

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF

THE DISTRICT SCHOOL BOARD
OF HERNANDO COUNTY, FLORIDA

FOR THE FISCAL YEAR ENDED
JUNE 30, 2021





HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF

THE DISTRICT SCHOOL BOARD
OF HERNANDO COUNTY, FLORIDA

FOR THE FISCAL YEAR ENDED
JUNE 30, 2021



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, 2021

TABLE OF CONTENTS

INTRODUCTORY SECTION

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

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.....	16
Statement of Activities.....	17
Fund Financial Statements:	
Balance Sheet - Governmental Funds	19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	22
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	24
Statement of Fiduciary Net Position - Fiduciary Fund	25
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	26
Notes to the Financial Statements.....	27
Required Supplementary Information:	
Budgetary Comparison Schedule – General Fund	61
Budgetary Comparison Schedule – Special Revenue Fund Federal Education Stabilization Fund	66
Budgetary Comparison Schedule – Special Revenue Fund-Other Federal Programs.....	68
Schedule of Net Changes in OPEB Plan Liability Other Postemployment Benefits Plan	70
Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan	71
Schedule of District Contributions – Florida Retirement System Pension Plan.....	72
Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan	73

Schedule of District Contributions – Health Insurance Subsidy	
Pension Plan	74
Notes to Required Supplementary Information	75
Other Supplementary Information:	
Combining and Individual Fund Statements:	
Combining Balance Sheet - Nonmajor Governmental Funds.....	76
Combining Statement of Revenues, Expenditures, and Changes in	
Fund Balances - Nonmajor Governmental Funds	78
Other Supplementary Information - Budgetary Comparison Schedules:	
Special Revenue Funds:	
Food Service	80
Internal Accounts	81
Debt Service Funds:	
SBE/COBI Bonds	82
Special Act Bonds	83
Other Debt Service.....	84
Capital Projects Funds:	
Public Education Capital Outlay (PECO)	85
Capital Outlay and Debt Service	86
Local Capital Improvement	87
Other Capital Projects	88
Nonmajor Component Units:	
Combining Schedule of Net Position - Nonmajor Component Units.....	89
Combining Schedule of Activities - Nonmajor Component Units.....	91

Table

STATISTICAL SECTION

Financial Trend Information:

Net Position by Component – Government-Wide	1	93
Changes in Net Position – Government-Wide	2	95
Governmental Activities Tax Revenues by Source	3	97
Fund Balances of Governmental Funds	4	99
Summary of Revenues, Expenditures, and Changes in Fund		
Balances of Governmental Funds	5	101

Revenue Capacity Information:

General Governmental Activities Tax Revenues by Source	6	103
Fair Market Value, Assessed Value, and Taxable Value of Property	7	104
Property Tax Rates - Direct and Overlapping Governments	8	105
Principal Property Taxpayers.....	9	107
Property Tax Levies and Collections	10	108

Debt Capacity Information:

Ratios of Outstanding Debt by Type	11	109
Direct and Overlapping Governmental Activities Debt.....	12	110
Calculation of Legal Debt Margin.....	13	111
Ratio of Net General Bonded Debt Outstanding.....	14	113

Anticipated Capital Outlay Millage Levy Required to Cover Certificates of Participation Payments.....	15	114
Anticipated Sales Tax Revenue Collections Required to Cover Sales Tax Revenue Bond Payments.....	16	115
Demographic and Economic Information:		
County-Wide Demographic Statistics	17	116
Principal Employers Non-Retail, Non-Government.....	18	117
Operating Information:		
School Building Information and Student Enrollment Data	19	118
Number of Personnel.....	20	120
Average Teacher Salaries	21	121
Operating Statistics	22	122
COMPLIANCE SECTION		
Schedule of Expenditures of Federal Awards.....		123
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 <i>Government Auditing Standards</i>		124
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance.....		126
Schedule of Findings and Questioned Cost		129
Prior Audit Follow-Up		130
Summary Schedule of Prior Audit Findings		131



(THIS PAGE INTENTIONALLY LEFT BLANK)

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



Superintendent: John Stratton

Board Chairperson: Gus Guadagnino

Vice Chairperson: Susan Duval

Board Members:

Kay Hatch

Jimmy Lodato

Linda K. Prescott

Learn it. Love it. Live it.

