percent. The major impacts to funding were the State Legislature increase in Base Student Allocation and the increase in the number of unweighted full-time equivalent students.

The following schedule shows the changes in General Fund expenditures (by major object) for fiscal years ended June 30, 2022 and June 30, 2021:

General Fund Expenditures by Major Object	June 30, 2022	June 30, 2021	Increase (Decrease)	Percentage Change
Salaries	\$ 122,125,412	\$ 113,499,541	\$ 8,625,871	7.60%
Employee Benefits	37,777,531	34,874,872	2,902,659	8.32%
Purchased Services	14,897,695	14,635,256	262,439	1.79%
Energy Services	6,496,986	5,725,153	771,833	13.48%
Materials and Supplies	4,157,023	4,886,042	(729,019)	-14.92%
Capital Outlay	3,050,689	2,427,412	623,277	25.68%
Other Expenditures	1,175,878	1,125,768	50,110	4.45%
Total Expenditures by Major Object	<u>\$ 189,681,214</u>	<u>\$ 177,174,044</u>	<u>\$ 12,507,170</u>	7.06%

General Fund expenditures increased by \$12,507,170, or 7.06 percent. The largest portions of General Fund expenditures are for salaries and employee benefits with \$159,902,943 expended, or 84.30 percent, of total expenditures in the 2021-2022 fiscal year compared to \$177,174,044, or 83.75 percent, in the 2020-2021 fiscal year.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022**

GENERAL FUND BUDGETARY HIGHLIGHTS

The following schedule shows the changes in General Fund revenues and other financing sources between the original and final budgets for the fiscal year ended June 30, 2022:

General Fund Revenues and Other Financing Sources	Original Budget	Final Budget	Increase (Decrease)	Percentage Change
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 196,000	\$ 227,294	\$ 31,294	15.97%
Miscellaneous Federal Direct	281,524	223,242	(58,282)	100.00%
Federal Through State Sources:				
Medicaid	1,380,000	842,553	(537,447)	-38.95%
Other Federal Through State Sources	-	59,483	59,483	100.00%
State Sources:				
Florida Education Finance Program (FEFP)	102,509,740	102,457,781	(51,959)	-0.05%
Categorical Programs	21,827,051	23,732,396	1,905,345	8.73%
Other State Sources	678,537	186,616	(491,921)	-72.50%
Local Sources:				
Ad Valorem Taxes	62,441,391	63,067,874	626,483	1.00%
Interest Income	50,000	173,776	123,776	247.55%
Other Local Sources	2,462,563	5,006,847	2,544,284	103.32%
Other Financing Sources:				
Transfers In	2,015,491	2,175,054	159,563	7.92%
Other Financing Sources	-	47,612	47,612	100.00%
Total Revenues and Other Financing Sources	<u>\$ 193,842,297</u>	<u>\$ 198,200,528</u>	<u>\$ 4,358,231</u>	2.25%

Final budgeted revenues and other financing sources for the General Fund, when compared to the initial budget, were \$4,358,231, or 2.25 percent higher. Categorical Programs increased \$1,905,345 than anticipated during budget planning. In addition, actual collections from Other Local Sources resulted in an increase of \$2,544,284 in actual revenues due in part to receipt of funds related to insurance refunds and profit share revenues.

The following schedule shows the changes in General Fund expenditures by function between the original and final budgets for the fiscal year ended June 30, 2022:

General Fund Expenditures By Function	Original Budget	Final Budget	Increase (Decrease)	Percentage Change
Current:				
Instruction	\$ 122,550,999	115,413,392	\$ (7,137,607)	-5.82%
Pupil Personnel Services	10,225,422	9,155,987	(1,069,435)	-10.46%
Instructional Media Services	1,590,408	1,489,960	(100,448)	-6.32%
Instruction and Curriculum Development	3,259,707	3,530,218	270,511	8.30%
Instructional Staff Training	1,015,729	861,989	(153,740)	-15.14%
Instruction Related Technology	501,211	501,211	-	0.00%
School Board	530,178	529,595	(583)	-0.11%
General Administration	2,517,168	1,826,625	(690,543)	-27.43%
School Administration	13,107,905	13,070,035	(37,870)	-0.29%
Facility Services - Non-Capitalized	1,081,941	865,033	(216,908)	-20.05%
Fiscal Services	954,288	942,858	(11,430)	-1.20%
Food Services	543,861	343,732	(200,129)	-36.80%
Central Services	4,132,864	4,072,587	(60,277)	-1.46%
Pupil Transportation Services	8,818,408	8,715,599	(102,809)	-1.17%
Operation of Plant	19,354,993	18,480,297	(874,696)	-4.52%
Maintenance of Plant	6,699,630	6,572,028	(127,602)	-1.90%
Administrative Related Technology Services	4,062,055	2,374,215	(1,687,840)	-41.55%
Community Services	15,343	15,122	(221)	-1.44%
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	920,731	920,731	100.00%
Total Expenditures by Function	<u>\$ 200,962,110</u>	<u>\$ 189,681,214</u>	<u>\$ (11,280,896)</u>	-5.61%

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022**

The final budgeted expenditures and other financing uses were lower than the original budget by \$11,280,896, or 5.61 percent. Reductions were realized through the District's conservative spending and through savings initiatives that were implemented during the fiscal year.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets. The District's investment in capital assets for governmental activities as of June 30, 2022, amounts to \$392,365,206 (net of accumulated depreciation). This investment in capital assets includes land; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; and construction in progress. The total increase of 5,605,095 in the District's investment in capital assets (net of accumulated depreciation) for the current fiscal year was 1.45 percent.

Capital Assets (Net of Depreciation)

	Governmental Activities		
	June 30, 2022	June 30, 2021	Increase (Decrease)
Land	\$ 10,646,224	\$ 10,646,224	\$ -
Improvements Other Than Buildings	10,995,556	10,410,660	584,896
Buildings and Fixed Equipment	340,349,604	343,781,491	(3,431,887)
Furniture, Fixtures, and Equipment	8,115,690	7,886,624	229,066
Motor Vehicles	3,090,939	3,430,448	(339,509)
Construction in Progress	19,167,193	10,604,664	8,562,529
Total Capital Assets	<u>\$ 392,365,206</u>	<u>\$ 386,760,111</u>	<u>\$ 5,605,095</u>

Additional information on the District's capital assets can be found in Note 3 of this report.

Long-Term Debt. At the end of the current fiscal year, the District has total long-term debt outstanding of \$97,057,285 (less premiums). This amount is comprised of \$86,937,435 in Certificates of Participation (COPs); and Bonds Payable of \$10,119,850, which is backed by full faith and credit of the State of Florida.

The District's current rating on Sales Tax Revenue Bonds from Fitch's Rating Services is AA- with a stable outlook. The District's current rating on outstanding COPs from Fitch's Rating Services is A+ with a stable outlook.

During the current fiscal year, the District paid \$4,866,977 of principal payments on long-term debt as follows:

State School Bonds	\$ 173,000
Other Debt Service:	
District Revenue Bonds	85,000
Certificates of Participation	4,608,977
Total Principal Payments	<u>\$ 4,866,977</u>

Additional information on the District's long-term debt can be found in Notes 4 through 8 of this report.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022**

ECONOMIC FACTORS AND FORECAST

As of June 2022, the unemployment rate for Hernando County is currently 5.1 percent, which is a decrease from the rate of 8.3 percent a year ago. This compares to the State's average unemployment rate of 4.6 percent. These factors were considered in preparing the District budget for the 2022-2023 fiscal year.

During the current fiscal year, the fund balance in the General Fund increased by \$8,107,346 to \$42,485,604. Included in this total, the District has inventories and prepaid of \$1,293,614 that are classified as non-spendable, \$5,063,380 in State categorical funds reported as restricted, and \$84,887 in Workforce Development. Assigned fund balance also includes \$12,206,782, for FTE shortfall and \$5,355,725 for health insurance rebates and profit sharing, which will be held in fund balance until appropriated. It is anticipated that this use of unassigned fund balance will be replenished at year-end through unspent appropriations and operating fund property tax revenues in excess of the budget. It is anticipated that the fund balance at June 30, 2023, will be in excess of 3 percent of General Fund revenues.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate compliance and accountability for its resources. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, Hernando County District School Board, 919 North Broad Street, Brooksville, Florida 34601.

BASIC FINANCIAL STATEMENTS





HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government Governmental Activities	Discretely Presented Component Units
Assets		
Cash and Cash Equivalents	\$ 39,683,304	\$ 1,425,029
Investments	77,429,580	-
Accounts Receivable	70,077	280,902
Due from Other Agencies	5,018,873	81,068
Inventories	1,474,981	229,436
Prepaid Items	-	6,555
Bond Insurance	345,358	-
Take Stock in Children Contract Value	-	344,835
Capital Credits Receivable	5,054,676	-
Capital Assets:		
Non-Depreciable Capital Assets	29,813,417	-
Depreciable Capital Assets, Net	362,551,789	1,718,726
Total Assets	521,442,055	4,086,551
Deferred Outflows of Resources		
OPEB Related	2,491,869	-
Pensions Related	39,534,534	-
Total Deferred Outflows of Resources	42,026,403	-
Liabilities		
Due to Other Agencies	60	11,519
Accounts Payable	1,422,676	66,001
Long-Term Liabilities:		
Due Within One Year	9,266,752	187,892
Due in More Than One Year	188,363,939	1,419,598
Total Liabilities	199,053,427	1,685,010
Deferred Inflows of Resources		
Deferred Revenue	700,421	113,720
Gain on Refunding	541,622	-
OPEB Related	5,812,727	-
Pensions Related	71,483,824	-
Total Deferred Inflows of Resources	78,538,594	113,720
Net Position		
Net Investment in Capital Assets	292,583,818	111,236
Restricted for:		
State Required Carryover Programs	1,043,221	-
Food Service	5,044,225	-
Debt Service	7,287,018	-
Capital Projects	25,571,964	-
Unrestricted	(45,653,809)	2,176,585
Total Net Position	\$ 285,876,437	\$ 2,287,821

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units
Primary Government:						
Governmental Activities:						
Instruction	\$ 130,337,600	\$ 103,514	\$ -	\$ -	\$ (130,234,086)	\$ -
Student Personnel Services	9,040,183	-	-	-	(9,040,183)	-
Instructional Media Services	1,467,257	-	-	-	(1,467,257)	-
Instruction and Curriculum Development Services	3,432,563	-	-	-	(3,432,563)	-
Instructional Staff Training Services	1,012,114	-	-	-	(1,012,114)	-
Instruction Related Technology	500,444	-	-	-	(500,444)	-
Board Related	504,153	-	-	-	(504,153)	-
General Administration	2,109,594	-	-	-	(2,109,594)	-
School Administration	12,956,441	-	-	-	(12,956,441)	-
Facility Services - Non-Capitalized	411,563	-	-	2,291,273	1,879,710	-
Fiscal Services	5,333,919	-	-	-	(5,333,919)	-
Food Services	14,293,656	347,192	17,525,053	-	3,578,589	-
Central Services	3,913,540	-	-	-	(3,913,540)	-
Student Transportation Services	8,742,051	111,047	-	-	(8,631,004)	-
Operation of Plant	17,905,368	-	-	-	(17,905,368)	-
Maintenance of Plant	7,215,558	-	-	-	(7,215,558)	-
Administrative Technology Services	2,287,312	-	-	-	(2,287,312)	-
Community Services	14,358	-	-	-	(14,358)	-
Interest on Long-Term Debt	3,170,428	-	-	215,394	(2,955,034)	-
Unallocated Depreciation Expense *	14,594,703	-	-	-	(14,594,703)	-
Total Primary Government	239,242,805	561,753	17,525,053	2,506,667	(218,649,332)	-
Component Units						
Educational Foundation/Charter Schools	\$ 5,015,065	\$ 291,672	\$ 1,678,638	\$ 159,563	-	(2,885,192)
General Revenues:						
Taxes:						
Property Taxes, Levied for Operational Purposes					63,091,303	-
Property Taxes, Levied for Capital Projects					18,003,490	-
Local Sales Taxes					16,728,348	-
Grants and Contributions Not Restricted to Specific Programs					159,590,773	3,104,324
Unrestricted Investment Earnings					173,776	-
Miscellaneous Revenues					10,992,765	86,084
Total General Revenues					268,580,455	3,190,408
Change in Net Position					49,931,123	305,216
Net Position, July 1, 2021					235,945,314	1,982,605
Net Position, June 30, 2022					\$ 285,876,437	\$ 2,287,821

* This amount excludes the depreciation that is included in the direct expenses of the various functions.

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Special Revenue - Other Federal Programs	Special Revenue - Federal Education Stabilization Fund	Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Debt Service - Other Debt Service	Other Governmental Funds	Total Governmental Funds
Assets								
Cash and Cash Equivalents	\$ 3,874,441	\$ -	\$ -	\$ 1,506,887	\$ 8,641,572	\$ 11,037,041	\$ 14,623,363	\$ 39,683,304
Investments	35,479,611	-	-	11,729,713	28,322,789	1,854,248	43,219	77,429,580
Accounts Receivable	63,675	-	-	-	-	-	6,402	70,077
Due from Other Funds	1,092,583	-	-	-	-	-	-	1,092,583
Due from Other Agencies	1,390,493	890,918	364,936	5,452	1,462,009	-	905,065	5,018,873
Inventories	1,293,614	-	-	-	-	-	181,367	1,474,981
Total Assets	43,194,417	890,918	364,936	13,242,052	38,426,370	12,891,289	15,759,416	124,769,398
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities:								
Accounts and Retainage Payable	708,753	34,463	128,808	150,881	46,033	-	353,738	1,422,676
Due to Other Agencies	60	-	-	-	-	-	-	60
Due to Other Funds	-	856,455	236,128	-	-	-	-	1,092,583
Total Liabilities	708,813	890,918	364,936	150,881	46,033	-	353,738	2,515,319
Deferred Inflows of Resources:								
Unavailable Revenue - Capital								
Outlay	-	-	-	-	650,049	-	50,372	700,421
Total Deferred Inflows of Resources	-	-	-	-	650,049	-	50,372	700,421
Fund Balances:								
Non-Spendable	1,293,614	-	-	-	-	-	181,367	1,474,981
Spendable:								
Restricted	5,148,267	-	-	13,091,171	37,730,288	12,891,289	15,173,939	84,034,954
Assigned	17,562,507	-	-	-	-	-	-	17,562,507
Unassigned	18,481,216	-	-	-	-	-	-	18,481,216
Total Fund Balances	42,485,604	-	-	13,091,171	37,730,288	12,891,289	15,355,306	121,553,658
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 43,194,417	\$ 890,918	\$ 364,936	\$ 13,242,052	\$ 38,426,370	\$ 12,891,289	\$ 15,759,416	\$ 124,769,398

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total Fund Balances - Governmental Funds	\$	121,553,658
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds:

Non-Depreciable Capital Assets	\$ 29,813,417	
Depreciable Capital Assets, Net	362,551,789	392,365,206

Capital credits to be received in future years are not available to liquidate liabilities in governmental funds, but are accrued in the government-wide statements.		5,054,676
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Deferred outflows/inflows of resources for pensions are not available in the current period and, therefore, are not reported in the governmental funds. At fiscal year-end, these are the deferred outflows/inflows of resources for pensions:

Deferred Outflows of Resources	39,534,534	
Deferred Inflows of Resources	(71,483,824)	(31,949,290)

Deferred outflows/inflows of resources for OPEB are not available in the current period and, therefore, are not reported in the governmental funds. At fiscal year-end, these are the deferred outflows/inflows of resources for OPEB:

Deferred Outflows of Resources	2,491,869	
Deferred Inflows of Resources	(5,812,727)	(3,320,858)

Bond Insurance for 2016 COPS Refunding Debt		345,358
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Gain on Refunding of the 2005 COPS		(541,622)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Bonds Payable	(10,520,751)	
Certificates of Participation Payable	(95,024,953)	
Other Postemployment Benefits Payable	(12,548,371)	
Net Pension Liability	(62,244,368)	
Compensated Absences Payable	(17,292,248)	(197,630,691)

Total Net Position - Governmental Activities	\$	285,876,437
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The accompanying notes to financial statements are an integral part of this statement.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue - Other Federal Programs
Revenues		
Intergovernmental:		
Federal Direct	\$ 450,536	\$ -
Federal Through State and Local	902,036	12,934,424
State	126,376,793	-
Local:		
Property Taxes Levied for Operational Purposes	63,091,303	-
Property Taxes Levied for Capital Projects	-	-
Local Sales Taxes	-	-
Impact Fees	-	-
Charges for Service - Food Services	-	-
Other	5,000,467	-
Total Revenues	<u>195,821,135</u>	<u>12,934,424</u>
Expenditures		
Current:		
Instruction	115,413,392	12,934,424
Student Personnel Services	9,155,987	-
Instructional Media Services	1,489,960	-
Instruction and Curriculum Development Services	3,530,218	-
Instructional Staff Training Services	861,989	-
Instruction Related Technology	501,211	-
Board	529,595	-
General Administration	1,826,625	-
School Administration	13,070,035	-
Facility Services - Non-Capitalized	865,033	-
Fiscal Services	942,858	-
Food Services	343,732	-
Central Services	4,072,587	-
Student Transportation Services	8,715,599	-
Operation of Plant	18,480,297	-
Maintenance of Plant	6,572,028	-
Administrative Technology Services	2,374,215	-
Community Services	15,122	-
Debt Service:		
Principal	-	-
Interest and Fiscal Charges	-	-
Dues and Fees	-	-
Capital Outlay:		
Facilities Acquisition and Construction	920,731	-
Total Expenditures	<u>189,681,214</u>	<u>12,934,424</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,139,921</u>	<u>-</u>
Other Financing Sources (Uses)		
Issuance of Bonds	-	-
Transfers In	2,175,054	-
Insurance Loss Recoveries	47,612	-
Transfers (Out)	(255,241)	-
Total Other Financing Sources (Uses)	<u>1,967,425</u>	<u>-</u>
Net Change in Fund Balances	8,107,346	-
Fund Balances, July 1, 2021	34,378,258	-
Fund Balances, June 30, 2022	<u><u>\$ 42,485,604</u></u>	<u><u>\$ -</u></u>

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

Special Revenue - Federal Education Stabilization Fund	Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Debt Service - Other Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450,536
12,948,764	-	-	-	17,032,449	43,817,673
-	-	569,892	-	2,833,786	129,780,471
-	-	-	-	-	63,091,303
-	18,003,490	-	-	-	18,003,490
-	-	16,754,625	-	-	16,754,625
-	-	6,748,927	-	-	6,748,927
-	-	-	-	344,695	344,695
-	25,934	51,038	3,895	4,986,522	10,067,856
<u>12,948,764</u>	<u>18,029,424</u>	<u>24,124,482</u>	<u>3,895</u>	<u>25,197,452</u>	<u>289,059,576</u>
8,967,214	-	-	-	-	137,315,030
368,148	-	-	-	-	9,524,135
55,844	-	-	-	-	1,545,804
86,103	-	-	-	-	3,616,321
204,307	-	-	-	-	1,066,296
26,023	-	-	-	-	527,234
1,547	-	-	-	-	531,142
383,203	-	-	-	-	2,209,828
580,009	-	-	-	-	13,650,044
10,831	-	-	-	-	875,864
15,473	-	-	-	4,661,131	5,619,462
273,867	-	-	-	14,434,830	15,052,429
49,440	-	-	-	-	4,122,027
491,474	-	-	-	-	9,207,073
379,718	-	-	-	-	18,860,015
1,021,523	-	-	-	-	7,593,551
34,040	-	-	-	-	2,408,255
-	-	-	-	-	15,122
-	-	-	4,608,977	258,000	4,866,977
-	-	-	3,634,187	163,865	3,798,052
-	-	-	7,350	4,704	12,054
-	6,516,788	12,186,900	-	178,448	19,802,867
<u>12,948,764</u>	<u>6,516,788</u>	<u>12,186,900</u>	<u>8,250,514</u>	<u>19,700,978</u>	<u>262,219,582</u>
-	11,512,636	11,937,582	(8,246,619)	5,496,474	26,839,994
-	-	-	5,960,850	-	5,960,850
-	-	-	8,250,490	255,241	10,680,785
-	-	-	-	-	47,612
-	(10,265,981)	-	-	(159,563)	(10,680,785)
-	(10,265,981)	-	14,211,340	95,678	6,008,462
-	1,246,655	11,937,582	5,964,721	5,592,152	32,848,456
-	11,844,516	25,792,706	6,926,568	9,763,154	88,705,202
<u>\$ -</u>	<u>\$ 13,091,171</u>	<u>\$ 37,730,288</u>	<u>\$ 12,891,289</u>	<u>\$ 15,355,306</u>	<u>\$ 121,553,658</u>

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

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Net Change in Fund Balances - Governmental Funds	\$ 32,848,456
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation expense in excess of capital outlays in the current period:	
Capital Outlay - Facilities and Construction - Governmental Funds	\$ 9,962,345
Capital Outlay - Other Capital Outlay - Governmental Funds	10,260,459
(Less Depreciation Expense)	<u>(14,617,709)</u>
	5,605,095
Long-term debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceeded proceeds in the current period:	
Debt Repayments	4,866,977
Proceeds from Issuance of Debt	(5,960,850)
Premiums are reported in the governmental funds in the year debt is issued, but are capitalized and amortized over the life of the debt in the statement of activities.	
Unamortized Premium:	
Prior Year	9,102,024
(Less Current Year)	<u>(8,488,419)</u>
	613,605
Bond Insurance for the 2016 COPS Refunding Debt Amortization:	
Prior Year	(370,027)
(Less Current Year)	<u>345,358</u>
	(24,669)
Gain on Refunding of the 2005 COPS - Amortization:	
Prior Year	580,310
(Less Current Year)	<u>(541,622)</u>
	38,688
The net decrease in net pension liability and deferred outflows and inflows is reported in the statement of activities but not in the fund statements.	12,398,391
Capital credits to be received in future years are accrued in the government-wide statements, but the credits do not provide current financial resources and are not recognized in the governmental funds:	
Current Year Accruals	5,054,676
(Less Prior Year Accruals)	<u>(4,987,936)</u>
Net Increase in Capital Credits Receivable	66,740
In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences used in excess of the amount earned in the current period.	(524,927)
Other postemployment benefits costs are recorded in the governmental funds under the pay-as-you-go method, but under the full accrual method in the government-wide statements. This is the net increase in the other postemployment benefits liability, deferred inflows and outflows for the current period.	3,617
Change in Net Position - Governmental Activities	<u>\$ 49,931,123</u>

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	Private-Purpose Trust Fund
Assets	
Cash and Cash Equivalents	\$ 2,948
Investments	46,232
Total Assets	<u>49,180</u>
Net Position	
Held in Trust for Scholarships and Other Purposes	<u>\$ 49,180</u>

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Private-Purpose Trust Fund</u>
Additions	
Investment Earnings	\$ 2,583
Total Additions	<u>2,583</u>
Deductions	<u>(3,800)</u>
Change in Net Position	(1,217)
Net Position, July 1, 2021	<u>50,397</u>
Net Position, June 30, 2022	<u>\$ 49,180</u>

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Hernando County District School Board (the Board) has direct responsibility for operation, control, and supervision of Hernando County School District (the District) schools and is considered a primary government for financial reporting. The District is considered part of the Florida system of public education. The governing body of the District is the Board, which is composed of five elected members. The appointed Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Hernando County.

Criteria for determining if other entities are potential component units, which should be reported within the District's basic financial statements, are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the District is financially accountable and other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the District's basic financial statements to be misleading.

Based on the application of these criteria, the following component units are included within the District's reporting entity:

■ **Blended Component Unit**

The Hernando School Board Leasing Corporation (the Leasing Corporation) was formed in July 2011 to facilitate financing for the acquisition of facilities and equipment as further discussed in Note 4. The governing board of the Leasing Corporation is the District's Board. Due to the substantive economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements of the Leasing Corporation are not published.

■ **Discretely Presented Component Units**

The component unit columns in the government-wide financial statements include the financial data of The Hernando County Education Direct Support Organization, Inc., (the Foundation), and the following charter schools: Brooksville Engineering, Science & Technology, Inc., Gulf Coast Academy of Science and Technology, Inc., and Gulf Coast Elementary School, Inc.

The Foundation is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the District. The Foundation is considered to be a component unit of the District because of the nature and significance of its relationship. The charter schools are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the *Florida Not for Profit Corporation Act*, and Section 1002.33, Florida Statutes.

The charter schools operate under a charter of the sponsoring District. The charter schools are considered to be component units of the District because the District is financially accountable for the charter schools as the District established the charter schools by approval of the charter, which is

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter schools are public schools, and the District is responsible for the operation, control, and supervision of public schools within the District.

Annual audits of the Foundation's and the charter schools' financial statements are conducted by independent certified public accountants and are filed in the District's administrative office at 919 North Broad Street, Brooksville, Florida 34601.

Basis of Presentation

■ **Government-Wide Financial Statements**

Government-wide financial statements, including the statement of net position and the statement of activities, present information about the District as a whole. These statements include the non-fiduciary financial activity of the primary government and its component units.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense associated with the District's motor vehicles is allocated to the applicable functions, while remaining depreciation expense is not readily associated with a particular function and is reported as unallocated.

Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

The effects of inter-fund activity have been eliminated from the government-wide financial statements. Inter-fund services provided and used are not eliminated in the process of consolidation.

■ **Fund Financial Statements**

Fund financial statements provide detailed information about the District in the governmental and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Special Revenue – Other Federal Programs – to account for certain federal grant program revenue sources that are legally restricted for specified purposes. This special revenue fund tracks federal grants that are received by the District from various federal and state agencies.

Special Revenue – Federal Education Stabilization Fund – to account for *Federal Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) funding provided as emergency relief to address the impact of COVID-19 on elementary and secondary schools.

Capital Projects – Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, and debt service payment on certificates of participation.

Capital Projects – Other Capital Projects Fund – to account for the financial resources generated by the local voted sales tax and the impact fees levied by the Hernando County Board of County Commissioners. The sales tax is to be used for new school construction. The impact fees may be used for educational capital outlay needs, including new construction, renovation and remodeling projects, and debt service payments.

Debt Service – Other Debt Service – to account for principal, interest, and related costs of the Notes Payable, bonds, and the Certificates of Participation issued in 2013A, 2016A, and 2022.

Additionally, the District reports the following fiduciary fund types:

Private-Purpose Trust Fund—to account for resources of the Hernando High School Renaissance Scholarship Endowment Fund, which are used for student scholarships.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at fiscal year-end are reported as due from/to other funds. Inter-fund services provided and used are not eliminated in the process of consolidation. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements to report only the net amount of transfers.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the economic resources measurement focus and accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become 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.

The District considers property taxes, sales taxes, and interest to be available if they are collected within 30 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized at the time the expenditure is made.

Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, pensions, and other postemployment benefits, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Revenues can be classified into two kinds of transactions: (a) exchange and exchange-like transactions, in which each party receives and gives up essentially equal value, and (b) non-exchange transactions, in which a government gives (or receives) value without directly receiving (or giving) equal value in exchange. Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place.

Revenues resulting from non-exchange transactions are further classified into: (a) derived tax revenues, (b) imposed non-exchange revenues, (c) government-mandated non-exchange transactions, and (d) voluntary non-exchange transactions. Derived tax revenues (e.g., sales tax) are recorded when the exchange transaction occurs. Imposed non-exchange transactions (e.g., property taxes) are recorded when use of the resource is required or first permitted by time requirements (e.g., for property taxes, the period for which they are levied). Government-mandated and voluntary non-exchange transactions, (e.g., Federal mandates, grants, and donations) are recorded when all eligibility requirements have been met. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The three charter schools and the Foundation, shown as discretely presented component units, are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be demand deposits. On June 30, 2022, the carrying amount of the District's bank deposit accounts was \$39,589,120 (Statement of Net Position) and \$2,948 (Fiduciary Funds).

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Investments

The District holds assets that are defined as investments. The District's investments are recorded at fair value unless the investment qualifies as an external investment pool under the guidance in GASB Statement No. 79.

■ **Fair Value Measurement**

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 Inputs—are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 Inputs—are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3 Inputs—are unobservable inputs for an asset or liability. 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.

Investments consist of amounts placed in State Board of Administration (SBA) Debt Service accounts for investment of debt service moneys and amounts placed with the SBA for participation in Florida PRIME (formerly known as the Local Government Surplus Funds Trust Fund Investment Pool) investment pool created by Section 218.405, Florida Statutes, and those made locally. The investment pools operate under investment guidelines established by Section 215.47, Florida Statutes. Under the fair value hierarchy, SBA Debt Service moneys are considered to be Level 1.

The District's investments in Florida PRIME and the Florida PALM (formerly the Florida Education Investment Trust Fund (FEIT)) are external investment pools and are similar to money market funds in which shares are owned in the fund rather than the underlying investments. In accordance with GASB Statement No. 79, the investments are recorded at amortized costs.

None of the external investment 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 District's other investments consist of United States Treasury securities, and are reported at fair value. Under the fair value hierarchy, investments in United States Treasury securities are considered to be Level 1.

Inventories

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at average cost, except for transportation and food service inventories which are stated at last invoice, which approximates the first-in, first-out basis. The United States Department of

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets acquired are reported at cost in the government-wide statement of net position, but are not reported in the governmental funds financial statements. Capital assets are defined by the District as those costing more than \$1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be recorded at acquisition value.

Capital assets are depreciated using the composite method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Fixed Equipment	50 years
Improvements Other than Buildings	25 years
Furniture, Fixtures, and Equipment	7 years
Motor Vehicles	10 years

Current-year information relative to changes in capital assets is described in a subsequent note.

Pensions

In the government-wide statement of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS's and the HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The District's retirement plans and related amounts are described in a subsequent note.

Long-Term Liabilities

Long-term obligations that will be paid from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Debt premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds and certificates of participation payable are reported net of the applicable premium or discount. As a result of the implementation of GASB Statement No. 65, debt issuance costs (except for Bond Insurance) are no longer treated as deferred charges.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued, and premiums on debt issuances, are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability for these amounts is reported in the governmental funds financial statements only if it has matured, for example, unused reimbursable leave still outstanding following employee resignations and retirements.

Changes in long-term liabilities for the current year are reported in a subsequent note.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports 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 future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has the following items that qualify: deferred outflows related to their pensions and Other Postemployment Benefits (OPEB). The deferred outflows of resources related to pensions and OPEB are discussed in subsequent notes.

In addition to liabilities, the statement of net position and the governmental funds balance sheet 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 and so will not be recognized as an inflow of resources (revenue) until that time.

The District has financial items that qualify for reporting in this category related to unearned revenue, gain on refunding of bonds, OPEB, and pensions that are reported only in the government-wide statement of net position. In both the statement of net position and balance sheet a financial item related to unearned revenue is included. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the FRS defined benefit plan and the HIS defined benefit plan and additions to/deductions from the FRS and the HIS fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. Other items are unearned revenue from Hernando County impact fees and the State of Florida for Capital Outlay and Debt Service. The gain on refunding is related to premium on debt refunded in a prior period. This amount is recognized as a reduction of interest expense over the life of the new debt.

State Revenue Sources

Revenues from State sources for current operations are primarily from the Florida Education Finance Program (FEFP) administered by the Florida Department of Education (the Department) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the Department. The

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Department performs certain edit checks on the reported number of FTE and related data, and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of nine months following the date of the original reporting. Such amendments may impact funding allocations for subsequent years.

The Department may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The State provides financial assistance to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided, and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical educational programs. The Department generally requires that categorical educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is restricted in the governmental funds financial statements for the balance of categorical educational program resources.

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department.

A schedule of revenue from State sources for the current year is presented in a subsequent note.

District Property Taxes

The Board is authorized by State law to levy property taxes for District school operations, capital improvements, and debt service. Property taxes consist of ad valorem taxes on real and personal property within the District.

Property values are determined by the Hernando County Property Appraiser, and property taxes are collected by the Hernando County Tax Collector.

The Board adopted the 2021 tax levy on September 7, 2021. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

Taxes become a lien on the property on January 1, and are delinquent on April 1, of the year following the year of assessment. State law provides for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes, and for enforcement of collection of real property taxes by the sale of interest-bearing tax certificates to satisfy unpaid taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental funds financial statements when taxes are received by the District, except that revenue is accrued for taxes collected by the Hernando County Tax Collector at fiscal year-end but not remitted to the District. Millages and taxes levied for the current year are presented in a subsequent note.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Local Sales Tax

On September 8, 2015, the voters of Hernando County approved a one-half cent sales tax for ten years, commencing on January 1, 2016, to finance capital improvements to school facilities and related costs in accordance with Section 212.055(6), Florida Statutes.

Educational Impact Fees

The District receives residual educational impact fees based on an ordinance adopted by the Hernando County Commission (the County) on October 28, 1986. The fees are collected by the County and each municipality within the County for most new residential construction based on an inter-local agreement. The fees shall be used solely for the purpose of providing capital improvements to the public educational system necessitated by new residential development, and shall not be used for any expenditure that would be classified as a maintenance or repair expense. The authorized uses include land acquisition; facility design and construction costs; furniture and equipment; and payment of principal, interest, and related costs of indebtedness necessitated by new residential development. Because the educational impact fee is similar to a capital-type special assessment, it is reported as program revenue in the government-wide financial statements.

Federal Revenue Sources

The District receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to, and approved by, various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

Note 2 - Investments

Cash and Cash Equivalents and Investment Portfolio

On February 15, 2000, the District formally adopted a comprehensive investment policy, as revised on June 13, 2017, pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation and issuer limits, credit rating requirements, and maturity limits to protect the District's cash and investment assets. The District maintains a common cash and investment pool for the use of all funds. In addition, cash and investments are separately held by the District's special revenue, debt service, and capital projects funds.

Investment Portfolio

Investment holdings, totaling \$77,429,580 (Statement of Net Position) and \$46,232 (Fiduciary Funds) consist of amounts placed in a Local Government Surplus Funds Trust Fund, Registered Investment Companies (Money Market Mutual Funds), an Intergovernmental Investment Pool, and U.S. Treasury Bonds.

Section 218.415, Florida Statutes, limits the types of investments that the District can invest in unless specifically authorized in the District's investment policy. The District's formal investment policy allows for the following investments: United States Government Securities, United States Government Agencies, Federal Instrumentalities, Non-Negotiable Interest Bearing Time Certificates of Deposit, Commercial Paper, Bankers Acceptances, Corporate Notes, State and/or Local Government Taxable and/or Tax-Exempt Debt, Registered Investment Companies (Money Market Mutual Funds), Local Government Surplus Funds Trust Fund (Florida PRIME), and Intergovernmental Investment Pools.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

As of June 30, 2022, the District has the following investments and maturities:

<u>Security Type</u>	<u>Value</u>	<u>Weighted Average Duration</u>
External Investment Pools:		
State Board of Administration:		
Florida PRIME	\$ 29,060,237	21 days
Florida PRIME - Debt Service Accounts	19,300	21 days
Florida Palm	48,350,043	24 days
U.S. Treasury Bonds (Fiduciary Fund)	46,232	2.63 years
Total	<u>\$ 77,475,812</u>	

The Florida PRIME (the SBA) June 30, 2022, report was the source for the weighted average maturity and credit rating for Florida PRIME. <https://prime.sbafla.com/>.

The Fund Fact Sheet as of June 30, 2022, was the source for the Florida PALM (formerly Florida Education Investment Trust Fund (FEIT)) credit rating and weighted average maturity. <https://www.fl-palm.com/>.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than 24 months. Investments of bond reserves, construction funds, and other non-operating funds (core funds) shall have a term appropriate to the need for funds and in accordance with debt covenants. The maturities of investments of core funds shall not exceed 5.5 years. Florida Palm (formerly the Florida Investment Trust Fund (FEIT)) and Florida PRIME use a weighted-average days to maturity (WAM).

The District also uses WAM as a measurement of interest rate risk and as of June 30, 2022, the investment portfolio had a weighted average measurement of .07 years. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy permits for investments which are limited to credit quality ratings from nationally recognized rating agencies as follows:

Commercial paper of any United States company that is rated, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper). In addition, corporate obligations allowed are corporate obligations issued by financial institutions that participate in the Federal Deposit Insurance Corporation's (FDIC) Temporary Liquidity Guarantee Program and are fully insured by the FDIC and are guaranteed by the full faith and credit of the United States Government.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Bankers' acceptances which are issued by a domestic bank which has at the time of purchase, an unsecured, uninsured, and unguaranteed obligation rating of at least "Prime-1" by Moody's or "A-1" by Standard & Poor's.

Corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long-term debt rating, at the time of purchase, at a minimum single "A3" by Moody's and a minimum long-term debt rating of "A-" by Standard & Poor's. In addition, corporate obligations allowed are corporate obligations issued by financial institutions that participate in the FDIC's Temporary Liquidity Guarantee Program and are fully insured by the FDIC and are guaranteed by the full faith and credit of the United States Government.

State and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least "A3" by Moody's or "A-" by Standard & Poor's for long-term debt, or rated at least "MIG-1" by Moody's or "SP-1" by Standard & Poor's for short-term debt.

Registered Investment Companies (Money Market Mutual Funds) shall be rated "AAAm" by Standard & Poor's or the equivalent by another national rating agency.

Investment pools shall be rated "AAAm" by Standard & Poor's or the equivalent by another rating agency.

As of June 30, 2022, \$77,429,580 of the District's investment securities were individually rated "AAAm" by Standard & Poor's, and \$46,232 rated "Aaa" by Moody's Investors Services.

The District's bank balance of \$32,439,992 was deposited in a qualified public depository, as required by Chapter 280, Florida Statutes.

As of June 30, 2022, the District had the following credit quality:

Security Type	Standard & Poor's Credit Rating	Portfolio Asset Allocation
State Board of Administration:		
Florida PRIME	AAAm	37.51%
Florida PRIME - Debt Service Accounts	N/A	0.02%
External Investment Pool:		
Florida Palm	AAAm	62.41%
U.S. Treasury Bonds (Fiduciary Fund)		0.06%
Total		100.00%

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District's investment policy pursuant to Section 218.415(18), Florida Statutes, requires securities, with the exception of certificates of deposits, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in an account separate and

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and is doing business in the State of Florida. Certificates of Deposit will be placed in the provider's safekeeping department for the term of the deposit.

As of June 30, 2022, the District's investment portfolio was held with a third-party custodian as required by the District's investment policy.

Concentration of Credit Risk

The District's investment policy has established asset allocation and issuer limits, which are designed to reduce concentration of credit risk of the District's investment portfolio, for the following investments:

A maximum of 100% of available funds may be invested in the United States Government Securities, 100% of available funds may be invested in United States Government agencies with a 40% limit on individual issuers, 75% of available funds may be invested in Federal Instrumentalities with a 40% limit on individual issuers, 50% of available funds may be invested in non-negotiable interest bearing time certificates of deposit, 25% of available funds may be invested in Commercial Paper with a 5% limit on individual issuers, 25% of available funds may be invested in Corporate Notes with a 5% limit on individual issuers, 25% of available funds may be invested in State and/or Local Government Taxable and/or Tax-Exempt Debt with a 5% limit on individual issuers, 50% of available funds may be invested in Registered Investment Companies (Money Market Mutual Funds) with a 25% limit of individual issuers, and 75% of available funds may be invested in Intergovernmental Investment Pools with a 50% limit of individual users.

As of June 30, 2022, the District had the following issuer concentration based on fair value:

<u>Security Type</u>	<u>Value</u>	<u>Portfolio Asset Allocation</u>
External Investment Pool:		
State Board of Administration:		
Florida PRIME	\$ 29,060,237	37.51%
Florida PRIME - Debt Service Accounts	19,300	0.02%
Florida Palm	48,350,043	62.41%
U.S. Treasury Bonds (Fiduciary Fund)	46,232	0.06%
Total	<u>\$ 77,475,812</u>	<u>100.00%</u>

Foreign Currency Risk

The District's investment policy does not allow for investments in foreign currency; therefore, the District has no exposure to foreign currency risk.

Note 3 - Changes in Capital Assets

Changes in capital assets are presented in the table below:

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land (660)	\$ 10,646,224	\$ -	\$ -	\$ 10,646,224
Construction in Process	10,604,664	10,300,579	(1,738,050)	19,167,193
Total Capital Assets Not Being Depreciated	21,250,888	10,300,579	(1,738,050)	29,813,417
Capital Assets Being Depreciated:				
Improvements Other Than Buildings (670)	33,751,458	2,015,577	-	35,767,035
Buildings and Fixed Equipment (680)	524,872,084	7,209,750	-	532,081,834
Furniture, Fixtures, and Equipment (641/643/691)	48,626,945	2,306,728	(1,274,414)	49,659,259
Motor Vehicles (652 Vehicles) (651 Buses)	18,751,940	128,220	-	18,880,160
Total Capital Assets Being Depreciated	626,002,427	11,660,275	(1,274,414)	636,388,288
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	(23,340,798)	(1,430,681)	-	(24,771,479)
Buildings and Fixed Equipment	(181,090,593)	(10,641,637)	-	(191,732,230)
Furniture, Fixtures, and Equipment	(40,740,321)	(2,077,662)	1,274,414	(41,543,569)
Motor Vehicles	(15,321,492)	(467,729)	-	(15,789,221)
Total Accumulated Depreciation	(260,493,204)	(14,617,709)	1,274,414	(273,836,499)
Total Capital Assets Being Depreciated, Net	365,509,223	(2,957,434)	-	362,551,789
Governmental Activities Capital Assets, Net	\$ 386,760,111	\$ 7,343,145	\$ (1,738,050)	\$ 392,365,206

Depreciation expense was charged to functions as follows:

Function	Amount
Governmental Activities:	
Facilities Acquisition and Construction	\$ 142
Food Services	6,090
Central Services	967
Operation of Plant	3,693
Maintenance of Plant	7,861
Transportation	2,819
Administrative Related Technology	1,434
Unallocated	14,594,703
Total Depreciation Expense – Governmental Activities	\$ 14,617,709

Note 4 - Certificates of Participation

The District entered into various financing arrangements each of which was characterized as a financed-purchase agreement, with the Florida School Boards Association, Inc., whereby the District secured financing of various educational facilities in the total amount of \$30,000,000 for the Certificates of Participation, Series 2003A; \$106,670,000 for the Certificates of Participation, Series 2005; and \$29,162,000 for the Certificates of Participation, Series 2013A. The Certificates of Participation, Series 2013A were used to advance refund the outstanding Certificates of Participation, Series 2003A. The financings were accomplished through the issuance of Certificates of Participation to be repaid from the proceeds of the District.

On August 10, 2011, the Florida School Boards Association, Inc., irrevocably assigned to the Leasing Corporation all of its rights, title, and interest under the Master Trust Agreement and the Ground Lease Agreements, no amounts are paid between the blended entities.

As a condition of the financing arrangement, the District has provided the agreement for District property to the Leasing Corporation, with terms ranging from 20 to 30 years.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

The properties covered by the agreement are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the agreements and to provide the rent payments through to term, the District may be required to surrender the sites included under the agreements for the benefit of the securers of the certificates for a period of time specified by the arrangement, which may be up to 35 years from the date of inception of the arrangements.

The District properties included in the arrangement include land on which the projects have been constructed. The projects related to the agreement are as follows:

Series 2005 Certificates

Explorer K-8 School
Winding Waters K-8 School
Grade Specific Additions to Pine Grove Elementary School, West Hernando Middle School, and Central High School
Improvements and Additions to Hernando High School
Improvements and Additions to Springstead High School
Improvements and Additions to Spring Hill Elementary School

Series 2013 Certificates

Challenger K-8 School of Science and Mathematics

The payments for the 2016A and 2013A Series are payable by the District, semiannually, on July 1 and January 1, at interest rates ranging from 2.08% to 5%. The payment of principal and interest on the bonds underlying the agreements are due on July 1 and January 1 of each year. The July 1 payment is typically made on or around June 15 and is considered to be a reduction of bond principal as of June 30.

The following is a schedule by years of future minimum payments under the agreement together with the present value of minimum payments as of June 30:

Fiscal Year Ending June 30,	Total	Principal	Interest
2023	\$ 8,241,664	\$ 4,747,435	\$ 3,494,229
2024	8,654,200	5,305,000	3,349,200
2025	8,658,950	5,575,000	3,083,950
2026	8,655,200	5,850,000	2,805,200
2027	8,654,700	6,025,000	2,629,700
2028-2032	43,276,750	34,960,000	8,316,750
2033-2037	25,957,900	24,475,000	1,482,900
Total Minimum Payments	112,099,364	86,937,435	25,161,929
Unamortized COP Premiums	8,087,518	8,087,518	-
Total	\$ 120,186,882	\$ 95,024,953	\$ 25,161,929

Note 5 - Bonds Payable

Bonds payable at June 30, 2022, are as follows:

The various bonds were issued to finance capital outlay projects of the District. The following is a description of the bonded debt issues:

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Bond Type	Original Debt Issue Amount	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:				
Series 2011A, Refunding	\$ 365,000	\$ 50,000	3.0 - 5.0	2023
Series 2014A, Refunding	523,000	164,000	3.0 - 5.0	2025
Series 2020A, Refunding	758,000	630,000	2.0 - 5.0	2030
Subtotal	1,646,000	844,000		
Unamortized Premium	281,191	150,392		
State School Bonds	1,927,191	994,392		
District Revenue Bonds:				
Series 2020, Refunding	3,500,000	3,315,000	3.0 - 4.0	2042
Unamortized Premium	268,403	250,509		
Revenue Bonds	3,768,403	3,565,509		
District Bonds:				
Series 2022	5,960,850	5,960,850	1.9561	2027
Revenue Bonds	5,960,850	5,960,850		
Total Bonds Payable	\$ 11,656,444	\$ 10,520,751		

State School Bonds

These bonds are issued by the State Board of Education (SBE) on behalf of the District. The bonds mature serially and are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax.

The State's full faith and credit is also pledged as security for these bonds. Principal and interest payments, investment of Debt Service Fund resources, and compliance with reserve requirements are administered by the SBE and the SBA.

District Revenue Bonds

■ **Refunding and Capital Improvement Revenue Bonds, Series 2001**

These bonds were issued in June 2001 to refund the Refunding and Improvement Revenue Bonds, Series 1992, and to finance the costs of various capital improvements within the District. These bonds were authorized by Chapter 79-471, Laws of Florida, which provides that the bonds be secured from racetrack funds and jai alai fronton funds accruing annually to the District from the State's Pari-Mutuel Tax Collection Trust Fund pursuant to Chapter 550, Florida Statutes (effective July 1, 2000, tax proceeds are distributed pursuant to Section 212.20(6) (d) 7.a., Florida Statutes (2001), now Section 212.20(6) (d) 6.a., Florida Statutes (2014). The annual distribution is remitted by the Florida Department of Financial Services to the District.

The District has pledged as sole security for the bonds, the entire annual pari-mutuel tax proceeds of \$209,750, which is remitted by the Florida Department of Financial Services to the District. The pledged revenue is committed until final maturity of the debt, or December 1, 2031. Approximately 98% of this revenue stream has been pledged in connection with the debt service on the revenue bonds. As required by the bond resolution, the District has established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account.

The Series 2001 bonds, totaling \$3.3 million, were issued to provide funds, together with other available funds of the Board, sufficient to refund the District's outstanding Refunding Revenue Bonds, Series 1990, and finance the costs of acquisition, construction, and installation of, and renovation to,

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

certain capital improvements and educational facilities within the District, and pay costs associated with the issuance of the bonds. The Series 2001 bonds were refunded with the 2022 issuance with a present value savings of \$288,508.