March 25, 2022

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, 2021, 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 Florida Auditor General. 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, 2021, 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, 2021. 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 2020-2021 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 24,450 prekindergarten through adult students. The projected prekindergarten through grade 12 student enrollment for fiscal year 2021-2022 is 24,544 unweighted full-time equivalent students. The average age of the school buildings within the District is approximately 33.4 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 12.6 percent or 21,737 since the 2010 census. The County's current population as of April 1, 2020, is 194,515 with anticipated growth estimated to be 218,237 in the year 2030 and 235,005 in the year 2040. The median age is 49.6 years.

The local area economy continues to be affected by the national and State economic downturn. Unemployment rate increased during 2020-2021 and remains high at 8.3 percent for Hernando County and 3.3 percent for the State as of January 2022. The County's rate is reportedly higher than the national average of 4.0 percent during the same period.

The final property tax roll for Hernando County increased approximately \$908 million or 8.60 percent, bringing the tax roll to \$11.47 billion for the 2020-2021 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 3,110 full-time employees, including 1,630 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.

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 2021 graduation rate for Hernando School District is 91%, a decrease of 0.7 percentage points over last year's rate and 0.9 percentage points about the state's average.

More than 43 percent of Hernando County School District teachers have earned Master degrees or higher. Additionally, the District has 28 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

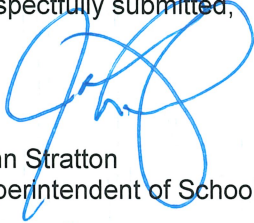
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District School Board of Hernando County for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. This was the nineteenth 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 & Purchasing

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)



Kay Hatch
District 1
Member Since Nov. 2018



Linda K. Prescott
District 2
Member Since Nov. 2016



Jimmy Lodato
District 3
Member Since Nov. 2018



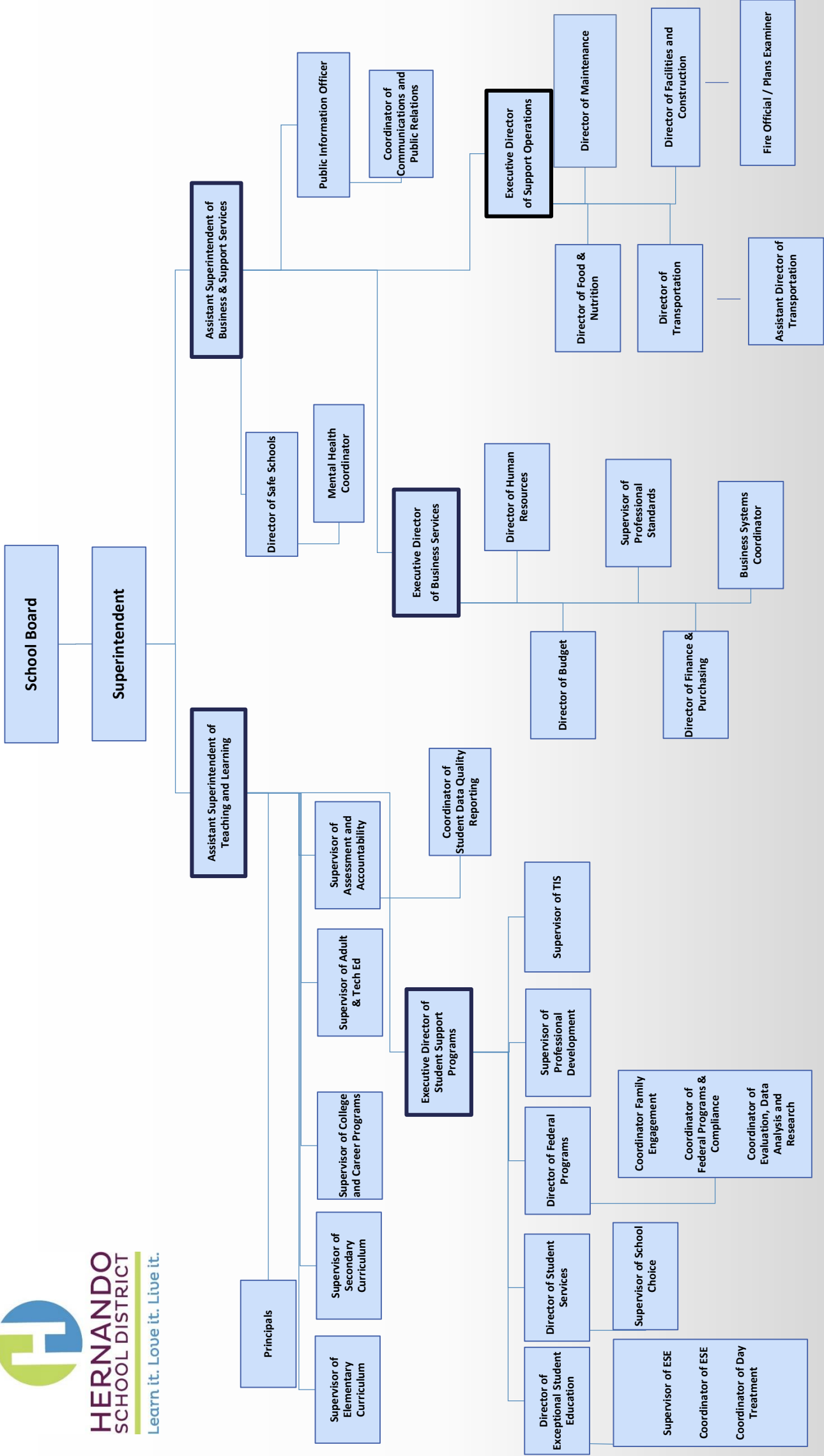
Gus Guadagnino
District 4
Member Since Nov 2012