District Bonds

■ **District Bonds, Financing Arrangement**

These bonds were issued April 2022 for the purchase of school buses in the amount of \$5,960,850. The buses were ordered during the fiscal year but were not received.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2022, are as follows:

Fiscal Year Ending June 30,	Total	Principal	Interest
State School Bonds			
2023	\$ 217,820	\$ 180,000	\$ 37,820
2024	165,775	135,000	30,775
2025	130,950	107,000	23,950
2026	95,200	76,000	19,200
2027	95,300	80,000	15,300
2028-2031	286,400	266,000	20,400
	991,445	844,000	147,445
Unamortized Bond Premium	150,392	150,392	-
Total State School Bonds	1,141,837	994,392	147,445
District Revenue Bonds			
2023	205,100	90,000	115,100
2024	202,400	90,000	112,400
2025	204,150	95,000	109,150
2026	200,350	95,000	105,350
2027	206,350	105,000	101,350
2028-2032	1,010,850	570,000	440,850
2033-2036	824,650	490,000	334,650
2037-2042	828,775	600,000	228,775
2043-2047	826,000	700,000	126,000
2048-2052	501,900	480,000	21,900
	5,010,525	3,315,000	1,695,525
Unamortized Bond Premium	250,509	250,509	-
Total Revenue Bonds	5,261,034	3,565,509	1,695,525
District Bonds			
2023	1,256,457	1,149,518	106,939
2024	1,256,457	1,167,890	88,567
2025	1,256,456	1,190,882	65,574
2026	1,256,457	1,214,327	42,130
2027	1,256,456	1,238,233	18,223
Total District Bonds	6,282,283	5,960,850	321,433
Total District Revenue Bonds	\$ 12,685,154	\$ 10,520,751	\$ 2,164,403

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 6 - Defeased Debt

In prior years, the Board defeased in substance certain outstanding bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the In-substance defeased bonds are not included in the District's financial statements.

On June 30, 2022, bonds considered defeased in substance are as follows:

<u>Bond Issues</u>	<u>Amount Outstanding</u>
State School Bonds, Series 2003A	\$ 160,000
State School Bonds, Series 2004A	130,000
State School Bonds, Series 2005A	170,000
State School Bonds, Series 2010A	900,000
District Revenue Bonds, Series 2001	<u>1,825,000</u>
Total Defeased Debt	<u>\$ 3,185,000</u>

Note 7 - Changes in Long-Term Liabilities

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

<u>Description</u>	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>	<u>Due in One Year</u>
Governmental Activities					
Bonds Payable	\$ 4,417,000	\$ 5,960,850	\$ (258,000)	\$ 10,119,850	\$ 1,419,518
Unamortized Premium	436,826	-	(35,925)	400,901	35,925
Total Bonds Payable	<u>4,853,826</u>	<u>5,960,850</u>	<u>(293,925)</u>	<u>10,520,751</u>	<u>1,455,443</u>
Financed-Purchase Agreements Payable	91,546,412	-	(4,608,977)	86,937,435	4,747,435
Unamortized Premium	8,665,198	-	(577,680)	8,087,518	577,680
Total Certificates of Participation Payable	<u>100,211,610</u>	<u>-</u>	<u>(5,186,657)</u>	<u>95,024,953</u>	<u>5,325,115</u>
Other Postemployment Benefits	15,690,296	-	(3,141,925)	12,548,371	1,065,964
Net Pension Liability (1)	144,669,124	-	(82,424,756)	62,244,368	420,230
Compensated Absences Payable	16,767,321	524,927	-	17,292,248	1,000,000
Total Governmental Activities	<u>\$ 282,192,177</u>	<u>\$ 6,485,777</u>	<u>\$ (91,047,263)</u>	<u>\$ 197,630,691</u>	<u>\$ 9,266,752</u>

- (1) The amount due within one year relates to the HIS portion of the Net Pension Liability wherein the HIS's fiduciary net position is less than the amount of benefit payments expected to be paid within one year.

For the governmental activities, compensated absences, pensions, and OPEB are generally liquidated with resources of the General Fund.

Note 8 - Fund Balance Reporting

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB Statement No. 54), provides a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

GASB Statement No. 54 provides two major types of fund balances, which are non-spendable and spendable. Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash, or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The District has inventory items that are considered non-spendable. The District has no non-spendable funds related to endowment.

Spendable fund balances are classified based on a hierarchy of spending constraints. The District has classified the spendable fund balances as Restricted, Committed, Assigned, and Unassigned and considers each to have been spent when expenditures are incurred. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use in governmental fund financial statements, it is the District's policy to use committed resources first, followed by assigned resources, and then unassigned resources as they are needed.

Restricted—The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations or other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraints on the use of fund balance. The District classifies most of its fund balances other than General Fund as restricted, as well as, unspent State categorical and earmarked education funding that are legally or otherwise restricted. State Categorical funds represent amounts provided the State of Florida to qualifying schools or districts for specific children with special needs, certain programs, or special purposes such as transportation. Unspent State Categorical funds are restricted until utilized for those express purposes. The District's restricted fund balance total is \$84,034,954, which represents \$5,063,380 in State Categorical programs, \$84,887 for workforce development programs, \$8,839,083 for food services, \$13,235,887 for debt service, \$54,721,630 for capital projects, and \$2,116,364 for Internal Accounts.

Committed—The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority (i.e., resolution that is approved by a majority vote of the Board at a public meeting). These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same action it employed to previously commit the amounts. At the end of the fiscal year, there were no commitments.

Assigned—The portion of fund balance that is intended to be used for specific purposes, but is neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed. At fiscal year-end, the assigned fund balance is \$17,562,507 which consists of \$12,206,782 assigned for District project carryforwards, and \$5,355,725 for health insurance rebates received to be used for premium increases.

Unassigned—The portion of fund balance that is the residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed or assigned for specific purposes. Fund balance of the General Fund that is not constrained for any particular purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund. The unassigned fund balance for the General Fund is \$18,481,216.

The following is a schedule of Fund Balances by category at June 30, 2022:

	Major Funds						Total Governmental Funds
	General	Other Debt Service	Non-Voted Capital Improvement	Capital Projects Other	Non-Major Funds		
Fund Balances:							
Non-Spendable:							
Inventory and Prepaids	\$ 1,293,614	\$ -	\$ -	\$ -	\$ 181,367	\$	1,474,981
Restricted:							
State Categoricals	5,063,380	-	-	-	-		5,063,380
Workforce Development	84,887	-	-	-	-		84,887
Debt Service	-	12,891,289	-	-	344,598		13,235,887
Capital Projects	-	-	13,091,171	37,730,288	3,873,894		54,695,353
Food Services	-	-	-	-	8,839,083		8,839,083
Internal Accounts	-	-	-	-	2,116,364		2,116,364
Assigned:							
School Operations:							
Other	12,206,782	-	-	-	-		12,206,782
Health Insurance Rebates/	2,741,103	-	-	-	-		2,741,103
Profit Sharing	2,614,622	-	-	-	-		2,614,622
Unassigned	18,481,216	-	-	-	-		18,481,216
Total Fund Balances	\$ 42,485,604	\$ 12,891,289	\$ 13,091,171	\$ 37,730,288	\$ 15,355,306	\$	121,553,658

At the end of the fiscal year, the assigned/unassigned General Fund balance was \$36,043,723, or 18.40%, of General Fund revenues.

Note 9 - Inter-Fund Receivables, Payables, and Transfers

The following is a summary of inter-fund receivables and payables reported in the fund financial statements:

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 1,092,583	\$ -
Special Revenue:		
Federal Education Stabilization	-	236,128
Other Federal Programs	-	856,455
Total Governmental Funds	\$ 1,092,583	\$ 1,092,583

Inter-fund receivables and payables are temporary loans of cash between funds allowable under Section 1011.09, Florida Statutes, for a period of less than 13 months. The temporary loans do not restrict, impede, or limit implementation or fulfillment of the original purposes for which the moneys were received in the fund providing the advancement.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

The following is a summary of inter-fund transfers reported in the fund financial statements:

<u>Funds</u>	<u>Inter-Fund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General	\$ 2,175,054	\$ 255,241
Local Capital Improvement	-	10,265,981
Non-Major Governmental	8,505,731	159,563
Total Governmental Funds	<u>\$ 10,680,785</u>	<u>\$ 10,680,785</u>

Inter-fund transfers represent permanent transfers of moneys between funds. In general, funds are transferred from the General Fund and Capital Projects Funds to the Debt Service Funds for annual debt payments and from the Capital Projects Funds to the General Fund to assist in financing maintenance operations of the District and payment of property-casualty insurance premiums.

Note 10 - Schedule of State Revenue Sources

The following is a schedule of the District's State revenue for the 2021-2022 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program:	
Transportation	\$ 5,260,314
Instructional Materials	1,835,057
Florida Teachers Lead	443,482
Other	92,595,721
Categorical Educational Program - Class Size Reduction	23,264,260
Workforce Development Program	612,537
Motor Vehicle License Tax (Capital Outlay and Debt Service)	771,146
Food Service Supplement	188,114
Charter School Capital Outlay	159,563
Interest on Investment of Bond Reserves	425,144
Miscellaneous	4,225,133
Total	<u>\$ 129,780,471</u>

Note 11 - Property Taxes

The following is a summary of millages and taxes levied on the 2021 tax roll for 2021-2022 fiscal year; taxes budgeted are stated at 96 percent of the actual tax roll levy to allow for early payments discounts and uncollectable amounts:

<u>General Fund</u>	<u>Millages</u>	<u>Taxes Levied</u>
Non-Voted School Tax:		
Required Local Effort	3.529	\$ 41,757,754
Basic Discretionary Local Effort	0.748	8,850,893
Additional Millage (Voted Levy)	1.000	11,832,744
Capital Projects Fund		
Non-Voted Tax:		
Local Capital Improvements	1.500	17,749,116
Total	<u>6.777</u>	<u>\$ 80,190,507</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 12 - Retirement Plans

A. Florida Retirement System (FRS) – Defined Benefit Pension Plans

General Information about the FRS

The 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 of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the 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 described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other non-integrated programs. An 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 website (www.dms.myflorida.com). The District's FRS and HIS pension expense (negative) totaled \$(742,054) for the fiscal year ended June 30, 2022.

FRS Pension Plan

■ **Plan Description**

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

Regular Class—Members of the FRS who do not qualify for membership in the other classes.

Elected County Officers Class—Members who hold specified elective offices in local government.

Senior Management Service Class (SMSC)—Members in senior management level positions.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 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. 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. Members of the Plan may include up to 4 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 adjustments to eligible participants.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

■ **Benefits Provided**

Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' 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. 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:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
<i>Regular Class Members Initially Enrolled Before July 1, 2011</i>	
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 or more years of service	1.68
<i>Regular Class Members Initially Enrolled On or After July 1, 2011</i>	
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 or more years of service	1.68
<i>Elected County Officers</i>	3.00
<i>Senior Management Service Class</i>	2.00

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.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

■ **Contributions**

The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2021-2022 fiscal year were as follows:

Class	Percent of Gross Salary	
	Employee	Employer (1)
FRS, Regular	3.00	10.82
FRS, Elected County Officers	3.00	51.42
FRS, Senior Management Service	3.00	29.01
DROP – Applicable to		
Members from All of the Above Classes	0.00	18.34
FRS, Reemployed Retiree	(2)	(2)

Notes:

- (1) Employer rates include 1.66% for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06% for administrative costs of the investment plan.
- (2) Contribution rates are dependent upon the retirement class in which reemployed.

■ **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2022, the District reported a liability of \$19,437,120 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The District's proportionate share of the net pension liability was based on the District's 2021-22 fiscal year contributions of all participating members. At June 30, 2021, the District's proportionate share was 0.25731362073%, which was a decrease of 0.2214429902 from its proportionate share measured as of June 30, 2020. The District's contribution to the Plan totaled \$9,154,546 for the fiscal year ended June 30, 2022.

For the fiscal year ended June 30, 2022, the District recognized the Plan pension expense (negative) of \$(3,174,698). In addition, the District 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
Differences Between Expected and Actual Experience	\$ 3,331,553	\$ -
Changes in Assumptions	13,299,841	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	-	67,811,224
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	5,950,009	1,009,600
District FRS Contributions Subsequent to the Measurement Date	9,154,546	-
	<u>\$ 31,735,949</u>	<u>\$ 68,820,824</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

The deferred outflows of resources related to pensions, totaling \$9,154,546, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (8,305,256)
2024	(9,420,448)
2025	(12,805,738)
2026	(16,668,506)
2027	960,527
Total	<u><u>\$ (46,239,421)</u></u>

Actuarial Assumptions

The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Investment Rate of Return	6.80 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table projected generationally with Scale MP-2018.

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

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 for the inflation assumption. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate (Property)	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.2%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
Total	<u><u>100.00%</u></u>			
Assumed inflation - Mean			2.4%	1.2%

Note: (1) As outlined in the Plan's investment policy.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

■ **Discount Rate**

The discount rate used to measure the total pension liability was 6.80%. The Plan's fiduciary net 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 District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.80%) or 1 percentage-point higher (7.80%) than the current rate:

	1% Decrease <u>5.80%</u>	Current Discount Rate <u>6.80%</u>	1% Increase <u>7.80%</u>
District's Proportionate Share of the Net Pension Liability	\$ 86,924,101	\$ 19,437,120	\$ (36,974)

■ **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.

HIS Pension Plan

■ **Plan Description**

The HIS Pension Plan (the HIS Plan) is a cost-sharing, multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

■ **Benefits Provided**

For the fiscal year ended June 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a 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 fiscal year ended June 30, 2022, the contribution rate was 1.66% of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100% of its statutorily required contributions for the current and preceding 3 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 full subsidy benefits to all participants, benefits may be reduced or canceled.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

■ **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions**

At June 30, 2022, the District reported a net pension liability of \$42,807,248 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within one year, net of the District's proportionate share of the pension plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The District's proportionate share of the net pension liability was based on the District's 2013-2018 fiscal year contributions relative to all participating members. At June 30, 2022, the District's proportionate share was 0.34897678009%, which was a decrease of 0.00109565387 from its proportionate share measured as of June 30, 2020. The District's contribution to the Plan totaled \$2,363,946 for the fiscal year ended June 30, 2022.

For the fiscal year ended June 30, 2022, the District recognized pension expense of \$2,432,644 related to the HIS Plan. In addition, the District reported deferred outflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,432,439	\$ 17,929
Changes in Assumptions	3,363,692	1,763,768
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	44,625	-
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	594,333	881,303
District HIS Contributions Subsequent to the Measurement Date	2,363,496	-
	<u>\$ 7,798,585</u>	<u>\$ 2,663,000</u>

The deferred outflows of resources totaling \$2,363,496 resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. 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 June 30,	Amount
2023	\$ 516,986
2024	136,640
2025	598,399
2026	783,296
2027	627,437
Thereafter	109,331
Total	<u>\$ 2,772,089</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

■ **Actuarial Assumptions**

The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25%, average, including inflation
Municipal Bond Rate	2.16%

Mortality rates were based on PUB-2010 base table projected generationally with Scale MP-2018.

While an experience study had not been completed for the Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

■ **Discount Rate**

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

■ **Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 2.16%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current rate:

	1% Decrease <u>1.16%</u>	Current Discount Rate <u>2.16%</u>	1% Increase <u>3.16%</u>
District's Proportionate Share of the Net HIS Liability	\$ 49,489,326	\$ 42,807,248	\$ 37,332,781

■ **Pension Plan Fiduciary Net Position**

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.

B. FRS – Defined Contribution Pension Plan

The District contributes to the FRS Investment Plan (the 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.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to 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 Officers, 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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2021-2022 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	8.28
FRS, Elected County Officers	47.46
FRS, Senior Management Service	25.57

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2022, 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 District.

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 FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's Investment Plan pension expense totaled \$3,288,919 for the fiscal year ended June 30, 2022.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 13 - OPEB Payable

Plan Description

The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District and eligible dependents may continue to participate in the District's fully insured group health plan. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report and is not included in the report of a Public Employee Retirement System or another entity. OPEB Plan members receiving benefits contributed from \$628 to \$672 per month for retiree-only coverage and from \$1,202 to \$1,279 for retiree and spouse coverage, depending on the health plan selected.

Summary of Membership Information. The following table provides a summary of the number of participants in the plan as of the measurement date:

<u>Membership Data as of June 30, 2020</u>	
Inactive Members or Beneficiaries Currently Currently Receiving Benefits	54
Inactive Members Entitled to but Not Yet Receiving Benefits	-
Active Members	<u>2,432</u>
Total Membership	<u>2,486</u>

Benefit provisions for the OPEB Plan are pursuant to provisions of Section 112.081, Florida Statutes, and are amended through negotiations between the District and the respective unions.

Changes in Total OPEB Liability

<u>Description</u>	<u>Amount</u>
Total OPEB Liability, Beginning of Year	<u>\$ 15,690,296</u>
Changes for the Year	
Service Cost	1,065,964
Interest on Net OPEB Liability	344,238
Difference Between Expected and Actual Experience	(60,297)
Changes of Assumptions or Other Inputs	(4,262,709)
Benefit Payments and Implicit Subsidy Credit	<u>(229,121)</u>
Increase in Total OPEB Liability	<u>(3,141,925)</u>
Total OPEB Liability, End of Year	<u>\$ 12,548,371</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

■ **Funded Status and Funding Progress**

As of June 30, 2021, the most recent actuarial valuation date accrued liability for benefits was \$12,548,371, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$12,548,371 and a funded ratio of 0.00%. The covered employee payroll (annual payroll of active participating employees) was \$100,869,474 for the 2021-2022 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 12.44%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the OPEB Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of the OPEB Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The schedule of funding progress can be found on page 70 of this report.

■ **Actuarial Methods and Assumptions**

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

The District's OPEB actuarial valuation as of June 30, 2020, used the projected unit credit actuarial cost method to estimate the unfunded actuarial accrued liability as of June 30, 2022, and to estimate the District's 2021-2022 fiscal year annual required contribution. Because the OPEB liability is currently unfunded, the actuarial assumption included a 2.16 rate of return on invested assets. The actuarial assumptions also included a payroll growth rate of 2.40% annually and an annual healthcare cost trend of 7.00% for the 2020 fiscal year, reduced by 4.40% per year, to an ultimate rate of 5% after 6 years. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis over a 30-year period. The remaining amortization period at June 30, 2022, was 30 years. In addition, the actuarial accrued liability is determined using the "entry age normal" method. Under this method, the accrued liability is the difference between the present value of expected future benefits payable and the present value of expected future normal costs.

Discount Rate. There are no invested plan assets held in trust to finance the OPEB Plan liability. The discount rate used equals the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA rating as of the measurement date. For the purpose of the OPEB Plan valuation, the municipal bond rate was 3.87% (based on the daily rate closest to, but not later than, the measurement date of the "Fidelity General Obligation AA Index"). The discount rate was 3.56% as of the beginning of the measurement period.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

The District's annual OPEB expense totaled \$1,065,964 for the fiscal year ended June 30, 2022. At June 30, 2022, the District reported deferred outflows and inflows of resources related to the OPEB Plan liability from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 2,190,918
Changes of Assumptions	1,425,905	3,621,809
District Contributions Subsequent to the Measurement Date	1,065,964	-
	<u>\$ 2,491,869</u>	<u>\$ 5,812,727</u>

The deferred outflows of resources related to pensions, totaling \$1,065,964, resulting from District contributions to the OPEB Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2023	(1,198,881)
2024	(1,143,218)
2025	(714,556)
2026	(740,503)
2027	(589,664)
Total	<u>\$ (4,368,822)</u>

Sensitivity of the District's Total OPEB Plan Liability to the Healthcare Cost Trend Rate Assumption. Regarding the sensitivity of the total OPEB liability, calculated using the assumed trend rates, as well as what the OPEB Plan's total liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

Health Care Cost Trend Rate Sensitivity

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 10,928,073</u>	<u>\$ 12,548,371</u>	<u>\$ 14,470,950</u>

Sensitivity of the District's Total OPEB Plan Liability to Changes in the Discount Rate. The following presents the District's OPEB Plan liability calculated using the discount rate of 2.16%, as well as what the OPEB Plan liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current rate:

Discount Rate Sensitivity

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>1.16%</u>	<u>Discount Rate 2.16%</u>	<u>3.16%</u>
Total OPEB Liability	<u>\$ 13,050,690</u>	<u>\$ 12,548,371</u>	<u>\$ 11,976,995</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 14 - Commitments and Contingencies

Encumbrances - The District uses encumbrance accounting for recording purchase order commitments for goods and services. At June 30, 2022, encumbrances totaled \$0 within the General Fund. There were construction commitments for various school construction projects at fiscal year-end.

The District has modified operations to adapt to the restricted environment, including instituting cost reducing measures. While financial markets experienced a temporary decline, many of the financial asset values had recovered by June 30, 2022.

Note 15 - Membership in Non-Profit Corporation

The District participated in a non-profit electric cooperative, the Withlacoochee River Electric Cooperative, Inc. (the Cooperative), established under the provisions of Chapter 425, Florida Statutes. In accordance with this Statute, revenues in excess of operating expenses, unless determined by a vote of the membership, are distributed by the Cooperative on a pro rata basis to its members. The policy of the Cooperative is to credit the excess revenues to members' accounts. Capital credits are distributed only after the Cooperative attains a certain margin of profit required by the Rural Electrification Administration. At June 30, 2022, the accumulated credits to the District's account are \$5,054,676. During the 2021-2022 fiscal year, the District received \$175,106 in capital credits.

Note 16 - Risk Management Programs

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a participating district of the North East Florida Educational Consortium (the Consortium) under which several district school boards have established a combined limited self-insurance program for property protection, general liability, automobile liability, workers' compensation, money and securities, employee fidelity and faithful performance, boiler and machinery, and other coverage deemed necessary by the members and participants of the Consortium. Section 1001.42(12) (k), Florida Statutes, provides the authority for the District to enter into such a risk management program. The Consortium is self-sustaining through member and participant assessments (premiums), and purchases coverage through commercial companies for claims in excess of specified amounts. Reinsurance from commercial companies provided excess property coverage of up to \$75 million during the 2021-2022 fiscal year, which is the same excess property coverage provided during the 2020-2021 fiscal year. The Board of Directors for the Consortium is composed of superintendents of all member districts. The Putnam County District School Board serves as fiscal agent for the Consortium. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Health and hospitalization coverage is being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 17 - Litigation and Contingencies

The District is subject to potential litigation in the normal course of business. It is the opinion of management, after giving consideration to the District's related insurance coverage, as well as the Florida statutory limitations on governmental liability on uninsured risks, that the amount of losses resulting from litigation, which exceed the above-mentioned limits, would not be material to the financial position of the District.

Amounts received or receivable from grantors are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures, which may be disallowed by grantors, cannot be determined at this time. In the opinion of the management of the District, no material refunds will be required as a result of expenditures disallowed by grant.

REQUIRED SUPPLEMENTARY INFORMATION





HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
Federal Direct	\$ 477,524	\$ 450,536	\$ 450,536	\$ -
Federal Through State and Local	1,380,000	902,036	902,036	-
State	125,015,328	126,376,793	126,376,793	-
Local:				
Property Taxes Levied for Operational Purposes	64,953,954	63,091,303	63,091,303	-
Miscellaneous	-	5,157,194	5,157,194	-
Total Revenues	191,826,806	195,977,862	195,977,862	-
Expenditures				
Current:				
Instruction:				
Salaries	78,723,650	82,015,115	82,015,115	-
Employee Benefits	23,886,245	24,230,111	24,230,111	-
Purchased Services	4,965,346	5,741,158	5,741,158	-
Energy Services	-	-	-	-
Materials and Supplies	5,905,974	1,688,031	1,688,031	-
Capital Outlay	54,352	1,009,344	1,009,344	-
Other Expenses	450,423	729,633	729,633	-
Total Instruction	113,985,990	115,413,392	115,413,392	-
Student Personnel Services:				
Salaries	5,819,280	6,970,429	6,970,429	-
Employee Benefits	1,943,321	2,040,499	2,040,499	-
Purchased Services	50,369	67,599	67,599	-
Energy Services	-	-	-	-
Materials and Supplies	213,916	67,889	67,889	-
Capital Outlay	-	2,657	2,657	-
Other Expenses	3,960	6,914	6,914	-
Total Student Personnel Services	8,030,846	9,155,987	9,155,987	-
Instructional Media Services:				
Salaries	701,271	862,479	862,479	-
Employee Benefits	262,453	281,862	281,862	-
Purchased Services	171,109	223,836	223,836	-
Materials and Supplies	14,000	11,858	11,858	-
Capital Outlay	6,960	105,113	105,113	-
Other Expenses	5,500	4,812	4,812	-
Total Instructional Media Services	1,161,293	1,489,960	1,489,960	-

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures				
Current <i>(Continued)</i> :				
Instruction and Curriculum Development				
Services:				
Salaries	\$ 1,848,427	\$ 2,569,283	\$ 2,569,283	\$ -
Employee Benefits	589,847	718,001	718,001	-
Purchased Services	202,512	194,461	194,461	-
Materials and Supplies	18,250	25,777	25,777	-
Capital Outlay	20,000	20,000	20,000	-
Other Expenses	1,500	2,696	2,696	-
Total Instruction and Curriculum Development Services	2,680,536	3,530,218	3,530,218	-
Instructional Staff Training Services:				
Salaries	509,392	610,347	610,347	-
Employee Benefits	161,998	170,490	170,490	-
Purchased Services	26,650	36,400	36,400	-
Materials and Supplies	5,400	893	893	-
Other Expenses	30,000	43,859	43,859	-
Total Instructional Staff Training Services	733,440	861,989	861,989	-
Instruction Related Technology:				
Salaries	262,474	354,209	354,209	-
Employee Benefits	131,265	142,555	142,555	-
Purchased Services	-	4,126	4,126	-
Materials and Supplies	-	321	321	-
Total Instruction Related Technology	393,739	501,211	501,211	-
Board of Education:				
Salaries	244,422	243,631	243,631	-
Employee Benefits	149,436	147,025	147,025	-
Purchased Services	284,600	113,281	113,281	-
Materials and Supplies	2,040	1,985	1,985	-
Capital Outlay	-	5,455	5,455	-
Other Expenses	29,100	18,218	18,218	-
Total Board of Education	709,598	529,595	529,595	-
General Administration:				
Salaries	1,072,271	1,221,621	1,221,621	-
Employee Benefits	331,421	366,577	366,577	-
Purchased Services	100,960	170,008	170,008	-
Materials and Supplies	29,500	18,592	18,592	-
Capital Outlay	738	4,867	4,867	-
Other Expenses	62,250	44,960	44,960	-
Total General Administration	1,597,140	1,826,625	1,826,625	-

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures				
Current <i>(Continued)</i> :				
School Administration:				
Salaries	\$ 9,042,505	\$ 9,776,588	\$ 9,776,588	\$ -
Employee Benefits	3,141,851	2,989,192	2,989,192	-
Purchased Services	6,776	51,183	51,183	-
Materials and Supplies	34,036	162,858	162,858	-
Capital Outlay	2,500	76,802	76,802	-
Other Expenses	17,350	13,412	13,412	-
Total School Administration	12,245,018	13,070,035	13,070,035	-
Facility Services - Non-Capitalized:				
Salaries	395,418	462,512	462,512	-
Employee Benefits	117,679	133,688	133,688	-
Purchased Services	312,500	109,206	109,206	-
Materials and Supplies	3,400	2,278	2,278	-
Capital Outlay	4,500	7,217	7,217	-
Other Expenses	-	150,132	150,132	-
Total Facility Services - Non-Capitalized	833,497	865,033	865,033	-
Fiscal Services:				
Salaries	588,375	605,358	605,358	-
Employee Benefits	188,898	172,804	172,804	-
Purchased Services	100,696	84,887	84,887	-
Materials and Supplies	11,094	8,275	8,275	-
Capital Outlay	46,396	11,367	11,367	-
Other Expenses	30,895	60,167	60,167	-
Total Fiscal Services	966,354	942,858	942,858	-
Food Services				
Salaries	-	84,796	84,796	-
Employee Benefits	-	58,770	58,770	-
Capital Outlay	-	200,166	200,166	-
Total Food Services	-	343,732	343,732	-
Central Services:				
Salaries	1,245,860	1,338,700	1,338,700	-
Employee Benefits	417,934	1,595,135	1,595,135	-
Purchased Services	909,517	852,993	852,993	-
Materials and Supplies	109,015	28	28	-
Capital Outlay	6,327	249,065	249,065	-
Other Expenses	56,313	36,666	36,666	-
Total Central Services	2,744,966	4,072,587	4,072,587	-
Student Transportation Services:				
Salaries	4,861,821	4,705,530	4,705,530	-
Employee Benefits	1,939,673	1,460,541	1,460,541	-
Purchased Services	409,100	513,393	513,393	-
Energy Services	1,305,500	1,256,294	1,256,294	-
Materials and Supplies	796,700	655,252	655,252	-
Capital Outlay	115,215	98,385	98,385	-
Other Expenses	260	26,204	26,204	-
Total Student Transportation Services	9,428,269	8,715,599	8,715,599	-

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures				
Current (Concluded) :				
Operation of Plant:				
Salaries	\$ 4,871,948	\$ 5,220,755	\$ 5,220,755	\$ -
Employee Benefits	2,255,315	1,903,806	1,903,806	-
Purchased Services	5,233,672	5,066,549	5,066,549	-
Energy Services	5,021,280	5,172,863	5,172,863	-
Materials and Supplies	625,184	508,226	508,226	-
Capital Outlay	186,895	578,114	578,114	-
Other Expenses	27,634	29,984	29,984	-
Total Operation of Plant	18,221,928	18,480,297	18,480,297	-
Maintenance of Plant:				
Salaries	2,764,150	3,076,599	3,076,599	-
Employee Benefits	1,005,101	968,763	968,763	-
Purchased Services	878,986	1,157,896	1,157,896	-
Energy Services	147,000	165,328	165,328	-
Materials and Supplies	578,230	471,825	471,825	-
Capital Outlay	861,197	724,837	724,837	-
Other Expenses	4,100	6,780	6,780	-
Total Maintenance of Plant	6,238,764	6,572,028	6,572,028	-
Administrative Technology Services:				
Salaries	1,253,324	1,257,238	1,257,238	-
Employee Benefits	399,245	402,009	402,009	-
Purchased Services	410,390	497,841	497,841	-
Materials and Supplies	60,609	46,541	46,541	-
Capital Outlay	-	169,707	169,707	-
Other Expenses	1,050	879	879	-
Total Administrative Technology Services	2,124,618	2,374,215	2,374,215	-
Community Services:				
Purchased Services	12,775	13,124	13,124	-
Materials and Supplies	1,775	1,998	1,998	-
Total Community Services	14,550	15,122	15,122	-
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	920,731	920,731	-
Total Fixed Capital Outlay	-	920,731	920,731	-
Total Expenditures	182,110,546	189,681,214	189,681,214	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,716,260	6,296,648	6,296,648	-

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Concluded)

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Other Financing Sources (Uses)				
Transfers In	\$ 2,015,491	\$ 2,175,054	\$ 2,175,054	\$ -
Insurance Loss Recoveries	-	47,612	47,612	-
Transfers (Out)	-	(255,241)	(255,241)	-
Total Other Financing Sources (Uses)	<u>2,015,491</u>	<u>1,967,425</u>	<u>1,967,425</u>	<u>-</u>
Net Change in Fund Balances	2,015,491	8,264,073	8,264,073	-
Fund Balances, July 1, 2021	34,378,258	34,378,258	34,378,258	-
Fund Balances, June 30, 2022	<u><u>\$ 36,393,749</u></u>	<u><u>\$ 42,642,331</u></u>	<u><u>\$ 42,642,331</u></u>	<u><u>\$ -</u></u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAM FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Special Revenue Fund - Other Federal Program Funds			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Through State and Local	\$ 16,754,904	\$ 12,934,424	\$ 12,934,424	\$ -
Total Revenues	<u>16,754,904</u>	<u>12,934,424</u>	<u>12,934,424</u>	<u>-</u>
Expenditures				
Current:				
Instruction:				
Salaries	4,891,823	3,127,712	3,127,712	-
Employee Benefits	1,822,343	1,086,331	1,086,331	-
Purchased Services	1,104,971	821,043	821,043	-
Materials and Supplies	581,394	407,996	407,996	-
Capital Outlay	602,044	452,791	452,791	-
Other Expenses	20,815	65,207	65,207	-
Total Instruction	<u>9,023,390</u>	<u>5,961,080</u>	<u>5,961,080</u>	<u>-</u>
Student Support Services:				
Salaries	1,433,979	1,625,724	1,625,724	-
Employee Benefits	459,739	476,436	476,436	-
Purchased Services	99,054	28,516	28,516	-
Materials and Supplies	136,032	99,665	99,665	-
Capital Outlay	30,863	750	750	-
Other Expenses	60,725	5,408	5,408	-
Total Student Personnel Services	<u>2,220,392</u>	<u>2,236,499</u>	<u>2,236,499</u>	<u>-</u>
Instruction and Curriculum				
Development Services:				
Salaries	2,396,153	1,384,606	1,384,606	-
Employee Benefits	756,962	379,869	379,869	-
Purchased Services	62,218	22,014	22,014	-
Materials and Supplies	18,897	30,603	30,603	-
Capital Outlay	74,100	4,049	4,049	-
Other Expenses	14,900	-	-	-
Total Instruction and Curriculum				
Development Services	<u>3,323,230</u>	<u>1,821,141</u>	<u>1,821,141</u>	<u>-</u>
Instructional Staff Training Services:				
Salaries	562,772	1,422,364	1,422,364	-
Employee Benefits	177,041	391,315	391,315	-
Purchased Services	332,576	271,308	271,308	-
Materials and Supplies	98,491	28,097	28,097	-
Capital Outlay	3,000	23,217	23,217	-
Other Expenses	74,441	102,785	102,785	-
Total Instructional Staff Training Services	<u>1,248,321</u>	<u>2,239,086</u>	<u>2,239,086</u>	<u>-</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAM FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Concluded)

	Special Revenue Fund - Other Federal Program Funds			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Expenditures				
Current (Concluded) :				
Instruction Related Technology:				
Salaries	\$ 118,600	\$ 61,225	\$ 61,225	\$ -
Employee Benefits	205,463	25,060	25,060	-
Total Instruction Related Technology	324,063	86,285	86,285	-
General Administration:				
Other Expenses	556,664	454,432	454,432	-
Total General Administration	556,664	454,432	454,432	-
Staff Services:				
Salaries	1,100	12,794	12,794	-
Employee Benefits	216	2,365	2,365	-
Purchased Services	4,500	-	-	-
Materials and Supplies	1,000	7,022	7,022	-
Capital Outlay	-	113,720	113,720	-
Other Expenses	1,000	-	-	-
Total Staff Services	7,816	135,901	135,901	-
Student Transportation Services:				
Salaries	19,343	12,794	12,794	-
Employee Benefits	3,595	2,365	2,365	-
Purchased Services	10,494	-	-	-
Energy Services	16,398	7,022	7,022	-
Capital Outlay	-	113,720	113,720	-
Other Expenses	500	-	-	-
Total Student Transportation Services	50,330	135,901	135,901	-
Operation of Plant:				
Salaries	554	-	-	-
Employee Benefits	44	-	-	-
Energy Services	100	-	-	-
Total Operation of Plant	698	-	-	-
Total Expenditures	16,754,904	13,070,325	13,070,325	-
Net Change in Fund Balances	-	(135,901)	(135,901)	-
Fund Balances, July 1, 2021	-	-	-	-
Fund Balances, June 30, 2022	\$ -	\$ (135,901)	\$ (135,901)	\$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - FEDERAL EDUCATION STABILIZATION FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Special Revenue Fund - Federal Education Stabilization Funds			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Through State and Local	\$ 53,665,206	\$ 12,948,764	\$ 12,948,764	\$ -
Total Revenues	<u>53,665,206</u>	<u>12,948,764</u>	<u>12,948,764</u>	<u>-</u>
Expenditures				
Current:				
Instruction:				
Salaries	5,506,502	7,539,323	2,032,821	5,506,502
Employee Benefits	869,049	1,165,767	296,718	869,049
Purchased Services	2,992,240	5,093,254	2,303,786	2,789,468
Materials and Supplies	4,340,970	8,182,893	3,841,923	4,340,970
Capital Outlay	12,024,875	12,516,840	491,966	12,024,874
Other Expenses	230,365	-	-	-
Total Instruction	<u>25,964,001</u>	<u>34,498,077</u>	<u>8,967,214</u>	<u>25,530,863</u>
Student Support Services:				
Salaries	671,253	318,612	318,612	-
Employee Benefits	203,027	49,536	49,536	-
Purchased Services	3,749	-	-	-
Total Student Personnel Services	<u>878,029</u>	<u>368,148</u>	<u>368,148</u>	<u>-</u>
Instructional Media Services:				
Salaries	38,332	48,131	48,131	-
Employee Benefits	7,762	7,713	7,713	-
Total Instructional Media Services	<u>46,094</u>	<u>55,844</u>	<u>55,844</u>	<u>-</u>
Instruction and Curriculum				
Development Services:				
Salaries	2,914,235	73,743	73,743	-
Employee Benefits	981,373	11,793	11,793	-
Purchased Services	583,517	439	439	-
Materials and Supplies	426	128	128	-
Capital Outlay	72	-	-	-
Total Instruction and Curriculum	<u>4,479,623</u>	<u>86,103</u>	<u>86,103</u>	<u>-</u>
Instructional Staff Training Services:				
Salaries	95,016	50,887	50,887	-
Employee Benefits	21,997	5,967	5,967	-
Purchased Services	145,448	137,000	137,000	-
Materials and Supplies	23,192	10,453	10,453	-
Capital Outlay	36	-	-	-
Other Expenses	100,000	-	-	-
Total Instructional Staff Training Services	<u>385,689</u>	<u>204,307</u>	<u>204,307</u>	<u>-</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - FEDERAL EDUCATION STABILIZATION FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

Special Revenue Fund - Federal Education Stabilization Funds				
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Expenditures				
Current <i>(Concluded)</i> :				
Instruction Related Technology:				
Salaries	\$ -	\$ 21,322	\$ 21,322	\$ -
Employee Benefits	-	4,701	4,701	-
Total Instruction Related Technology	-	26,023	26,023	-
General Administration:				
Salaries	2,177	27,457	27,457	-
Employee Benefits	-	2,238	2,238	-
Materials and Supplies	439	-	-	-
Other Expenses	326,468	355,055	355,055	-
Total General Administration	329,084	384,750	384,750	-
School Administration:				
Salaries	37,637	323,590	323,590	-
Employee Benefits	7,475	46,359	46,359	-
Purchased Services	305,940	210,060	210,060	-
Materials and Supplies	-	-	-	-
Capital Outlay	14,105,570	-	-	-
Total School Administration	14,456,622	580,009	580,009	-
Fixed Capital Outlay:				
Facilities Acquisition & Construction	-	9,950	9,950	-
Other Capital Outlay	-	881	881	-
Total Fixed Capital Outlay	-	10,831	10,831	-
Fiscal Services:				
Salaries	-	14,215	14,215	-
Employee Benefits	-	1,258	1,258	-
Total Fiscal Services	-	15,473	15,473	-
Food Services:				
Salaries	-	251,600	251,600	-
Employee Benefits	-	22,267	22,267	-
Total Food Services	-	273,867	273,867	-
Staff Services:				
Salaries	-	44,066	44,066	-
Employee Benefits	-	5,374	5,374	-
Total Staff Services	-	49,440	49,440	-

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - FEDERAL EDUCATION STABILIZATION FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Concluded)

	Special Revenue Fund - Federal Education Stabilization Funds			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Student Transportation Services:				
Salaries	223,575	225,217	225,217	-
Employee Benefits	46,339	42,320	42,320	-
Purchased Services	-	29,589	29,589	-
Materials and Supplies	683,186	-	-	-
Energy Services	185,000	-	-	-
Capital Outlay	12,874	194,348	194,348	-
Total Student Transportation Services	1,150,974	491,474	491,474	-
Operation of Plant:				
Salaries	242,171	246,888	246,888	-
Employee Benefits	30,897	37,600	37,600	-
Materials and Supplies	66,183	27,874	27,874	-
Capital Outlay	146,385	67,356	67,356	-
Total Operation of Plant	485,636	379,718	379,718	-
Maintenance of Plant:				
Salaries	715,028	95,238	95,238	-
Employee Benefits	19,211	11,454	11,454	-
Purchased Services	-	24,095	24,095	-
Materials and Supplies	-	317,791	317,791	-
Capital Outlay	2,853,296	572,945	572,945	-
Total Maintenance of Plant	3,587,535	1,021,523	1,021,523	-
Administrative Technology:				
Salaries	-	31,272	31,272	-
Employee Benefits	-	2,768	2,768	-
Total Administrative Technology	-	34,040	34,040	-
Total Expenditures	51,763,287	38,479,627	12,948,764	25,530,863
Net Change in Fund Balances	-	-	-	-
Fund Balances, July 1, 2021	-	-	-	-
Fund Balances, June 30, 2022	\$ -	\$ -	\$ -	\$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NET CHANGES IN OPEB PLAN LIABILITY
OTHER POSTEMPLOYMENT BENEFITS PLAN
LAST TEN FISCAL YEARS*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 1,065,964	\$ 1,033,551	\$ 945,389	\$ 1,029,637	\$ 1,062,870
Interest on the Total OPEB Plan Liability	344,238	498,844	494,953	500,632	403,753
Difference Between Expected and Actual Experience	(60,297)	(1,637,673)	(55,582)	(2,975,368)	(60,978)
Changes of Assumptions	(4,262,709)	1,663,956	324,301	443,230	(456,379)
Benefits Payments	<u>(229,121)</u>	<u>(240,058)</u>	<u>(251,350)</u>	<u>(291,175)</u>	<u>(309,654)</u>
Net Change in Total OPEB Plan Liability	(3,141,925)	1,318,620	1,457,711	(1,293,044)	639,612
Total OPEB Plan Liability, Beginning of the Year	<u>15,690,296</u>	<u>14,371,676</u>	<u>12,913,965</u>	<u>14,207,009</u>	<u>13,567,397</u>
Total OPEB Plan Liability, End of Year	<u>\$ 12,548,371</u>	<u>\$ 15,690,296</u>	<u>\$ 14,371,676</u>	<u>\$ 12,913,965</u>	<u>\$ 14,207,009</u>
Covered-Employee Payroll	<u>\$ 100,869,474</u>	<u>\$ 105,631,388</u>	<u>\$ 105,631,388</u>	<u>\$ 105,631,388</u>	<u>\$ 109,705,009</u>
Total OPEB Plan Liability as a Percentage of Covered-Employee Payroll	12.44%	14.85%	13.61%	12.23%	12.95%

* The amounts presented for each fiscal year were determined as of June 30. The district implemented GASB Statement No. 75 for the fiscal year ended June 30, 2019. As a result, this schedule will present 10 years as information is available.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS PLAN**

1. SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN LIABILITY AND SCHEDULE OF CHANGE IN OPEB PLAN LIABILITY

Changes in assumptions and other inputs include the change in the discount rate from 2.21% as of the beginning of the measurement period to 2.16% as of the end of the measurement period. This change is reflected in the Schedule of Net Changes in OPEB Plan Liability.

There are no assets accumulated in a trust to pay related benefits.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
FLORIDA RETIREMENT SYSTEM PENSION PLAN (1)

	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the FRS Net Pension Liability	0.2573136207285%	0.2351693217100%	0.2347474192600%	0.2393077272586%	0.236737893439716%	0.243941041000827%	0.275441373781394%	0.277347267000000%
District's Proportionate Share of the FRS Net Pension Liability	\$ 19,437,120	\$ 101,925,850	\$ 80,843,743	\$ 72,080,728	\$ 70,025,480	\$ 61,595,303	\$ 35,576,948	\$ 16,922,262
District's Covered Payroll	\$ 96,493,630	\$ 98,338,271	\$ 95,751,297	\$ 95,437,312	\$ 109,437,312	\$ 109,705,301	\$ 97,642,573	\$ 95,928,404
District's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	20.14%	103.65%	84.43%	75.53%	63.99%	56.15%	36.44%	17.64%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Note: (1) The amounts presented for each fiscal year were determined as of June 30.

Information for GASB Statement No. 68 has only been available and required since implementation June 30, 2015.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS -
FLORIDA RETIREMENT SYSTEM PENSION PLAN (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required									
FRS Contribution	\$ 9,154,546	\$ 6,355,456	\$ 7,813,634	\$ 7,278,864	\$ 6,213,024	\$ 5,740,861	\$ 5,588,867	\$ 6,715,495	\$ 6,075,082
FRS Contributions in Relation to the Contractually Required									
Contribution	<u>(9,154,546)</u>	<u>(6,355,456)</u>	<u>(7,813,634)</u>	<u>(7,278,864)</u>	<u>(6,213,024)</u>	<u>(5,740,861)</u>	<u>(5,588,867)</u>	<u>(6,715,495)</u>	<u>(6,075,082)</u>
FRS Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered Payroll	<u>\$ 100,997,986</u>	<u>\$ 96,493,630</u>	<u>\$ 98,338,271</u>	<u>\$ 95,751,298</u>	<u>\$ 109,437,312</u>	<u>\$ 109,508,812</u>	<u>\$ 109,705,301</u>	<u>\$ 97,642,573</u>	<u>\$ 95,928,404</u>
FRS Contributions as a									
Percentage of Covered Payroll	9.06%	6.59%	7.95%	7.60%	5.68%	5.24%	5.09%	6.88%	6.33%

Note: (1) The amounts presented for each fiscal year were determined as of June 30.

Information for GASB Statement No. 68 has only been available and required since implementation June 30, 2015.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
HEALTH INSURANCE SUBSIDY PENSION PLAN (1)

	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the HIS								
Net Pension Liability	0.34897678009%	0.350072433960%	0.343815279200%	0.346088818041%	0.343544358509%	0.355329704330%	0.373508027713%	0.375157423000%
District's Proportionate Share of								
the HIS Net Pension Liability	<u>\$ 42,807,248</u>	<u>\$ 42,743,274</u>	<u>\$ 38,473,545</u>	<u>\$ 36,630,429</u>	<u>\$ 36,733,348</u>	<u>\$ 41,412,206</u>	<u>\$ 38,091,943</u>	<u>\$ 35,078,134</u>
District's Covered Payroll	<u>\$ 96,493,630</u>	<u>\$ 98,338,271</u>	<u>\$ 95,751,298</u>	<u>\$ 95,437,312</u>	<u>\$ 109,437,312</u>	<u>\$ 109,705,301</u>	<u>\$ 113,452,195</u>	<u>\$ 111,491,590</u>
District's Proportionate Share of								
the HIS Net Pension Liability								
as a Percentage of its Covered Payroll	44.36%	43.47%	40.18%	38.38%	33.57%	37.75%	33.58%	31.46%
HIS Plan Fiduciary Net Position								
as a Percentage of the Total								
Pension Liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Note: (1) The amounts presented for each fiscal year were determined as of June 30.

Information for GASB Statement No. 68 has only been available and required since implementation June 30, 2015.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS -
HEALTH INSURANCE SUBSIDY PENSION PLAN (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required									
HIS Contribution	\$ 2,363,496	\$ 1,640,835	\$ 2,017,303	\$ 1,909,374	\$ 1,663,487	\$ 1,626,251	\$ 1,583,194	\$ 1,427,780	\$ 1,285,163
HIS Contributions in Relation to the Contractually Required									
Contribution	<u>(2,363,496)</u>	<u>(1,640,835)</u>	<u>(2,017,303)</u>	<u>(1,909,374)</u>	<u>(1,663,487)</u>	<u>(1,626,251)</u>	<u>(1,583,194)</u>	<u>(1,427,780)</u>	<u>(1,285,163)</u>
HIS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 100,997,986</u>	<u>\$ 96,493,630</u>	<u>\$ 98,338,271</u>	<u>\$ 95,751,298</u>	<u>\$ 109,437,312</u>	<u>\$ 109,508,812</u>	<u>\$ 109,705,301</u>	<u>\$ 113,452,195</u>	<u>\$ 111,491,590</u>
HIS Contributions as a Percentage of Covered									
Payroll	2.34%	1.70%	2.05%	1.99%	1.52%	1.49%	1.44%	1.26%	1.15%

Note: (1) The amounts presented for each fiscal year were determined as of June 30.

Information for GASB No. 68 has only been available and required since implementation June 30, 2015.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

1. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) TO BUDGET COMPARISON

There is no GAAP reconciliation required between budgetary inflows and outflows and GAAP revenues and expenditures since both reflect the modified accrual basis of accounting.

2. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

The Hernando County District School Board (the Board) follows procedures established by State Statutes and State Board of Education rules in establishing budget balances for governmental funds, as described below:

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, pupil personnel services, and school administration) and may be amended by resolution at any school Board meeting prior to the due date for the annual financial report.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds except that no budget appropriation is made for financed purchases in the year of inception.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

3. SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM PENSION PLAN

Changes of Assumptions

As of June 30, 2022, the long-term expected rate of return decreased from 7.00% to 6.80%.

4. SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PENSION PLAN

Changes of Assumptions

The municipal rate used to determine total pension liability increased from 2.21% to 2.16%.

OTHER SUPPLEMENTARY INFORMATION





HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NON-MAJOR GOVERNMENTAL FUNDS**

Special Revenue Funds

The Special Revenue Funds are used to account for the revenue resources that are legally restricted for specified purposes.

Food Service Fund—To account for and report on activities for the food service program in servicing breakfast and lunch at the schools. These activities are primarily funded through local charges and federal awards.

Internal Accounts—To account for and report activities related to School Internal Funds which are used to administer moneys collected at the schools in connection with school, student athletic, class and club activities.

Debt Service Funds

The Debt Service Funds are used to account for the payment of principal and interest of the current portion of long-term debt.

SBE/COBI Bonds Fund—To account for and report on payment of principal, interest, and related costs of the state school bonds issued by the State Board of Education on behalf of the District. These bonds are payable from the District's portion of the state-assessed motor vehicle license tax.

Special Act Bonds Fund—To account for and report on payment of principal, interest, and related costs on the Special Act bonds. These bonds are authorized by Chapter 79-471, Laws of Florida, which provide that the bonds be secured from racetrack funds and jai alai fronton funds accruing annually to the District from the State's Pari-Mutuel Tax Collection Trust Fund pursuant to Chapter 550, Florida Statutes (effective July 1, 2000, tax proceeds are distributed pursuant to Section 212.20(6)(d)7a., Florida Statutes).

Capital Projects Funds

Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, or for major renovation projects.

Public Education Capital Outlay (PECO) Fund—To account for and report on funds received from the State for the construction and maintenance of schools.

Capital Outlay and Debt Service Fund—To account for and report on the dollars received through the State's Capital Outlay and Debt Service (CO & DS) program, used for construction and maintenance of schools.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	<u>Special Revenue</u>	
	<u>Food Services</u>	<u>Internal</u>
	<u>410</u>	<u>490</u>
Assets		
Cash and Cash Equivalents	\$ 9,058,686	\$ 2,111,732
Investments	14,549	-
Accounts Receivable	1,770	4,632
Inventory	181,367	-
Due from Other Agencies	135,043	-
Total Assets	<u>9,391,415</u>	<u>2,116,364</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts Payable	320,593	-
Unearned Revenue	50,372	-
Total Liabilities	<u>370,965</u>	<u>-</u>
Fund Balances		
Non-Spendable:		
Inventory	181,367	-
Total Non-Spendable Fund Balance	<u>181,367</u>	<u>-</u>
Restricted for:		
Debt Service	-	-
Capital Projects	-	-
Food Service	8,839,083	-
Internal Accounts	-	2,116,364
Total Restricted Fund Balance	<u>8,839,083</u>	<u>2,116,364</u>
Total Fund Balances	<u>9,020,450</u>	<u>2,116,364</u>
Total Liabilities and Fund Balances	<u>\$ 9,391,415</u>	<u>\$ 2,116,364</u>

Debt Service Funds		Capital Projects Funds		Total Non-Major Governmental Funds
SBE/COBI Bonds 210	Special Act Bonds 220	Public Education Capital Outlay Fund 340	Capital Outlay and Debt Service 360	
\$ -	\$ 319,992	\$ 1,359,910	\$ 1,773,043	\$ 14,623,363
19,301	5,305	-	4,064	43,219
-	-	-	-	6,402
-	-	-	-	181,367
-	-	-	770,022	905,065
19,301	325,297	1,359,910	2,547,129	15,759,416
-	-	33,145	-	353,738
-	-	-	-	50,372
-	-	33,145	-	404,110
-	-	-	-	181,367
-	-	-	-	181,367
19,301	325,297	-	-	344,598
-	-	1,326,765	2,547,129	3,873,894
-	-	-	-	8,839,083
-	-	-	-	2,116,364
19,301	325,297	1,326,765	2,547,129	15,173,939
19,301	325,297	1,326,765	2,547,129	15,355,306
\$ 19,301	\$ 325,297	\$ 1,359,910	\$ 2,547,129	\$ 15,759,416

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Special Revenue	
	Food Services 410	Internal Accounts 490
Revenues		
Intergovernmental:		
Federal Direct	\$ 16,817,055	\$ -
State	188,114	-
Local:		
Charges for Service - Food Service	344,695	-
Other Local Revenue	7,829	4,978,693
Total Revenues	17,357,693	4,978,693
Expenditures		
Current:		
Fiscal Services	-	4,661,131
Food Services	14,434,830	-
Principal	-	-
Interest and Fiscal Charges	-	-
Dues and Fees	-	-
Total Expenditures	14,434,830	4,661,131
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,922,863	317,562
Other Financing Sources (Uses)		
Transfers In	255,241	-
Transfers (Out)	-	-
Total Other Financing Sources (Uses)	255,241	-
Net Change in Fund Balances	3,178,104	317,562
Fund Balances, July 1, 2021	5,842,346	1,798,802
Fund Balances, June 30, 2022	\$ 9,020,450	\$ 2,116,364

Debt Service Funds		Capital Projects Funds		Total Non-Major Governmental Funds
SBE/COBI Bonds 210	Special Act Bonds 220	Public Education Capital Outlay (PECO) 340	Capital Outlay and Debt Service 360	
\$ 215,394	\$ -	\$ -	\$ -	\$ 17,032,449
-	209,750	1,664,776	771,146	2,833,786
-	-	-	-	344,695
-	-	-	-	4,986,522
215,394	209,750	1,664,776	771,146	25,197,452
-	-	-	-	4,661,131
-	-	-	-	14,434,830
173,000	85,000	-	-	258,000
46,140	117,725	-	-	163,865
80	3,500	-	1,124	4,704
219,220	206,225	178,448	1,124	19,700,978
(3,826)	3,525	1,486,328	770,022	5,496,474
-	-	-	-	255,241
-	-	(159,563)	-	(159,563)
-	-	(159,563)	-	95,678
(3,826)	3,525	1,326,765	770,022	5,592,152
23,127	321,772	-	1,777,107	9,763,154
\$ 19,301	\$ 325,297	\$ 1,326,765	\$ 2,547,129	\$ 15,355,306

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND - LOCAL CAPITAL IMPROVEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Capital Projects Fund - Local Capital Improvement			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Local:				
Property Taxes Levied for Capital Projects	\$ 17,772,116	\$ 18,003,490	\$ 18,003,490	\$ -
Other Local Revenue	-	25,934	25,934	-
Total Revenues	<u>17,772,116</u>	<u>18,029,424</u>	<u>18,029,424</u>	<u>-</u>
Expenditures				
Current:				
Fixed Capital Outlay:				
Facilities Acquisition & Construction	1,513,181	5,490,476	5,490,476	-
Other Capital Outlay	2,188,225	1,026,312	1,026,312	-
Total Fixed Capital Outlay	<u>3,701,406</u>	<u>6,516,788</u>	<u>6,516,788</u>	<u>-</u>
Total Expenditures	<u>3,701,406</u>	<u>6,516,788</u>	<u>6,516,788</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,070,710</u>	<u>11,512,636</u>	<u>11,512,636</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers (Out)	10,269,655	10,265,981	10,265,981	-
Total Other Financing Sources (Uses)	<u>10,269,655</u>	<u>10,265,981</u>	<u>10,265,981</u>	<u>-</u>
Net Change in Fund Balances	3,801,055	1,246,655	1,246,655	-
Fund Balances, July 1, 2021	<u>11,844,516</u>	<u>11,844,516</u>	<u>11,844,516</u>	<u>-</u>
Fund Balances, June 30, 2022	<u>\$ 15,645,571</u>	<u>\$ 13,091,171</u>	<u>\$ 13,091,171</u>	<u>\$ -</u>

CAPITAL PROJECTS FUND - OTHER CAPITAL PROJECTS
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND - OTHER CAPITAL PROJECTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Capital Projects Fund - Other Capital Projects			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
State	\$ 50,000	\$ 61,356	\$ 61,356	\$ -
Local:				
Other Local Revenue	15,316,150	24,089,403	24,089,403	-
Total Revenues	<u>15,366,150</u>	<u>24,150,759</u>	<u>24,150,759</u>	<u>-</u>
Expenditures				
Current:				
Fixed Capital Outlay:				
Facilities Acquisition & Construction	20,669,848	12,177,710	12,177,710	-
Other Capital Outlay	4,000	9,190	9,190	-
Total Fixed Capital Outlay	<u>20,673,848</u>	<u>12,186,900</u>	<u>12,186,900</u>	<u>-</u>
Total Expenditures	<u>20,673,848</u>	<u>12,186,900</u>	<u>12,186,900</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,307,698)</u>	<u>11,963,859</u>	<u>11,963,859</u>	<u>-</u>
Net Change in Fund Balances	<u>(5,307,698)</u>	<u>11,963,859</u>	<u>11,963,859</u>	<u>-</u>
Fund Balances, July 1, 2021	<u>26,565,500</u>	<u>25,792,706</u>	<u>25,792,706</u>	<u>-</u>
Fund Balances, June 30, 2022	<u>\$ 21,257,802</u>	<u>\$ 37,756,565</u>	<u>\$ 37,756,565</u>	<u>\$ -</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND - OTHER DEBT SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Debt Service Fund - Other Debt Service			Variance with
	Original	Final		Final Budget -
	Budget	Budget	Actual	Positive
				(Negative)
Revenues				
Local:				
Other Local Revenue	\$ 8,254,165	\$ 3,895	\$ 3,895	\$ -
Total Revenues	<u>8,254,165</u>	<u>3,895</u>	<u>3,895</u>	<u>-</u>
Expenditures				
Debt Service:				
Principal	4,608,977	4,608,977	4,608,977	-
Interest and Fiscal Charges	3,634,188	3,634,187	3,634,187	-
Dues and Fees	11,000	7,350	7,350	-
Total Expenditures	<u>8,254,165</u>	<u>8,250,514</u>	<u>8,250,514</u>	<u>-</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>-</u>	<u>(8,246,619)</u>	<u>(8,246,619)</u>	<u>-</u>
Other Financing Sources (Uses)				
Proceeds From Bond Issuance	-	5,960,850	5,960,850	-
Transfers In	8,254,165	8,250,490	8,250,490	-
Total Other Financing Sources (Uses)	<u>8,254,165</u>	<u>14,211,340</u>	<u>14,211,340</u>	<u>-</u>
Net Change in Fund Balances	8,254,165	5,964,721	5,964,721	-
Fund Balances, July 1, 2021	<u>6,922,872</u>	<u>6,926,568</u>	<u>6,926,568</u>	<u>-</u>
Fund Balances, June 30, 2022	<u>\$ 15,177,037</u>	<u>\$ 12,891,289</u>	<u>\$ 12,891,289</u>	<u>\$ -</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - FOOD SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Special Revenue Fund - Food Service			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
Federal Through State	\$ 14,520,000	\$ 16,817,055	\$ 16,817,055	\$ -
State	157,000	188,114	188,114	-
Local	415,000	352,524	352,524	-
Total Revenues	<u>15,092,000</u>	<u>17,357,693</u>	<u>17,357,693</u>	<u>-</u>
Expenditures				
Salaries	3,761,222	3,615,789	3,615,789	-
Employee Benefits	1,623,962	1,429,283	1,429,283	-
Purchased Services	521,650	450,378	450,378	-
Energy Services	314,500	308,300	308,300	-
Materials and Supplies	10,150,500	7,475,799	7,475,799	-
Capital Outlay	317,500	893,635	893,635	-
Other	200,000	261,646	261,646	-
Total Expenditures	<u>16,889,334</u>	<u>14,434,830</u>	<u>14,434,830</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,797,334)</u>	<u>2,922,863</u>	<u>2,922,863</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In	-	255,241	255,241	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>255,241</u>	<u>255,241</u>	<u>-</u>
Net Change in Fund Balances	<u>(1,797,334)</u>	<u>3,178,104</u>	<u>3,178,104</u>	<u>-</u>
Fund Balances, July 1, 2021	<u>5,410,677</u>	<u>5,842,346</u>	<u>5,842,346</u>	<u>-</u>
Fund Balances, June 30, 2022	<u>\$ 3,613,343</u>	<u>\$ 9,020,450</u>	<u>\$ 9,020,450</u>	<u>\$ -</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - INTERNAL ACCOUNTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Special Revenue Fund - Internal Accounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
Local	\$ -	\$ 4,978,693	\$ 4,978,693	\$ -
Total Revenues	-	4,978,693	4,978,693	-
Expenditures				
Current:				
Fiscal Services:				
Supplies	-	4,661,131	4,661,131	-
Total Fiscal Services	-	4,661,131	4,661,131	-
Total Expenditures	-	4,661,131	4,661,131	-
Net Change in Fund Balances	-	317,562	317,562	-
Fund Balances, July 1, 2021	-	1,798,802	1,798,802	-
Fund Balances, June 30, 2022	\$ -	\$ 2,116,364	\$ 2,116,364	\$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUNDS - SBE/COBI BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Debt Service Funds - SBE/COBI Bonds			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
State	\$ 231,415	\$ 215,394	\$ 215,394	\$ -
Total Revenues	<u>231,415</u>	<u>215,394</u>	<u>215,394</u>	<u>-</u>
Expenditures				
Debt Service:				
Principal	173,000	173,000	173,000	-
Interest and Fiscal Charges	57,915	46,140	46,140	-
Dues and Fees	500	80	80	-
Total Expenditures	<u>231,415</u>	<u>219,220</u>	<u>219,220</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(3,826)</u>	<u>(3,826)</u>	<u>-</u>
Other Financing Sources (Uses)				
Refunding Bonds Issued	-	-	-	-
Premium on Refunding Bonds	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>(3,826)</u>	<u>(3,826)</u>	<u>-</u>
Fund Balances, July 1, 2021	<u>23,127</u>	<u>23,127</u>	<u>23,127</u>	<u>-</u>
Fund Balances, June 30, 2022	<u>\$ 23,127</u>	<u>\$ 19,301</u>	<u>\$ 19,301</u>	<u>\$ -</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUNDS - SPECIAL ACT BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Debt Service Funds - Special Act Bonds			Variance with
	Original	Final	Actual	Final Budget -
	Budget	Budget		Positive
				(Negative)
Revenues				
Intergovernmental:				
State	\$ 207,725	\$ 209,750	\$ 209,750	\$ -
Total Revenues	<u>207,725</u>	<u>209,750</u>	<u>209,750</u>	<u>-</u>
Expenditures				
Debt Service:				
Principal	85,000	85,000	85,000	-
Interest and Fiscal Charges	117,725	117,725	117,725	-
Dues and Fees	5,000	3,500	3,500	-
Total Expenditures	<u>207,725</u>	<u>206,225</u>	<u>206,225</u>	<u>-</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>-</u>	<u>3,525</u>	<u>3,525</u>	<u>-</u>
Other Financing Sources (Uses)				
Refunding Bonds Issued	207,725	-	-	-
Total Other Financing Sources (Uses)	<u>207,725</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	207,725	3,525	3,525	-
Fund Balances, July 1, 2021	<u>326,122</u>	<u>321,772</u>	<u>321,772</u>	<u>-</u>
Fund Balances, June 30, 2022	<u>\$ 533,847</u>	<u>\$ 325,297</u>	<u>\$ 325,297</u>	<u>\$ -</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUNDS - PUBLIC EDUCATION CAPITAL OUTLAY (PECO)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Capital Projects Funds - Public Education Capital Outlay (PECO)			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Through State	\$ 173,252	\$ 1,664,776	\$ 1,664,776	\$ -
Total Revenues	<u>173,252</u>	<u>1,664,776</u>	<u>1,664,776</u>	<u>-</u>
Expenditures				
Current:				
Facility Services - Non-Capitalized:				
Remodeling and Renovations	173,252	178,448	178,448	-
Total Expenditures	<u>173,252</u>	<u>178,448</u>	<u>178,448</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>1,486,328</u>	<u>1,486,328</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers (Out)	-	(159,563)	(159,563)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(159,563)</u>	<u>(159,563)</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>1,326,765</u>	<u>1,326,765</u>	<u>-</u>
Fund Balances, July 1, 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, June 30, 2022	<u>\$ -</u>	<u>\$ 1,326,765</u>	<u>\$ 1,326,765</u>	<u>\$ -</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUNDS - CAPITAL OUTLAY AND DEBT SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Capital Projects Funds - Capital Outlay and Debt Service			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
State	\$ 215,000	\$ 771,146	\$ 771,146	\$ -
Local:				
Other Local Revenue	-	-	-	-
Total Revenues	<u>215,000</u>	<u>771,146</u>	<u>771,146</u>	<u>-</u>
Expenditures				
Current:				
Facility Services - Non-Capitalized:				
Remodeling and Renovations	-	-	-	-
Total Facility Services - Non-Capitalized	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	-	-	-
Remodeling and Renovations	-	-	-	-
Total Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Service:				
Dues and Fees	-	1,124	1,124	-
Total Expenditures	<u>-</u>	<u>1,124</u>	<u>1,124</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>215,000</u>	<u>770,022</u>	<u>770,022</u>	<u>-</u>
Net Change in Fund Balances	<u>215,000</u>	<u>770,022</u>	<u>770,022</u>	<u>-</u>
Fund Balances, July 1, 2021	<u>1,223,728</u>	<u>1,777,107</u>	<u>1,777,107</u>	<u>-</u>
Fund Balances, June 30, 2022	<u>\$ 1,438,728</u>	<u>\$ 2,547,129</u>	<u>\$ 2,547,129</u>	<u>\$ -</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NON-MAJOR COMPONENT UNITS

Component units are legally separate organizations that the primary government must include as part of its financial reporting entity for fair presentation in conformity with generally accepted accounting principles.

Brooksville Engineering, Science & Technology, Inc.—A charter school, which is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the *Florida Not-For-Profit Corporation Act*, and Section 1002.33, Florida Statutes. The charter school operates under a charter of the sponsoring school district and is considered a component unit since it is fiscally dependent on the Hernando County School District (the District) to levy taxes for its support.

Gulf Coast Elementary—A charter school, which is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the *Florida Not-For-Profit Corporation Act*, and Section 1002.33, Florida Statutes. The charter school operates under a charter of the sponsoring School District and is considered a component unit since it is fiscally dependent on the District to levy taxes for its support.

Gulf Coast Academy of Science and Technology, Inc.—A charter school, which is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the *Florida Not-For-Profit Corporation Act*, and Section 1002.33, Florida Statutes. The charter school operates under a charter of the sponsoring school district and is considered a component unit since it is fiscally dependent on the District to levy taxes for its support.

Hernando County Education Direct Support Organization, Inc. (the Foundation)—A separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the District. The Foundation is considered to be a component unit of the District because of the nature and significance of its relationship to the District.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
COMBINING SCHEDULE OF NET POSITION - DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2022

	BEST Academy (Charter School)	Gulf Coast Elementary (Charter School)
Assets		
Cash and Cash Equivalents	\$ 210,454	\$ 353,393
Accounts Receivable	8,126	-
Due From Other Agencies	13,242	67,826
Inventory	-	-
Prepaid Items	-	-
TSIC Contract Value	-	-
Asset Held for Sale	-	-
Capital Assets:		
Leased Assets, Net	-	39,145
Improvements Other than Buildings	-	10,746
Furniture, Fixtures, and Equipment, Net	13,953	-
Motor Vehicles, Net	-	182,161
Total Assets	245,775	653,271
Liabilities		
Salaries and Benefits Payable	-	-
Accounts Payable	992	13,841
Long-Term Liabilities:		
Due Within One Year:		
Note Payable	-	-
Obligations Under Leases	-	83,749
Lease Purchase Agreements Payable	-	-
Due in More than One Year:		
Note Payable	-	-
Obligations Under Leases	-	98,412
Lease Purchase Agreements Payable	-	-
Total Liabilities	992	196,002
Deferred Revenue	-	113,720
Net Position		
Net Investment in Capital Assets	13,953	49,891
Restricted for:		
Other Purposes	-	-
Unrestricted	230,830	293,658
Total Net Position	\$ 244,783	\$ 343,549

Gulf Coast Academy Science and Technology, Inc. (Charter School)	Hernando County Education Direct Support Organization, Inc. (the Foundation)	Totals 2022
\$ 387,672	\$ 473,510	\$ 1,425,029
62,004	210,772	280,902
-	-	81,068
-	229,436	229,436
-	6,555	6,555
-	344,835	344,835
-	-	-
1,351,755	-	1,390,900
-	-	10,746
19,508	12,500	45,961
88,958	-	271,119
<u>1,909,897</u>	<u>1,277,608</u>	<u>4,086,551</u>
-	11,519	11,519
34,315	16,853	66,001
33,322	-	33,322
-	-	83,749
70,821	-	70,821
40,252	-	40,252
-	-	98,412
<u>1,280,934</u>	<u>-</u>	<u>1,280,934</u>
<u>1,459,644</u>	<u>28,372</u>	<u>1,685,010</u>
-	-	113,720
34,892	12,500	111,236
-	-	-
<u>415,361</u>	<u>1,236,736</u>	<u>2,176,585</u>
<u>\$ 450,253</u>	<u>\$ 1,249,236</u>	<u>\$ 2,287,821</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
COMBINING SCHEDULE OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Total Charter Schools	Hernando Education Foundation	Total Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
Charter Schools							
Governmental Activities:							
Instruction	\$ 2,087,350	\$ 285,602	\$ 283,462	\$ -	\$ (1,518,286)	\$ -	\$ (1,518,286)
Board	123,714	-	29,858	-	(93,856)	-	(93,856)
General Administration	88,491	-	-	-	(88,491)	-	(88,491)
School Administration	765,483	-	27,122	-	(738,361)	-	(738,361)
Facility Services - Non-Capitalized	51,225	-	-	159,563	108,338	-	108,338
Fiscal Services	26,230	-	-	-	(26,230)	-	(26,230)
Food Services	-	-	-	-	-	-	-
Student Transportation Services	69,634	-	-	-	(69,634)	-	(69,634)
Operation of Plant	189,293	-	17,734	-	(171,559)	-	(171,559)
Community Services	9,745	6,070	-	-	(3,675)	-	(3,675)
Interest on Long-Term Debt	99,570	-	-	-	(99,570)	-	(99,570)
Unallocated Depreciation	173,951	-	-	-	(173,951)	-	(173,951)
Total Charter Schools	3,684,686	291,672	358,176	159,563	(2,875,275)	-	(2,875,275)
Hernando Education Foundation	1,330,379	-	1,320,462	-	-	(9,917)	(9,917)
Total Component Units	\$ 5,015,065	\$ 291,672	\$ 1,678,638	\$ 159,563	(2,875,275)	(9,917)	(2,885,192)
General Revenues:							
Grants and Contributions Not Restricted to							
Specific Programs					3,104,324	-	3,104,324
Other					86,084	-	86,084
Total General Revenues					3,190,408	-	3,190,408
Change in Net Position					315,133	(9,917)	305,216
Net Position, July 1, 2021					723,452	1,259,153	1,982,605
Net Position, June 30, 2022					\$ 1,038,585	\$ 1,249,236	\$ 2,287,821

STATISTICAL SECTION





HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
STATISTICAL SECTION**

This part of the District School Board of Hernando County (the District), Florida's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the District's overall financial health.

Contents	Page
Financial Trend Information <i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	90
Revenue Capacity Information <i>These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax.</i>	100
Debt Capacity Information <i>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</i>	106
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</i>	113
Operating Information <i>These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.</i>	115

TABLE 1

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NET POSITION BY COMPONENT - GOVERNMENT-WIDE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending			
	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Primary Government:				
Governmental Activities:				
Net Investment in Capital Assets	\$ 245,324,633	\$ 252,232,149	\$ 247,598,971	\$ 243,008,106
Restricted	42,909,843	31,149,082	34,480,595	36,222,596
Unrestricted	387,651	(3,116,673)	(84,211,485)	(78,168,863)
Total Governmental Activities Net Position	288,622,127	280,264,558	197,868,081	201,061,839
Total Primary Government Net Position	\$ 288,622,127	\$ 280,264,558	\$ 197,868,081	\$ 201,061,839

(1) The decline in net position is primarily due to the implementation of GASB Statement No. 68 which required the District to report a proportionate share of pension liabilities.

Source: District Records

Table 1 (Continued)

Fiscal Year Ending					
June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
\$ 249,506,834	\$ 255,798,875	\$ 268,410,915	\$ 277,874,189	\$ 281,484,392	\$ 292,583,818
41,168,493	32,481,524	35,433,091	38,946,428	56,297,775	38,946,428
(79,918,029)	(75,064,735)	(77,641,488)	(90,465,475)	(101,836,853)	(45,653,809)
210,757,298	213,215,664	226,202,518	226,355,142	235,945,314	285,876,437
<u>\$ 210,757,298</u>	<u>\$ 213,215,664</u>	<u>\$ 226,202,518</u>	<u>\$ 226,355,142</u>	<u>\$ 235,945,314</u>	<u>\$ 285,876,437</u>

TABLE 2

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
CHANGES IN NET POSITION - GOVERNMENT-WIDE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending				
	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Expenses					
Governmental Activities:					
Instruction	\$ 100,345,605	\$ 105,662,000	\$ 106,464,738	\$ 105,595,214	\$ 108,581,464
Student Personnel Services	9,481,173	9,262,052	9,271,687	8,570,746	8,978,591
Instructional Media Services	1,944,186	2,118,740	2,189,442	1,832,370	1,580,760
Instruction and Curriculum Development Services	4,153,389	4,103,785	4,611,206	4,345,473	4,606,251
Instructional Staff Training Services	2,742,317	2,214,563	2,834,048	2,992,562	3,366,519
Instruction Related Technology	1,466,935	1,681,610	1,495,715	740,282	634,787
Board	460,031	460,573	480,877	501,111	485,796
General Administration	1,036,546	1,286,149	1,391,321	1,297,242	1,646,718
School Administration	11,209,818	11,230,650	11,254,519	11,166,980	11,297,615
Facility Services - Non-Capitalized	3,125,424	2,013,899	2,430,003	2,470,261	2,188,737
Fiscal Services	784,117	1,101,844	1,107,565	778,107	854,703
Food Services	10,639,194	10,901,515	10,428,835	10,358,424	11,602,638
Central Services	1,784,314	1,895,196	1,538,384	1,381,116	1,841,843
Student Transportation Services	7,396,420	8,120,089	7,905,288	6,980,040	7,033,814
Operation of Plant	14,386,258	14,998,980	14,866,067	14,482,370	14,972,754
Maintenance of Plant	4,749,690	4,786,141	4,715,632	5,201,852	5,374,764
Administrative Technology Services	1,950,483	1,944,813	2,140,357	2,580,640	2,734,734
Community Services	33,324	186,817	20,549	6,104	1,452
Unallocated Interest on Long-Term Debt	7,596,032	7,604,707	5,804,308	6,102,038	4,042,505
Unallocated Depreciation	12,641,415	15,209,697	12,079,806	12,090,214	11,339,724
Total Governmental Activities Expenses	197,926,671	206,783,820	203,030,347	199,473,146	203,166,169
Program Revenues					
Governmental Activities:					
Charges for Services					
Food Service	2,455,483	2,453,338	2,143,141	1,858,156	1,796,468
Transportation	-	157,721	152,795	152,003	150,590
Instruction	57,567	64,628	86,746	84,512	87,244
Operating Grants and Contributions	8,334,627	8,740,134	8,909,622	9,842,901	9,731,565
Capital Grants and Contributions	888,495	881,129	1,063,330	1,549,777	1,536,802
Total Governmental Activities Program Revenues	11,736,172	12,296,950	12,355,634	13,487,349	13,302,669
Net Expenses Governmental Activities	(186,190,499)	(194,486,870)	(190,674,713)	(185,985,797)	(189,863,500)
Total Primary Government Net Expenses	(186,190,499)	(194,486,870)	(190,674,713)	(185,985,797)	(189,863,500)
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Property Taxes					
Levied for Operational Purposes	48,159,073	45,785,613	45,018,129	46,435,418	44,718,926
Levied for Capital Projects	12,136,449	11,873,491	11,912,140	12,229,002	12,489,651
Local Sales Tax	8,206,074	9,007,765	5,284,711	4,955,233	10,391,995
Grants and Contributions not restricted to specific programs	105,093,241	114,790,011	117,033,440	120,575,310	127,269,757
Unrestricted Investment Earnings	443,527	479,244	(121,985)	276,542	305,927
Miscellaneous	3,906,445	5,641,459	2,661,570	4,708,050	4,382,703
Total Governmental Activities	177,944,809	187,577,583	181,788,005	189,179,555	199,558,959
Total Primary Government General Revenues and Other Changes in Net Position	177,944,809	187,577,583	181,788,005	189,179,555	199,558,959
Change in Net Position					
Governmental Activities	(8,245,690)	(6,909,287)	(8,886,708)	3,193,758	9,695,459
Total Primary Government	<u>\$ (8,245,690)</u>	<u>\$ (6,909,287)</u>	<u>\$ (8,886,708)</u>	<u>\$ 3,193,758</u>	<u>\$ 9,695,459</u>

Source: District Records

TABLE 2 (Continued)

Fiscal Year Ending				
June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
\$ 112,178,899	\$ 116,734,406	\$ 122,952,772	\$ 129,183,841	\$ 123,718,594
9,475,910	9,629,463	10,305,339	10,743,255	11,163,038
1,670,186	1,406,550	1,499,407	1,354,828	3,195,859
4,984,827	5,487,994	5,909,931	5,844,572	3,432,563
3,187,021	3,238,748	3,158,097	4,043,552	3,137,425
615,107	708,413	599,914	566,717	582,345
702,006	569,835	549,206	555,285	504,153
1,385,010	1,136,961	2,135,155	2,242,723	2,540,934
11,885,259	12,578,189	12,665,115	12,927,212	12,956,441
6,876,093	541,797	1,115,028	781,908	411,563
859,712	857,653	1,008,056	2,228,554	5,333,919
12,811,088	12,700,237	13,692,564	14,812,812	14,293,656
2,076,296	2,127,534	2,555,810	2,709,875	3,913,540
7,522,704	8,227,042	8,070,432	7,855,689	8,871,045
16,363,264	16,987,276	18,265,529	19,049,816	17,905,368
5,412,786	5,885,546	7,227,468	6,539,336	7,215,558
2,889,131	2,939,278	4,592,787	3,115,093	2,287,312
983	1,420	10,358	11,424	14,361
3,781,555	3,606,715	3,391,682	3,315,159	3,170,428
12,024,965	12,888,627	13,334,789	14,169,364	14,594,703
216,702,802	218,253,684	233,039,439	242,051,015	239,242,805
1,394,814	709,880	355,162	83,477	347,192
167,416	148,583	84,271	48,475	111,047
107,632	151,301	118,511	496,167	103,514
11,623,384	14,072,478	12,519,029	13,037,352	17,525,053
3,131,121	1,624,966	948,688	1,195,883	2,506,667
16,424,367	16,707,208	14,025,661	14,861,354	20,593,473
(200,278,435)	(201,546,476)	(219,013,778)	(227,189,661)	(218,649,332)
(200,278,435)	(201,546,476)	(219,013,778)	(227,189,661)	(218,649,332)
45,514,011	45,800,900	47,671,751	48,974,618	63,091,303
13,334,037	14,191,789	15,329,228	16,643,434	18,003,490
11,353,186	11,015,453	11,578,748	13,157,697	16,728,348
130,386,623	135,980,854	136,360,977	150,721,592	159,590,773
431,310	1,098,468	328,709	78,700	173,776
4,041,105	6,445,866	7,896,989	5,278,081	10,992,765
205,060,272	214,533,330	219,166,402	234,854,122	268,580,455
205,060,272	214,533,330	219,166,402	234,854,122	268,580,455
4,781,837	12,986,854	152,624	7,664,461	49,931,123
\$ 4,781,837	\$ 12,986,854	\$ 152,624	\$ 7,664,461	\$ 49,931,123

TABLE 3

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending				
	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Property Taxes:					
Levied for Operational Purposes	\$ 48,159,073	\$ 45,785,613	\$ 45,018,129	\$ 46,435,418	\$ 44,718,926
Levied for Capital Projects	12,136,449	11,873,491	11,912,140	12,229,002	12,489,651
Local Sales Taxes (1)	8,206,074	9,007,765	5,284,711	4,955,233	10,391,995
Total	\$ 68,501,596	\$ 66,666,869	\$ 62,214,980	\$ 63,619,653	\$ 67,600,572

(1) Fiscal year ending June 30, 2005, the District began receiving a new 10-year local option half cent sales tax that was approved by voters on March 9, 2004. The half cent sales tax expired on December 31, 2014; however, a new 10-year half cent sales tax, commencing on January 1, 2016, was subsequently approved in a special election held in September 8, 2015.

Source: District Records

TABLE 3 (Continued)

Fiscal Year Ending				
June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
\$ 45,514,011	\$ 45,800,900	\$ 47,671,751	\$ 48,974,618	\$ 62,934,576
13,334,037	14,191,789	15,329,228	16,643,434	18,003,490
11,353,186	11,015,453	11,578,748	13,157,697	16,728,348
<u>\$ 70,201,234</u>	<u>\$ 71,008,142</u>	<u>\$ 74,579,727</u>	<u>\$ 78,775,749</u>	<u>\$ 97,666,414</u>

TABLE 4

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 (Unaudited)

	Fiscal Year Ending				
	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
General Fund					
Fund Balances:					
Non-Spendable	\$ 1,490,830	\$ 1,434,975	\$ 1,373,299	\$ 1,570,675	\$ 1,343,934
Spendable:					
Restricted	478,153	30,755	1,779,073	966,179	659,550
Assigned	9,455,599	5,957,272	1,435,474	923,563	4,208,679
Unassigned (2)	4,849,807	6,938,011	1,814,821	6,575,155	13,288,610
Total General Fund	<u>\$ 16,274,389</u>	<u>\$ 14,361,013</u>	<u>\$ 6,402,667</u>	<u>\$ 10,035,572</u>	<u>\$ 19,500,773</u>
All Other Governmental Funds					
Fund Balances:					
Non-Spendable	\$ 1,601,859	\$ 969,525	\$ 109,867	\$ 132,059	\$ 141,688
Spendable:					
Restricted	40,924,387	41,101,828	35,224,108	36,379,446	26,286,195
Assigned	-	-	-	-	7,902,438
Unassigned (2)	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 42,526,246</u>	<u>\$ 42,071,353</u>	<u>\$ 35,333,975</u>	<u>\$ 36,511,505</u>	<u>\$ 34,330,321</u>
Total Combined All Governmental funds	<u>\$ 58,800,635</u>	<u>\$ 56,432,366</u>	<u>\$ 41,736,642</u>	<u>\$ 46,547,077</u>	<u>\$ 53,831,094</u>

(1) The District implemented GASB Statement No. 54 for the fiscal year ended June 30, 2011. The fund balances from the prior fiscal years were restated for comparison purposes.

(2) The District reported a negative unassigned fund balance for the All Other Governmental Funds for fiscal year ending June 30, 2011. This was the result of a Section 1011, Florida Statutes, loan.

Source: District Records

TABLE 4 (Concluded)

		Fiscal Year Ending			
June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	
\$ 1,465,072	\$ 1,342,406	\$ 1,451,517	\$ 1,220,315	\$ 1,293,614	
553,807	1,173,775	1,043,221	1,970,831	5,148,267	
5,220,275	4,935,020	14,719,921	13,849,562	17,562,507	
18,369,962	22,945,943	12,745,823	17,337,550	18,481,216	
<u>\$ 25,609,116</u>	<u>\$ 30,397,144</u>	<u>\$ 29,960,482</u>	<u>\$ 34,378,258</u>	<u>\$ 42,485,604</u>	
\$ 119,702	\$ 80,796	\$ 377,058	\$ 227,849	\$ 181,367	
27,870,166	34,259,316	37,383,820	54,099,095	78,886,687	
4,091,654	-	4,716,605	-	-	
-	-	-	-	-	
<u>\$ 32,081,522</u>	<u>\$ 34,340,112</u>	<u>\$ 42,477,483</u>	<u>\$ 54,326,944</u>	<u>\$ 79,068,054</u>	
\$ 57,690,638	\$ 64,737,256	\$ 72,437,965	\$ 88,705,202	\$ 121,553,658	

TABLE 5

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
SUMMARY OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending				
	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Revenues					
Federal Direct Sources:					
Reserve Officers Training Corps (ROTC)	\$ 181,480	\$ 211,147	\$ 214,600	\$ 212,975	\$ 204,649
Miscellaneous Federal Direct	-	-	-	-	5,527
Total Federal Direct	181,480	211,147	214,600	212,975	210,176
Federal Through State and Local Sources:					
Food Service	7,538,918	7,948,367	7,980,511	8,925,859	8,805,504
Donated Foods and Cash in Lieu of	650,756	646,529	787,997	780,408	794,049
Other Federal Through State and Local Grants	14,223,225	12,883,165	14,004,179	12,497,218	13,393,272
Total Federal Through State and Local Sources	22,412,899	21,478,061	22,772,687	22,203,485	22,992,825
State Sources:					
Florida Education Finance Program (FEFP)	65,005,531	75,288,663	77,610,844	82,146,741	87,411,334
Other Categoricals	785,735	338,778	588,486	1,251,270	388,271
Class Size Reduction	23,768,179	23,768,179	23,777,212	23,405,339	23,665,654
District Discretionary Lottery Funds	-	209,627	76,689	74,859	363,643
Motor Vehicle License Tax (Capital Outlay and Debt Service)	885,165	881,096	890,774	871,031	891,311
Gross Receipts Tax (Public Education Capital Outlay)	-	-	171,925	678,746	645,305
Food Services	144,953	145,238	141,114	136,634	132,012
Other State Sources and State Grants	1,094,671	2,156,177	1,259,137	1,265,011	1,837,593
Total State Sources	91,684,234	102,787,758	104,016,181	109,829,631	115,335,123
Local Sources:					
Ad Valorem Taxes	60,295,522	57,659,104	56,930,269	58,664,420	57,208,577
Food Services Sales	2,455,483	2,453,338	2,143,141	1,853,722	1,796,468
Sales Taxes	8,206,074	9,007,765	5,284,711	4,955,233	10,391,995
Impact Fees	17,400	-	-	-	1,631,051
Investment Income	443,527	479,244	(121,985)	75,400	304,548
Local Grants and Other Local Sources	3,780,410	4,763,741	2,324,313	4,583,457	2,728,271
Total Local Sources	75,198,416	74,363,192	66,560,449	70,132,232	74,060,910
Total Revenues	189,477,029	198,840,158	193,563,917	202,378,323	212,599,034
Expenditures					
Current:					
Instruction	98,589,783	104,389,399	108,232,447	106,537,953	105,150,370
Student Personnel Services	9,318,507	9,152,498	9,427,045	8,647,264	8,694,875
Instructional Media	1,929,947	2,095,267	2,227,387	1,848,730	1,530,809
Instruction & Curriculum Development Services	4,122,970	4,063,373	4,694,020	4,384,269	4,460,697
Instructional Staff Training Services	2,722,233	2,198,139	2,887,886	3,019,279	3,260,140
Instruction Related Technology	1,456,191	1,661,574	1,518,686	746,891	614,729
Board	456,661	456,414	489,759	505,584	470,445
General Administration	1,028,954	1,297,673	1,408,320	1,308,823	1,446,155
School Administration	11,108,102	11,132,690	11,449,262	11,266,677	10,940,618
Facility Services - Non-Capitalized	536,955	2,014,145	2,483,626	2,530,237	261,216
Fiscal Services	778,374	1,091,962	1,127,499	785,054	827,696
Food Services	10,455,762	10,777,737	10,606,646	10,447,569	11,231,422
Central Services	1,753,480	1,874,395	1,563,721	1,393,002	1,782,914
Student Transportation Services	7,268,604	8,013,177	8,020,090	7,040,108	6,809,430
Operation of Plant	14,132,010	14,591,305	15,141,503	14,607,003	14,496,847
Maintenance of Plant	4,668,408	4,728,859	4,793,969	5,247,754	5,199,010
Administrative Technology Services	1,936,198	1,923,355	2,179,690	2,602,849	2,647,241
Community Services	33,081	185,766	21,017	6,159	1,406
Fixed Capital Outlay:					
Facilities Acquisition & Construction	4,061,686	491,326	534,263	5,584,160	15,650,703
Other Capital Outlay	631,706	871,600	1,004,850	875,413	321,446
Debt Service:					
Principal	11,930,409	12,338,922	12,283,682	5,164,115	4,711,753
Interest	7,527,482	6,692,404	5,882,626	3,541,896	4,680,315
Dues and Fees	-	-	13,494	642,355	153,375
Miscellaneous	22,270	113,267	-	632	-
Total Expenditures	196,469,773	202,155,247	207,991,488	198,733,776	205,343,612
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,992,744)	(3,315,089)	(14,427,571)	3,644,547	7,255,422
Other Financing Sources (Uses)					
Refunding Note Payable Issued	-	-	-	-	-
Refunding Bonds Issued	-	29,685,000	1,299,000	90,645,000	-
Premium on Refunding Bonds	-	82,496	123,525	11,553,598	-
Sale of Bonds	-	-	-	-	-
Loans	-	-	-	-	-
Insurance Loss Recoveries	62,235	57,181	87,923	59,145	28,595
Certificates of Participation	-	-	-	-	-
Payments to Refunding Bonds Escrow Agent	-	(28,877,849)	(1,778,601)	(101,091,855)	-
Payment to Refund Note Payable	-	-	-	-	-
Premium on Long-Term Debt Issued	-	-	-	-	-
Discount on Long-Term Debt Issued	-	-	-	-	-
Inception of Capital Leases	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Face Value of Refunding Bonds	-	-	-	-	-
Transfers In	20,641,428	21,214,610	20,582,195	24,921,175	9,891,305
Transfers Out	(20,641,428)	(21,214,610)	(20,582,195)	(24,921,175)	(9,891,306)
Total Other Financing Sources (Uses)	62,235	946,828	(268,153)	1,165,888	28,594
Net Change in Fund Balance	(6,930,509)	(2,368,261)	(14,695,724)	4,810,435	7,284,016
Debt Service as a Percentage of Non-Capital Expenditures	10.1%	9.5%	8.8%	4.5%	5.0%
Beginning Fund Balance	65,731,144	58,800,627	56,432,366	41,736,642	46,547,078
Adjustment to Fund Balance	-	-	-	-	-
Restated Beginning Fund Balance	-	-	-	-	-
Ending Fund Balance	\$ 58,800,635	\$ 56,432,366	\$ 41,736,642	\$ 46,547,077	\$ 53,831,094

Source: District Records

TABLE 5 (Concluded)

Fiscal Year Ending				
June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
\$ 199,442	\$ 204,705	\$ 207,672	\$ 223,901	\$ 227,294
4,705	61,743	77,228	217,530	223,242
204,147	266,448	284,900	441,431	450,536
10,707,799	13,046,405	11,237,891	12,931,434	15,896,064
787,894	892,106	1,124,155	1,086,531	1,136,010
14,539,840	15,239,374	14,451,098	20,454,458	26,785,599
26,035,533	29,177,885	26,813,144	34,472,423	43,817,673
88,568,231	93,120,031	97,631,835	100,134,574	101,742,394
814,639	565,063	573,537	-	612,537
23,526,247	23,919,919	24,039,718	24,305,383	23,264,260
38,604	75,470	22,391	-	-
891,291	905,266	936,148	239,682	1,001,454
435,038	440,908	-	-	1,664,776
127,689	133,967	156,983	186,330	188,114
3,019,837	3,979,185	1,308,368	2,536,753	1,306,936
117,421,576	123,139,809	124,668,980	127,402,722	129,780,471
58,848,048	59,992,688	62,930,323	65,618,052	81,094,793
1,394,814	709,880	372,581	83,477	344,695
11,353,186	11,015,453	11,636,400	13,157,697	16,754,625
1,748,325	2,427,403	2,153,894	3,833,301	6,748,927
431,310	1,098,465	905,006	126,776	176,983
3,705,566	3,090,070	3,385,057	6,635,274	9,890,873
77,481,249	78,333,959	81,383,261	89,454,577	115,010,896
221,142,505	230,918,101	233,150,285	251,771,153	289,059,576
108,971,048	112,707,854	115,928,362	118,812,057	130,341,686
9,205,158	9,297,311	9,716,584	10,049,020	11,760,634
1,622,464	1,358,033	1,413,745	1,267,135	3,366,945
4,841,452	5,298,695	5,572,290	5,454,623	3,616,321
3,095,004	3,127,033	2,977,672	3,745,518	3,305,382
597,531	683,977	565,640	530,295	613,519
681,947	550,179	517,829	519,598	531,142
1,336,897	1,399,321	1,879,884	2,098,585	2,664,260
11,545,666	11,835,587	11,941,545	12,096,392	13,650,044
6,862,457	522,988	1,051,204	3,980,562	875,864
835,148	828,070	950,464	3,603,746	5,619,462
12,427,740	12,256,971	12,905,046	13,855,274	15,052,429
2,016,197	2,053,324	2,408,961	2,534,836	4,122,027
7,305,505	7,940,862	7,606,933	7,344,699	9,342,974
15,892,768	16,398,181	17,218,820	17,430,751	18,860,015
5,251,839	5,675,832	6,807,784	6,078,387	7,593,551
2,805,435	2,836,674	4,329,162	2,913,586	2,408,255
956	1,372	9,768	10,690	15,122
10,977,330	19,014,189	13,741,576	12,380,313	19,802,867
648,085	-	-	4,053,046	-
6,073,736	5,868,985	7,483,165	4,736,872	4,866,977
4,419,363	4,244,523	4,083,318	3,942,783	3,798,052
8,791	7,418	141,364	11,914	12,054
-	-	-	-	-
217,422,517	223,907,379	229,251,116	237,450,682	262,219,582
3,719,988	7,010,722	3,899,169	14,320,471	26,839,994
-	-	4,674,633	-	5,960,850
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
12,700	-	-	-	-
126,856	35,896	29,612	21,055	47,612
-	-	-	-	-
-	-	(902,705)	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
14,749,455	13,003,285	13,216,414	9,528,702	10,680,785
(14,749,455)	(13,003,285)	(13,216,414)	(9,528,702)	(10,680,785)
139,556	35,896	3,801,540	21,055	6,008,462
3,859,544	7,046,618	7,700,709	14,341,526	32,848,456
5.1%	4.9%	5.4%	3.9%	3.6%
53,831,094	57,690,638	64,737,256	72,437,965	88,705,202
-	-	-	1,925,711	-
-	-	-	74,363,677	-
\$ 57,690,638	\$ 64,737,256	\$ 72,437,965	\$ 88,705,202	\$ 121,553,658

TABLE 6

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
GENERAL GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

Fiscal Year	Property Tax		Sales Tax		Total Governmental Activities
	General Fund	Capital Projects Funds	Capital Projects Funds	Capital Projects Funds	
2021-2022	\$ 63,091,303	\$ 18,002,490	\$ 16,728,348	\$	97,822,141
2020-2021	48,974,618	16,643,434	13,157,697		78,775,749
2019-2020	47,658,751	15,329,228	11,578,748		74,566,727
2018-2019	45,800,900	14,191,789	11,015,453		71,008,142
2017-2018	45,514,011	13,334,037	11,353,186		70,201,234
2016-2017	44,718,926	12,489,651	10,391,995		67,600,572
2015-2016	46,435,418	12,229,002	4,955,233		63,619,653
2014-2015	45,018,129	11,912,140	5,284,711		62,214,980
2013-2014	45,785,613	11,873,491	9,007,765		66,666,869
2012-2013	48,159,073	12,136,449	8,206,074		68,501,596

Note: Fiscal year ended June 30, 2005, the District began receiving a new 10-year local option half cent sales tax that was approved by voters on March 9, 2004. The half cent sales tax expired on December 31, 2014, however a new 10-year half cent sales tax, commencing on January 1, 2016, was subsequently approved in a special election held September 8, 2015.

Source: District Records

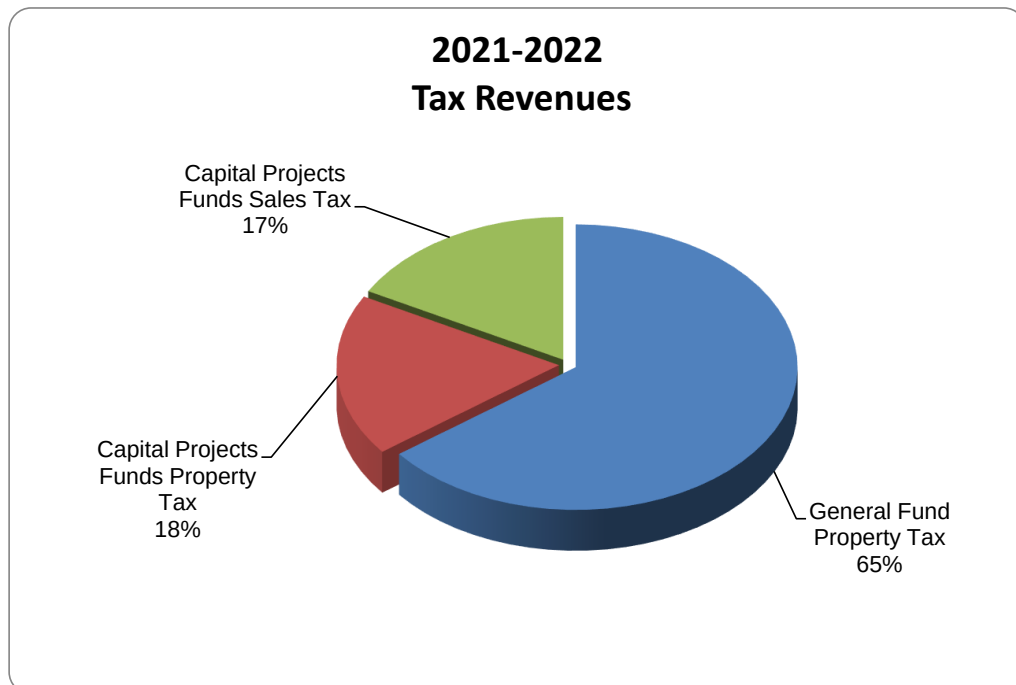


TABLE 7

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
FAIR MARKET VALUE, ASSESSED VALUE, AND TAXABLE VALUE OF PROPERTY
LAST TEN FISCAL YEARS
(Amounts Expressed in Thousands)
(Unaudited)

Fiscal Year	Fair Market Value (1)		Assessed Value (2)		Exemptions (3)		Taxable Value (4)				Ratio of Taxable Value to Assessed Value	Base Millage Rate (6)
	Real Property	Personal Property	Real Property	Personal Property	Real Property	Personal Property	Real Property	Personal Property	Centrally Assessed (5)	Total		
2021-2022	\$ 17,656,641	\$ 1,817,025	\$ 14,122,219	\$ 1,790,065	\$ 2,875,800	\$ 608,847	\$ 11,246,419	\$ 1,181,218	\$ 9,948	\$ 12,437,585	78.16%	14.7178
2020-2021	16,563,589	1,766,454	13,675,213	1,739,459	3,334,280	612,478	10,340,933	1,126,981	9,594	11,477,508	74.46%	14.6404
2019-2020	16,567,712	1,766,668	12,807,078	1,739,674	3,963,063	612,476	8,844,015	1,127,198	9,594	9,980,807	68.61%	15.1536
2018-2019	13,300,359	1,846,816	11,306,661	1,776,292	2,540,206	601,446	8,766,455	1,174,846	7,926	9,949,227	76.05%	14.3460
2017-2018	12,247,949	1,834,656	10,685,753	1,766,495	2,511,925	600,848	8,173,828	1,165,647	7,483	9,346,958	75.06%	14.6426
2016-2017	11,208,262	1,703,765	10,084,383	1,703,015	2,468,286	596,852	7,616,097	1,106,163	8,326	8,730,586	74.07%	15.0112
2015-2016	10,800,268	1,585,644	9,845,265	1,589,744	2,429,043	600,481	7,416,222	984,263	7,869	8,408,354	73.53%	15.3533
2014-2015	10,349,863	1,606,000	9,507,309	1,604,589	2,399,670	608,798	7,170,639	995,791	7,842	8,174,272	73.56%	15.3433
2013-2014	9,989,311	1,602,911	9,368,594	1,594,242	2,417,252	627,891	6,951,343	966,351	7,626	7,925,320	72.29%	15.4480
2012-2013	9,949,202	1,691,643	9,351,346	1,645,987	2,437,024	339,564	6,914,323	1,306,423	7,325	8,228,071	74.82%	14.6674

(1) Fair Market Value of property is the amount it could sell for in a competitive open market, assuming that the buyer and seller both acted knowledgeably and without duress.

(2) Assessed value of property is different than fair market value for those properties that have assessment limitations on them, such as the Save Our Homes (SOH) limitation, "greenbelt" for properties which have an agricultural use classification, and pollution control devices.

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

(4) Taxable value of property 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.

(5) Centrally assessed property are the railroad tracks and train cars which cross county lines and are assessed by the Florida Department of Revenue, who provides the assessed values to the respective Property Appraiser.

(6) Base Millage Rate comprised of total County, total School and Southwest Florida Management District county-wide levy. Specific basins, special ad valorem districts, and municipalities are not included. See calculation of base millage rate on Table 8.

Source: Hernando County Property Appraiser

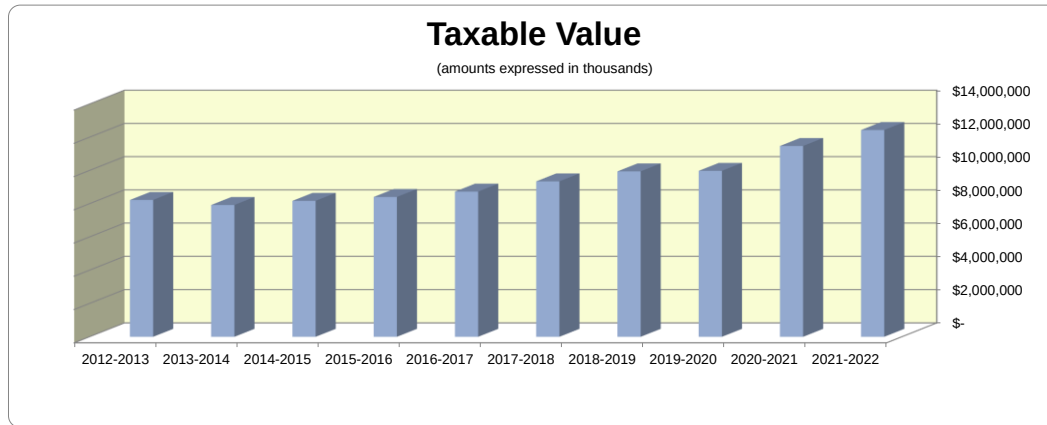


TABLE 8

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Per \$1,000 Assessed Valuation)
(Unaudited)

	Fiscal Year Ending							
	June 30, 2008	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
District Direct Rates								
District School Board:								
Local Required Effort	4.9960	5.1690	5.2600	5.2060	5.0320	4.9190	4.9480	4.6210
Discretionary Local	0.5100	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480
Supplemental Discretionary	0.2160	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Voted Debt Service	0.3430	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Local Capital Improvement	2.0000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
Total District School Board Direct Rates	8.0650	7.4170	7.5080	7.4540	7.2800	7.1670	7.1960	6.8690
Overlapping Rates								
Other Hernando County:								
General Fund	5.4394	5.4394	5.6279	5.9169	6.8669	6.9912	6.9912	6.9912
Public Health	0.1102	0.1102	0.1102	0.1102	0.1102	0.1102	0.1102	0.1102
Road and Bridge	0.7091	0.7091	0.7091	0.7091	0.7091	0.7091	0.7091	0.7091
Recreation/Sensitive Lands	0.0844	0.0844	0.0844	0.0844	0.1000	0.0000	0.0000	0.0000
Special Ad Valorem Districts	2.9664	3.1737	3.1737	3.1737	0.6673	0.6673	0.7839	0.7839
Total Other Hernando County Rates	9.3095	9.5168	9.7053	9.9943	8.4535	8.4778	8.5944	8.5944
Southwest Florida Water Management Districts (SWFWMD):								
SWFWMD County-Wide	0.1885	0.3770	0.3928	0.3928	0.3818	0.3658	0.3468	0.3317
Hillsborough Basin								
Withlacoochee Basin	0.2308	0.2308	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Coastal Basin	0.3866	0.1885	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total Southwest Florida Water Management Districts	0.8059	0.7963	0.3928	0.3928	0.3818	0.3658	0.3468	0.3317
Municipalities:								
City of Brooksville	6.3230	6.3700	6.3700	6.6000	6.7317	6.6962	6.6439	6.6426
City of Weeki Wachee	2.1744	2.6587	2.7838	2.7137	2.7654	2.6267	2.7622	2.8478
Total Municipalities	8.4974	9.0287	9.1538	9.3137	9.4971	9.3229	9.4061	9.4904
Total Overlapping Rates (1)	18.6128	19.3418	19.2519	19.7008	18.3324	18.1665	18.3473	18.4165
Base Millage Rate (2)	14.5966	14.1371	14.4324	14.6674	15.4480	15.3433	15.3533	15.0112

(1) Total Overlapping Rates comprised of Total Other Hernando County Rates, Total Southwest Florida Water Management Districts, and Total Municipalities.

(2) Base Millage Rate comprised of Total County, Total School, and Southwest Florida Management District County-wide levy. It excludes specific basins, special ad valorem districts, and municipalities. See Table 7 for use of Base Millage Rate.

Source: Hernando County Property Appraiser

TABLE 8 (Concluded)

Fiscal Year Ending				
June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
4.3710	4.0920	3.9150	3.6650	3.5290
0.7480	0.7480	0.7480	0.7480	0.0748
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	1.0000
1.5000	1.5000	1.5000	1.5000	1.5000
6.6190	6.3400	6.1630	5.9130	6.1038
6.8912	6.8912	7.8912	7.6412	7.4412
0.1102	0.1102	0.1102	0.1102	0.1102
0.7091	0.7091	0.7091	0.7091	0.8091
0.0000	0.0000	0.0000	0.0000	0.0000
0.7839	1.0239	1.0239	1.0239	1.0239
8.4944	8.7344	9.7344	9.4844	9.3844
0.3131	0.2955	0.2801	0.2669	0.2535
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.3131	0.2955	0.2801	0.2669	0.2535
6.9763	6.2000	6.2000	5.9000	5.9000
2.8470	2.8421	2.8658	0.0000	0.0000
9.8233	9.0421	9.0658	5.9000	5.9000
18.6308	18.0720	19.0803	15.6513	15.5379
14.6426	14.3460	15.1536	14.6404	14.7178

TABLE 9

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Taxpayer	2021-2022				2012-2013			
	Type of Business	Taxable Value	Rank	Percent of Taxable Value (1)	Type of Business	Taxable Value	Rank	Percent of Taxable Value (1)
Cemex, Inc.	Cement Manufacturing	\$ 289,449,190	1	2.33%	Cement Manufacturing	161,792,799	2	2.32%
Withlacoochee River Electric Co-op	Public Utility	238,358,181	2	1.92%	Public Utility	\$ 280,957,871	1	4.02%
Duke Energy (Florida Power Corporation)	Public Utility	114,782,839	3	0.92%	Public Utility	69,250,980	4	0.99%
HCA Health Services of Florida, Inc.	Hospital/ Health Care	76,889,567	4	0.62%	Hospital/ Health Care	36,765,474	8	0.53%
Wal-Mart Regional Distribution	Retail Sales	74,743,601	5	0.60%				
BW Hibiscus Springs LLC	Apartments	55,972,149	6	0.45%				
Wal-Mart Stores, Inc.	Retail Sales	52,209,274	7	0.42%	Retail Sales	120,281,395	3	1.72%
Florida Gas Transmission Co.	Utilities	49,320,671	8	0.40%	Public Utility	56,975,000	5	0.82%
Oak Hill Hospital	Hospital	37,556,556	9	0.30%				
Wal-Mart Stores East LP	Retail Sales	35,728,914	10	0.29%				
					Telecommunications	53,955,070	6	0.77%
					Cable Utility	39,968,833	7	0.57%
					Utilities	23,171,865	9	0.33%

(1) Percentage of Taxable Value to County Total Taxable Value. Total Taxable Value can be found on Table 7 page 102 of this report.

Source: Hernando County Property Appraiser

TABLE 10

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Total Tax Levy	Collected to End of Tax Year			Collected in Fiscal Year		
		Current Tax Collections (1)	Percent of Levy	Delinquent Collections (1)	Total Collections (1)	Percent of Levy	
2021-2022	\$ 84,289,516	\$ 81,094,793	96.21%	\$ 7,410	\$ 81,102,203	96.22%	
2020-2021	84,289,516	65,584,390	77.81%	30,841	65,615,231	77.85%	
2019-2020	65,075,469	62,872,668	96.62%	57,655	62,930,323	96.70%	
2018-2019	60,056,599	59,887,615	99.72%	52,537	59,940,152	99.81%	
2017-2018	59,304,391	58,741,901	99.05%	106,147	58,848,048	99.23%	
2016-2017	59,970,401	57,007,130	95.06%	201,447	57,208,577	95.39%	
2015-2016	60,506,513	58,492,947	96.67%	171,473	58,664,420	96.96%	
2014-2015	58,585,003	56,797,930	96.95%	132,339	56,930,269	97.18%	
2013-2014	57,696,331	57,372,277	99.44%	286,827	57,659,104	99.94%	
2012-2013	61,332,036	59,856,352	97.59%	439,170	60,295,522	98.31%	

(1) Net of allowable discounts

Note: Property taxes become due and are payable between November 1st of the year assessed and March 31st of the following year. A four percent (4%) discount is allowed if the taxes are paid in November, with the discount declining by one percent (1%) each month thereafter. Accordingly, taxes collected will never equal 100% of the tax levy. Taxes become delinquent on April 1st of each tax year and tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1st of each year. Accordingly, the majority of taxes are collected in the fiscal year levied.

Source: Hernando County Tax Collector and District Records

TABLE 11

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Governmental Activities (1)																
Fiscal Year	General Obligation Bonds		State Board of Education Bonds		Certificates of Participation		District Revenue Bonds		Sales Tax Revenue Bonds		Notes	Financed Purchase	Total Primary Government	Per Capita (2)	Percentage of Per Capita Income (2)	
2021-2022	\$	-	\$	994,393	\$	95,024,953	\$	9,526,358	\$	-	\$	-	\$	105,545,704	530	1.15%
2020-2021				1,194,371		100,211,610		3,659,456		-		-		105,065,437	540	1.31%
2019-2020				1,384,348		105,263,162		3,768,403		-		-		110,415,913	575	1.51%
2018-2019				1,688,760		110,178,385		1,935,000		-		1,002,622		114,804,767	619	1.71%
2017-2018				1,967,869		114,976,325		2,040,000		-		2,313,347		121,297,541	654	1.81%
2016-2017				2,607,978		119,648,434		2,140,000		-		3,598,654		127,995,066	703	2.09%
2015-2016				3,217,089		111,464,668		2,235,000		-		4,860,255		121,777,012	674	2.08%
2014-2015				3,877,466		123,451,185		2,325,000		-		6,097,551		135,751,202	764	2.43%
2013-2014				5,065,436		127,485,183		2,410,000		6,415,592		7,262,686	50,273	148,689,170	847	2.65%
2012-2013				5,047,935		131,150,945		2,495,000		12,596,181		8,371,212	283,633	159,944,906	923	3.00%

Note: The primary government does not have any outstanding debt for business-type activities.

Source:

(1) District Records

(2) Total Primary Government Debt divided by Population and Per Capita Income from Table 18.

TABLE 12

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2022
(Unaudited)

Jurisdiction	Other Debt Outstanding	Direct Debt		Direct and Overlapping Debt (1)	
		Percentage Applicable to School Board of Hernando County	Amount Applicable to School Board of Hernando County	Percentage Applicable To Hernando County	Amount Applicable To Hernando County
Hernando County Board of County Commissioners:					
Non-Revolving Line of Credit Draws	\$ 10,586,500			100.00%	\$ 10,586,500
Non-Ad Valorem Refunding Bonds, Series 2012	8,608,000			100.00%	8,608,000
Non-Ad Valorem Refunding Bonds, Series 2010	<u>840,000</u>			100.00%	<u>840,000</u>
Subtotal Overlapping Debt	<u>20,034,500</u>				<u>20,034,500</u>
District School Board of Hernando County:					
State Board of Education Bonds, Series 2011A Refunding	50,000	100.00%	\$ 50,000	100.00%	50,000
State Board of Education Bonds, Series 2014A Refunding	164,000	100.00%	164,000	100.00%	164,000
State Board of Education Bonds, Series 2020A Refunding	630,000	100.00%	630,000	100.00%	630,000
Bonds Payable - Unamortized Premium	150,393	100.00%	150,393	100.00%	150,393
Certificates of Participation, Series 2013A	3,162,435	100.00%	3,162,435	100.00%	3,162,435
Certificates of Participation, Series 2016A	83,775,000	100.00%	83,775,000	100.00%	83,775,000
Certificates of Participation - Unamortized Premium	8,087,518	100.00%	8,087,518	100.00%	8,087,518
District Bonds - Master Lease	5,960,850	100.00%	5,960,850		5,960,850
Capital Improvement Bonds, Series 2020 Refunding	3,315,000	100.00%	3,315,000	100.00%	3,315,000
Capital Improvement Bonds - Unamortized Premium	<u>250,508</u>	100.00%	<u>250,508</u>	100.00%	<u>250,508</u>
Subtotal Direct Debt	<u>105,545,704</u>		<u>105,545,704</u>		<u>105,545,704</u>
Totals	<u>\$ 125,580,204</u>		<u>\$ 105,545,704</u>		<u>\$ 125,580,204</u>

(1) Overlapping governments are those whose geographic area coincides at least in part with the area of the District.

Source: District Records and Hernando County, Florida Annual Comprehensive Financial Report

TABLE 13

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
 CALCULATION OF LEGAL DEBT MARGIN
 LAST TEN FISCAL YEARS
 (Amounts Expressed in Thousands)
 (Unaudited)

	Fiscal Year Ending				
	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Taxable Value (1)	<u>\$ 8,228,070</u>	<u>\$ 7,925,320</u>	<u>\$ 8,174,271</u>	<u>\$ 8,408,354</u>	<u>\$ 8,730,587</u>
Debt Limit - 10% of Taxable Value (2)	<u>\$ 822,807</u>	<u>\$ 792,532</u>	<u>\$ 817,427</u>	<u>\$ 840,834</u>	<u>\$ 873,058</u>
Amount of Debt Applicable to the Debt Limit:					
Legal Debt Margin	<u>\$ 822,807</u>	<u>\$ 792,532</u>	<u>\$ 817,427</u>	<u>\$ 840,834</u>	<u>\$ 873,058</u>
Total Debt Applicable to the Debt Limit as a Percentage of the Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Provided by Hernando County Property Appraiser. The 2017 Taxable Value is based on the Final Certification dated October 5, 2017. All other years are based on re-certification values after the Value Adjustment Board.

(2) This schedule was previously presented as a requirement of State Board of Education Rule 6A-1.037(2), Florida Administrative Code, which established a legal debt limit of 10 percent of the assessed valuation of the District. This rule was repealed in March 2006, however, management believes this information may still be of value to users.

Source: District Records

TABLE 13 (Concluded)

Fiscal Year Ending				
June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
<u>\$ 9,346,958</u>	<u>\$ 9,949,228</u>	<u>\$ 9,980,807</u>	<u>\$ 11,477,508</u>	<u>\$ 12,437,585</u>
<u>\$ 934,696</u>	<u>\$ 994,923</u>	<u>\$ 998,081</u>	<u>\$ 1,147,751</u>	<u>\$ 1,243,759</u>
<u>\$ 934,696</u>	<u>\$ 994,923</u>	<u>\$ 998,081</u>	<u>\$ 1,147,751</u>	<u>\$ 1,243,759</u>
0.00%	0.00%	0.00%	0.00%	0.00%

TABLE 14

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
 RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS
 (Dollar Amounts Expressed in Thousands)
 (Unaudited)

Fiscal Year	Population (1)	Taxable Value	Gross General Bonded Debt (2)	Less Debt Service Funds (3)	Net General Bonded Debt	Ratio of Net General Bonded Debt to Taxable Value	Per Capita
2021-2022	199,207	\$ 12,437,585	\$ -	\$ -	\$ -	0.00%	
2020-2021	194,515	11,477,508	-	-	-	0.00%	
2019-2020	192,186	9,980,807	-	-	-	0.00%	
2018-2019	188,358	9,949,228	-	-	-	0.00%	
2017-2018	182,114	9,346,958	-	-	-	0.00%	
2016-2017	182,114	8,730,587	-	-	-	0.00%	
2015-2016	180,777	8,408,354	-	-	-	0.00%	
2014-2015	177,584	8,174,271	-	-	-	0.00%	
2013-2014	175,502	7,925,320	-	-	-	0.00%	
2012-2013	173,227	8,228,070	-	-	-	0.00%	

(1) Hernando County Monthly Demographics Update Summary - through December 2022

(2) Includes General Obligation Bonds only

(3) Reserved for Debt Service - General Obligation Bonds only

Source: District Records

TABLE 15

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
 ANTICIPATED CAPITAL OUTLAY MILLAGE LEVY
 REQUIRED TO COVER CERTIFICATES OF PARTICIPATION PAYMENTS
 LAST TEN FISCAL YEARS
 (Amounts Expressed in Thousands)
 (Unaudited)

Fiscal Year	Taxable Value	Annual Lease Payment	Millage Levy to Provide 1.00x Coverage (1)
2021-2022	\$ 12,437,585	\$ 8,243	0.690 Mills
2020-2021	11,477,508	8,680	0.788 Mills
2019-2020	9,980,807	8,236	0.860 Mills
2018-2019	9,949,228	8,245	0.863 Mills
2017-2018	9,346,958	8,241	0.918 Mills
2016-2017	8,730,587	7,144	0.852 Mills
2015-2016	8,408,354	5,891	0.730 Mills
2014-2015	8,174,271	9,254	1.179 Mills
2013-2014	7,925,320	9,376	1.232 Mills
2012-2013	8,228,070	9,641	1.221 Mills

(1) Millage rate calculated using 95 percent of the taxable value through Fiscal Year 2009-2010.
 Increased to 96 percent of taxable value beginning in Fiscal Year 2010-2011.

Note: Arrangements financed by certificates of participation are not considered general obligation debt as no specific property tax levy has been pledged.

Source: District Records

TABLE 16

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
 ANTICIPATED SALES TAX REVENUE COLLECTIONS
 REQUIRED TO COVER SALES TAX REVENUE BOND PAYMENTS
 LAST TEN FISCAL YEARS
 (Unaudited)

Fiscal Year	10-Year Sales Tax Revenue (1)	Principal	Interest and Dues & Fees	Annual Debt Service on Sales Tax Revenue Bonds	Sales Tax Revenue Coverage (2)
2021-2022	\$ 16,754,625	\$ -	\$ -	\$ -	-
2020-2021	13,157,697	-	-	-	-
2019-2020	11,578,748	-	-	-	-
2018-2019	11,015,453	-	-	-	-
2017-2018	11,353,186	-	-	-	-
2016-2017	10,391,995	-	-	-	-
2015-2016	4,955,233	-	-	-	-
2014-2015	5,284,711	6,415,000	118,175	6,533,175	0.81
2013-2014	9,007,765	6,180,000	353,449	6,533,449	1.38
2012-2013	8,206,074	5,995,000	578,938	6,573,938	1.25

(1) Collections on the District's second local option half-cent sales tax (10 Years) approved by the voters on March 9, 2004, began January 1, 2005 and ended December 31, 2014. The District issued \$45,000,000 in sales tax revenue bonds on November 1, 2006. The local half-cent sales tax (10 Years) was approved by the voters on September 8, 2015, and the District began collecting again on January 1, 2016.

(2) Sales tax revenue collections divided by the debt service on the sales tax revenue bonds.

Source: District Records

TABLE 17

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
COUNTY-WIDE DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Estimated Population (1)	Personal Income (2)	Per Capita Income (1)	Public School Enrollment (3)	Percentage of Students on Free and Reduced Lunch (5)	Labor Force (1)	Unemployment Rate % (1)	Median Age (1)	Citizens With a Bachelor's Degree (4)
2021-2022	199,207	\$ 9,179,459	\$ 46,080	25,554	60.2%	77,274	5.1%	48.8	19.1%
2020-2021	194,515	8,050,003	41,385	24,450	58.3%	76,582	8.3%	49.6	18.4%
2019-2020	192,186	7,345,925	38,223	22,398	57.3%	70,615	4.2%	49.4	17.5%
2018-2019	188,358	6,946,266	36,878	23,357	57.0%	71,547	3.2%	47.7	17.5%
2017-2018	185,604	6,711,626	36,161	23,340	65.0%	63,757	4.2%	49.2	17.1%
2016-2017	182,114	6,131,050	33,666	23,950	66.9%	67,842	5.9%	47.7	16.4%
2015-2016	180,777	5,843,436	32,324	23,621	69.3%	67,937	6.2%	47.7	15.5%
2014-2015	177,584	5,580,044	31,422	22,444	65.1%	66,785	7.0%	47.7	15.5%
2013-2014	175,502	5,603,252	31,927	22,186	64.3%	64,040	8.4%	47.7	15.7%
2012-2013	173,227	5,323,092	30,729	22,228	66.1%	63,513	8.9%	47.7	16.2%

Source:

(1) Hernando County Monthly Demographics Update Summary - through December 2022

(2) Personal Income was calculated by multiplying the Estimated Population and Per Capita Income. Personal Income stated in thousands.

(3) District enrollment records as of August 31, 2022

(4) U.S. Census Bureau - State & County Quickfacts

Bachelor's degree or higher, % of persons 25+, 2015-2019

(5) Food & Nutrition Data as of April 30, 2022 (Free 57.94% Reduced 2.28% =60.22%)

TABLE 18

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
 PRINCIPAL EMPLOYERS
 NON-RETAIL, NON-GOVERNMENT
 LAST TWO FISCAL YEARS
 (Unaudited)

Employer / Type of Business	2021-2022			2020-2021	
	Number of Employees	Rank	% (1)	Number of Employees	Rank
Citrus Memorial Health Care Systems	1,320	1	1.7%	1,320	1
Oak Hill Hospital Healthcare	1,089	2	1.4%	1,089	2
Hernando Healthcare	1,032	3	1.3%	1,032	3
Wal-Mart Distribution Center	1,020	4	1.3%	1,020	4
Heart Institute at Oak Hill Hospital Health Care	947	5	1.2%	947	5
HealthSouth	355	6	0.5%	355	6
Accuform, Inc. Manufacturer	280	7	0.4%	280	7
Cemex #426 Mining	250	8	0.3%	250	8
Hernando Pasco Hospice Healthcare	221	9	0.3%	221	9
Sparton Electronics Manufacturer	219	10	0.3%	219	10
Total	<u>6,733</u>		<u>8.7%</u>	<u>6,733</u>	

(1) Percentage shown represents the number of employees as a percent of Hernando County's total labor force of 77,274

TABLE 19

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
SCHOOL BUILDING INFORMATION AND STUDENT ENROLLMENT DATA
LAST TEN FISCAL YEARS
(Unaudited)

	Year Constructed (1)	Age of School in Years	Square Footage (2)	Permanent Student Stations (3)	Current Utilization Based on Permanent Student Stations	Relocatables	Relocatable Student Stations (4)
Elementary Schools:							
Brooksville Elementary	1968	54	120,515	839	76.4%	7	132
Chocachatti Elementary (Magnet)	1998	24	111,288	737	98.5%	7	256
Deltona Elementary	1989	33	114,971	743	109.8%	6	134
Eastside Elementary	1973	49	93,669	736	82.7%	5	105
John D. Floyd Elementary	1986	36	108,313	696	139.2%	16	451
Moton Elementary	1989	33	95,943	755	75.9%	3	80
Pine Grove Elementary	1988	34	123,523	742	116.6%	12	332
Spring Hill Elementary	1980	42	95,285	588	139.8%	11	291
Suncoast Elementary	1994	28	132,340	876	102.9%	2	66
Westside Elementary	1972	50	85,475	634	80.8%	13	240
Total Elementary School Student Enrollment							
Middle Schools:							
Fox Chapel Middle School	1978	44	123,502	1,142	64.2%	7	198
D. S. Parrott Middle School	1988	34	147,522	1,156	56.4%		
Powell Middle School	1984	38	157,398	1,259	77.9%		
West Hernando Middle School	1993	29	198,184	1,321	54.4%	3	132
Total Middle School Student Enrollment							
Combination Schools:							
Challenger K-8 School of Science and Mathematics (Magnet)	2004	18	241,418	1,741	84.8%	1	44
Explorer K-8	2008	14	277,548	2,076	79.8%		
Winding Waters K-8	2012	10	196,498	1,845	70.5%		
Total Combination School Student Enrollment							
High Schools:							
Central High School	1989	33	244,492	1,588	82.6%	4	100
Hernando High School	1962	60	247,679	1,661	72.8%	5	120
Nature Coast Technical High School (Magnet)	2001	21	255,290	1,440	92.2%		
Springstead High School	1975	47	224,751	1,683	102.3%	21	500
Weeki Wachee High School (Grades 9-12)	2011	11	211,964	1,665	80.7%		
Total High School Student Enrollment							
Specialty Schools:							
Endeavor Academy (formerly STAR Center)	1974	48	19,260	121	95.9%	4	70
Hernando eSchool	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Incarcerated Youth Program	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stop Camp/Withlacoochee DJJ	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Specialty Schools Student Enrollment							
Charter Schools:							
Best Academy	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gulf Coast Elementary School	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gulf Coast Middle School	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gulf Coast Academy of Science and Mathematics	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Charter School Student Enrollment							
Total Pre-Kindergarten to Grade 12 Student Enrollment							
Adult Education:							
Adult Education Centers	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Heart Literacy	1986	35	3,598	N/A	N/A	N/A	N/A
Total Adult Student Enrollment							
District Total Pre-Kindergarten to Adult Student Enrollment							

- (1) Year constructed date from the Florida Inventory of School Housing (FISH). This date does not reflect additions, renovations, replacements or remodeling. Average age of the schools is 33.4 years.
- (2) Square footage is current permanent and does not include portables.
- (3) Permanent student stations reflect student stations in permanent buildings which excludes student stations in relocatables.
- (4) Student stations in relocatable classrooms.
- (5) Permanent student stations reflect utilization factor per State Requirements for Educational Facilities (SREF).

Source: District Records

TABLE 19 (Concluded)

Student Enrollment									
2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
778	788	782	661	641	648	674	662	666	646
865	826	762	744	726	739	736	704	756	786
831	833	922	793	816	828	808	686	795	829
508	468	528	580	609	652	663	598	684	732
-	-	-	-	969	954	945	888	940	945
650	615	603	640	573	569	551	539	650	672
578	610	650	763	865	914	948	844	905	982
697	914	735	749	822	924	870	795	924	911
926	693	988	860	901	891	908	777	841	877
571	594	564	518	512	557	582	516	542	518
6,404	6,341	6,534	6,308	7,434	7,676	7,685	7,009	7,703	7,898
681	642	594	698	733	772	751	729	830	884
811	792	683	632	652	661	724	763	824	833
919	827	797	922	981	1,013	1,082	934	970	1,004
847	738	617	660	718	689	694	610	720	690
3,258	2,999	2,691	2,912	3,084	3,135	3,251	3,036	3,344	3,411
1,586	1,593	1,574	1,542	1,477	1,429	1,397	1,369	1,453	1,471
1,827	1,770	1,748	1,668	1,656	1,686	1,689	1,503	1,574	1,601
1,044	1,208	1,391	1,298	1,301	1,378	1,391	1,277	1,605	1,649
4,457	4,571	4,713	4,508	4,434	4,493	4,477	4,149	4,632	4,721
1,169	1,151	1,160	1,253	1,312	1,267	1,259	1,173	1,295	1,427
1,296	1,270	1,189	1,179	1,209	1,161	1,205	1,221	1,228	1,292
1,304	1,284	1,266	1,327	1,327	1,457	1,404	1,325	1,312	1,309
1,615	1,606	1,656	1,784	1,722	1,724	1,791	1,678	1,912	1,888
1,265	1,381	1,459	1,402	1,343	1,278	1,274	1,196	1,444	1,433
6,649	6,692	6,730	6,945	6,913	6,887	6,933	6,593	7,191	7,349
57	52	71	104	116	125	133	108	106	127
60	31	5	7	55	49	43	76	212	65
10	12	9	9	8	2	2	-	2	1
-	-	-	-	-	-	-	-	-	-
127	95	85	120	179	176	178	184	320	193
-	76	126	121	130	119	90	60	75	75
-	-	-	-	-	-	-	114	123	121
-	108	107	109	110	-	-	-	-	-
117	116	130	128	124	236	236	236	218	213
117	300	363	358	364	355	326	410	416	409
21,012	20,998	21,116	21,151	22,408	22,722	22,850	21,381	23,606	23,981
1	22	49	35	28	53	53	24	40	83
166	159	261	86	96	101	123	73	63	66
167	181	310	121	124	154	176	97	103	149
21,179	21,179	21,426	21,272	22,532	22,876	23,026	21,478	23,709	24,130

TABLE 20

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NUMBER OF PERSONNEL
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Classroom Teachers (1)	Other Instructional (2)	Administrative (3)	Support Services (4)	Total Full Time	Ratio of Instructional Personnel to Administrators
2021-2022	1,535	95	101	1,251	2,982	16.14
2020-2021	1,630	94	103	1,283	3,110	16.74
2019-2020	1,643	91	104	1,437	3,275	16.67
2018-2019	1,442	82	98	1,253	2,875	15.55
2017-2018	1,452	86	100	1,259	2,897	15.38
2016-2017	1,433	87	92	1,226	2,838	16.52
2015-2016	1,473	87	97	1,192	2,849	16.08
2014-2015	1,514	98	95	1,230	2,937	16.97
2013-2014	1,507	69	96	1,135	2,807	16.42
2012-2013	1,525	169	92	1,113	2,899	18.41

(1) Elementary classroom teachers, secondary classroom teachers, exceptional education teachers, other teachers.

(2) Guidance counselors, occupational specialists, social workers, psychologists, media specialists.

(3) Principals, assistant principals, superintendent, executive directors, directors, managers, coordinators.

(4) Paraprofessionals, bus drivers, clerical, secretarial, service workers, skilled craft, etc.

Source: District Records

TABLE 21

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
 AVERAGE TEACHER SALARIES
 LAST TEN FISCAL YEARS
 (Unaudited)

Fiscal Year	Bachelor's	Master's	Specialist's	Doctorate
2021-2022	\$ 47,500	\$ 50,000	\$ 51,000	\$ 52,000
2020-2021	46,120	48,620	49,620	50,620
2019-2020	48,398	50,898	51,898	52,898
2018-2019	46,321	48,821	49,821	50,821
2017-2018	46,729	49,229	50,229	51,229
2016-2017	45,777	48,277	49,277	50,277
2015-2016	45,034	47,534	48,534	49,534
2014-2015	43,026	48,930	48,131	47,402
2013-2014	40,614	49,042	40,453	52,577
2012-2013	40,872	47,773	47,841	48,932

Source: District Records

TABLE 22

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year		Government-Wide Governmental Activities Expenses	Public School Enrollment (1)	Percentage Change	Cost per Student	Percentage Change	Classroom Teachers	Percentage Change	Pupil Teacher Ratio
2021-2022	\$	241,895,374	25,554	4.5%	\$ 9,466	-4.4%	1,535	-5.8%	16.65
2020-2021		242,051,015	24,450	9.2%	9,900	-4.9%	1,630	-0.8%	15.00
2019-2020		233,039,439	22,398	-4.8%	10,404	13.1%	1,643	13.9%	13.63
2018-2019		217,385,088	23,533	0.8%	9,237	-0.5%	1,442	-0.7%	16.32
2017-2018		216,702,802	23,340	-2.5%	9,285	9.5%	1,452	1.3%	16.07
2016-2017		203,166,169	23,950	1.4%	8,483	0.7%	1,433	-2.7%	16.71
2015-2016		199,052,650	23,621	5.2%	8,427	-6.8%	1,473	-2.7%	16.04
2014-2015		203,030,347	22,444	1.2%	9,046	-2.9%	1,514	0.5%	14.82
2013-2014		206,783,822	22,186	-0.2%	9,320	4.7%	1,507	-1.2%	14.72
2012-2013		197,926,671	22,228	-1.0%	8,904	0.5%	1,525	-3.2%	14.58

(1) Enrollment includes grades pre-kindergarten through adult students.

Source: District Records

COMPLIANCE SECTION





HERNANDO
SCHOOL DISTRICT

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**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
COMPLIANCE SECTION**

This part of the District School Board of Hernando County, Florida's annual comprehensive financial report presents specific compliance information.

Content	Page
Schedule of Expenditures of Federal Awards	120
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	121
Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	123
Schedule of Findings and Questioned Costs	126
Independent Accountant's Report	128
Management Letter	129
Management Letter Comments	131
Management Response Letter	132
Impact Fee Affidavit	133

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
Clustered			
Child Nutrition Cluster			
United States Department of Agriculture:			
Florida Department of Agriculture and Consumer Services:			
School Breakfast Program	10.553	21002	\$ 3,187,547
National School Lunch Program	10.555	21001, 21003	13,017,115
Total Child Nutrition Cluster			<u>16,204,662</u>
Student Financial Assistance Cluster			
United States Department of Education:			
Federal Pell Grant Program	84.063	N/A	189,112
Special Education Cluster			
United States Department of Education:			
Florida Department of Education:			
Special Education - Grants to States	84.027	262,263	4,852,752
Special Education - Preschool Grants	84.173	267	74,233
Total Special Education Cluster			<u>4,926,985</u>
Not Clustered			
United States Department of Agriculture			
Florida Department of Health:			
Child and Adult Care Food Program	10.558	A-4575	568,860
Child and Adult Care Food Program - COVID-19	10.558	A-4575	43,533
Total United States Department of Agriculture			<u>612,393</u>
United States Department of Defense			
Air Force Junior Reserve Officers Training Corps	12 UNK	N/A	139,056
Navy Junior Reserve Officers Training Corps	12 UNK	N/A	88,274
Total United States Department of Defense			<u>227,330</u>
United States Department of Justice			
Public Safety Partnership and Community Policing Grants	16.710	N/A	223,243
Total United States Department of Justice			<u>223,243</u>
United States Department of Education			
Florida Department of Education:			
Higher Education Emergency Relief Fund - Student Aid	84.425E	201	51,687
COVID-19 Governor's Emergency Education Relief Fund	84.425C	123 120	54,494
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	124 128	11,334,817
Education Technology State Grants	84.425U	121,122	1,559,453
			<u>13,000,451</u>
Adult Education - Basic Grants to States	84.002	191,193	235,403
Title I Grants to Local Educational Agencies	84.010	212,226	5,759,248
Career and Technical Education - Basic Grants to States	84.048	161	351,837
Education for Homeless Children and Youth	84.196	127	77,068
Charter Schools	84.282A	298	152,727
English Language Acquisition State Grants	84.365	102	99,659
Supporting Effective Instruction State Grants	84.367	224	914,062
Student Support and Academic Enrichment Program	84.424	241	417,436
Total United States Department of Education			<u>8,007,440</u>
Total Expenditures of Federal Awards			<u>\$ 43,391,616</u>

The notes below are an integral part of this Schedule.

Notes:

- (1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Hernando County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2020. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position.
- (2) **Summary of Significant Accounting Policies.** Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (3) **Indirect Cost Rate.** The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- (4) **Non-Cash Assistance.** (A) National School Lunch Program - Includes -0- of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

**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**

Hernando County District School Board and
Superintendent of Schools
Brooksville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Hernando County District School Board (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 27, 2023.

Our report includes a reference to other auditors, who audited the financial statements of the discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

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

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Superintendent of Schools
Brooksville, Florida

**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***

in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-1 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



February 27, 2023
Ocala, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Hernando County District School Board and
Superintendent of Schools
Brooksville, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Hernando County District School Board's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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). 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 District 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. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities 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 District's federal programs.

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Brooksville, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District'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 will always detect material non-compliance when it exists. The risk of not detecting material non-compliance 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. Non-compliance 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 District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, 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 District'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 District'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, but not for the purpose of expressing an opinion on the effectiveness of District'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, non-compliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control*

Hernando County District School Board and
Superintendent of Schools
Brooksville, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 or significant deficiencies in internal control over compliance may exist that were not 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.



February 27, 2023
Ocala, Florida

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
--	------------

Internal control over financial reporting:

Material weakness(es) identified?	No
-----------------------------------	----

Significant deficiency(ies) identified?	Yes
---	-----

Non-compliance material to financial statements noted?	No
--	----

Federal Awards

Internal control over the major Federal program:

Material weakness(es) identified?	No
-----------------------------------	----

Significant deficiency(ies) identified?	None reported
---	---------------

Type of auditor's report issued on compliance for the major Federal program:	Unmodified
--	------------

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
--	----

Identification of the major Federal program:

AL Numbers: 84.425 (E, F, C, D, U) 84.027 and 84.173	Name of Federal Program or Cluster: Education Stabilization Fund Special Education Grants to States and Special Education-Preschool Grants
--	--

Dollar threshold used to distinguish between type A and type B programs:	\$1,301,748
--	-------------

Auditee qualified as low risk auditee?	Yes
--	-----

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

SECTION II - FINANCIAL STATEMENT FINDINGS

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters are reported.

HERNANDO COUNTY SCHOOL BOARD SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Audit Report No. Finding No.	Program/Area	Brief Description	Status	Comments
Purvis, Gray and Company, LLP (2017-1) Updated for 2022	Inventory and tracking of Capital Assets and Construction in Progress	District procedures over capital assets need improvement.	Continues to need improvement.	The District will strengthen its procedures to provide complete physical inventories each year and follow up for any items not located during annual physical inventories.

INDEPENDENT ACCOUNTANT'S REPORT

Hernando County District School Board and
Superintendent of Schools
Brooksville, Florida

We have examined the Hernando County District School Board's (the District) compliance with the requirements of Section 218.415, Florida Statutes, with regards to the District's investments during the year ended June 30, 2022. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, 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 other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements during the fiscal year ended June 30, 2022.

This report is intended solely for the information and use of the Florida Auditor General, the Board of Supervisors of the District, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



February 27, 2023
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MANAGEMENT LETTER

Hernando County District School Board and
Superintendent of Schools
Brooksville, Florida

Report on the Financial Statements

We have audited the financial statements of the Hernando County District School Board (the District) as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated February 27, 2023. Our report includes a reference to other auditors. Other auditors audited the financial statements of three charter schools included in the aggregate discretely presented component units, as described in our report on the District's financial statements. This letter does not include the results of the other auditors, and such information related to those audits is reported on separately by those auditors.

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 10.800, *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 the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for each Major Federal Program and on Report on Internal Control over Compliance Required by the Uniform Guidance, Schedule of Findings and Questioned Costs, and our Independent Accountant's Report on an examination conducted in accordance with the AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.800, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated February 27, 2023, 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 our preceding annual financial audit report for the fiscal year-end June 30, 2020. (State of Florida Auditor General's office performed the audit for the fiscal year-end June 30, 2021) See Schedule of Findings and Questioned Costs comment 2017-1 and prior year management letter comments.

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Hernando County District School Board and
Superintendent of Schools
Brooksville, Florida

MANAGEMENT LETTER

Financial Condition and Management

Section 10.804(1)(f)2, *Rules of the Auditor General*, requires us to communicate whether or not the District met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.804(1)(i)5.a. and 10.805(7), *Rules of the Auditor General*, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.

Section 10.804(1)(f)3, *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. There were no new recommendations to improve financial management.

Transparency

Section 10.804(1)(f)6., *Rules of the Auditor General*, requires that we communicate the results of our determination as to whether the District maintains on its website the information specified in Section 1011.035, Florida Statutes. In connection with our audit, we determined that the District maintained on its website the information specified in Section 1011.035, Florida Statutes.

Additional Matters

Section 10.804(1)(f)4, *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note 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 District School Board members, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.



February 27, 2023
Ocala, Florida

MANAGEMENT LETTER COMMENTS

Hernando County District School Board and
Superintendent of Schools
Brooksville, Florida

During the course of the 2022 audit, the following items came to your attention. These items involve primarily operational matters, if improved, will result in more efficient and effective operations.

Prior Year Comment

2020-01 Perpetual Inventory System

An inventory observation was completed during fieldwork for the warehouse department. Several differences between the system inventory reports and amounts on hand were noted during the inventory recount process. Per discussion with the Hernando County District School Board, it was noted that there were several newer staff members and potential training issues that resulted in discrepancies between the system and amounts on hand. We also compared individual recount sheets and final system report for the fiscal year-end (June 30, 2022) to ensure that the amounts reported on the financial statements were properly supported.

The other fiscal year 2020 prior year management comments were resolved.

We recommend that management provide additional training to staff members and perform more frequent counts to determine the effectiveness of the training.



February 27, 2023
Ocala, Florida

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The School District of Hernando County, Florida

Joyce McIntyre, Director of Finance

919 N. Broad Street

Brooksville, FL 34601

Phone: (352) 797-7004

Fax: (352) 797-7104



**HERNANDO
SCHOOL DISTRICT**

Learn it. Love it. Live it.

Superintendent: John Stratton
Board Chairperson: Gus Guadagnino
Vice Chairperson: Susan Duval
Board Members:
Mark Johnson
Linda Prescott
Shannon Rodriguez

February 27, 2023

Helen Y. Painter, CPA, Partner
Purvis Gray & Company
2347 SE 17th Street
Ocala, FL 34471

Re: Hernando County District School Board Preliminary and Tentative Audit Findings for the Fiscal Year Ended June 30, 2022

Dear Ms. Painter,

In response to your recent letter regarding the Annual Comprehensive Financial Report for the Hernando County District School Board fiscal year end June 30, 2022, you will find the status of the corrective actions taken as seen below to the audit findings and the supporting documentation to ensure compliance with the laws and regulations that were cited by the auditors.

Audit Finding 2020-01: Perpetual Inventory System

The District has implemented the auditor's recommendation by establishing written procedures and provided training to all staff on the management of inventory levels. Staff has been trained on how to monitor and perform physical inventory counts on a quarterly basis. This training involved how to receive, ship, monitor, count, and reconcile physical counts to the inventory management system.

If you should have any questions or concerns, please feel free to contact me at (352)-797-7004.

Sincerely,

Joyce McIntyre

Cc: John Stratton, Superintendent
Heather Martin, Assistant Superintendent of Business & Support Operations
Gina Michalicka, Assistant Superintendent of Teaching & Learning
Lisa Becker, Executive Director of Business Services

FLORIDA DEPARTMENT OF EDUCATION
AFFIDAVIT ON IMPACT FEES

STATE OF FLORIDA

HERNANDO COUNTY SCHOOL DISTRICT

To the best of my knowledge, I hereby declare that all impact fees collected and expended by my school district, or on its behalf for fiscal year 2021-22, were in full compliance with the spending period provision in the local ordinance or resolution, and that funds expended from each impact fee account were used only to acquire, construct or improve specific infrastructure needs.

NAME OF AFFIANT Joyce McIntyre (please print)

SIGNATURE OF AFFIANT Joyce McIntyre

TITLE Director of Finance (CFO or equivalent)

Sworn to and subscribed before me this 9th day of September, 2022.

Kendra L. Sittig
SIGNATURE OF NOTARY PUBLIC, STATE OF FLORIDA

Kendra L. Sittig

(Print, Type, or Stamp Commissioned Name of Notary Public)

(Check one)

☒ Affiant personally known to notary



Or

☐ Affiant produced identification

Type of Identification Produced: None