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

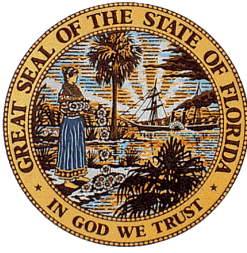
**District School Board of Hernando County
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
Fax: (850) 488-6975

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

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, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the school internal funds, which represent 11 percent, 0 percent, 0 percent, 11 percent, 14 percent, and 10 percent, respectively, of the assets, liabilities, deferred inflows of resources, net position and fund balances, additions and revenues, and deductions and expenditures of the aggregate remaining fund information. In addition, we did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units columns. The financial statements of the school internal funds and the aggregate discretely presented component units were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those financial statements, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United

States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of 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 Hernando County District School Board, as of June 30, 2021, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I. to the financial statements, the District implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, which is a change in accounting principle that addresses accounting and financial reporting for fiduciary activities. This affects the comparability of amounts reported for the 2020-21 fiscal year with amounts reported for the 2019-20 fiscal year. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS**, the **Budgetary Comparison Schedule – General Fund**; **Budgetary Comparison Schedule – Special Revenue – Federal Education Stabilization Fund**; **Budgetary Comparison Schedule – Special Revenue – Other Federal Programs**; **Schedule of Net Changes in OPEB Plan Liability** **Other Postemployment Benefits Plan**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan**, **Schedule of District Contributions – Florida Retirement System Pension Plan**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension**

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules and the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Also, the accompanying **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*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual fund statements and schedules and the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund statements and schedules, and the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, are fairly stated in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements

and other matters included under the heading **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**. 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.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 23, 2022
Audit Report No. 2022-170

FINANCIAL SECTION





HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021**

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, 2021. 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 2020-2021 fiscal year are as follows:

- Total Net Position increased by \$7,664,461, which is a 3.36 percent increase from the 2019-2020 fiscal year. The majority of this increase is due to grants and contributions not restricted to specific programs, property taxes collected during the year, and half cent sales tax collections.
- General revenues totaled \$234,854,122 or 94.05 percent, of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital gains and contributions total \$14,861,354, or 5.95 percent, of all revenues.
- Expenses total \$242,051,015; only \$14,861,354 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 \$235,945,314.
- The total combined assigned and unassigned fund balance of the General Fund representing the net fund balance that is spendable and not restricted, totals \$31,187,112, or 17.30 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, liabilities, and deferred inflows/outflows of resources using an economic resources measurement focus. Assets plus deferred outflows of resources, less liabilities and deferred inflows of resources,

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021

equals net position, which is a measure of the District's financial health. 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, student personnel services, administration, student 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 Academy, and Gulf Coast Elementary School., and Hernando County Education Direct Support Organization, Inc. (Foundation), all of 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 16-18 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, Special Revenue – Other Federal Programs 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 seven governmental funds are combined into a single, aggregated presentation.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021**

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

The basic governmental fund financial statements and the budgetary comparison schedules for the General and major Special Revenue Funds presented as required supplementary information can be found on pages 19-24 and 61-69.

- **Fiduciary Funds.** Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties. 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 basic fiduciary funds financial statements can be found on pages 25-26 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 27-60 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, required supplementary information can be found on pages 70-74 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 76-88 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the District's net position as of June 30, 2021, compared to net position as of June 30, 2020:

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021**

Net Position, End of Year

	Governmental Activities	
	June 30, 2021	June 30, 2020
Current and Other Assets	\$ 95,572,076	\$ 80,678,185
Capital Assets	<u>386,760,111</u>	<u>383,839,771</u>
Total Assets	<u>482,332,187</u>	<u>464,517,956</u>
Deferred Outflows of Resources	<u>46,768,827</u>	<u>42,440,923</u>
Long-Term Liabilities	282,192,177	261,975,482
Other Liabilities	<u>771,971</u>	<u>2,373,972</u>
Total Liabilities	<u>282,964,148</u>	<u>264,349,454</u>
Deferred Inflows of Resources	<u>10,191,552</u>	<u>16,254,283</u>
Net Position:		
Net Investment in Capital Assets	281,484,392	277,874,189
Restricted	56,297,775	38,946,428
Unrestricted	<u>(101,836,853)</u>	<u>(90,465,475)</u>
Total Net Position	<u>\$ 235,945,314</u>	<u>\$ 226,355,142</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, 2021 and June 30, 2020, are as follows:

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021**

Operating Results for the Fiscal Year Ended

	Governmental Activities	
	June 30, 2021	June 30, 2020
Revenues:		
Program Revenues:		
Charges for Services	\$ 628,119	\$ 557,944
Operating Grants and Contributions	13,037,352	12,519,029
Capital Grants and Contributions	1,195,883	948,688
General Revenues:		
Property Taxes	65,618,052	63,000,979
Local Sales Tax	13,157,697	11,578,748
Grants and Contributions Not Restricted to Specific Programs	150,721,592	136,360,977
Unrestricted Investment Earnings	78,700	328,709
Miscellaneous	5,278,081	7,896,989
Total Revenues	<u>249,715,476</u>	<u>233,192,063</u>
Functions/Program Expenses:		
Instruction	129,183,841	122,952,772
Student Personnel Services	10,743,255	10,305,339
Instructional Media Services	1,354,828	1,499,407
Instruction and Curriculum Development Services	5,844,572	5,909,931
Instructional Staff Training Services	4,043,552	3,158,097
Instruction Related Technology	566,717	599,914
Board	555,285	549,206
General Administration	2,242,723	2,135,155
School Administration	12,927,212	12,665,115
Facility Services - Non-Capitalized	781,908	1,115,028
Fiscal Services	2,228,554	1,008,056
Food Services	14,812,812	13,692,564
Central Services	2,709,875	2,555,810
Student Transportation Services	7,855,689	8,070,432
Operation of Plant	19,049,816	18,265,529
Maintenance of Plant	6,539,336	7,227,468
Administrative Technology Services	3,115,093	4,592,787
Community Services	11,424	10,358
Unallocated Interest on Long-Term Debt	3,315,159	3,391,682
Unallocated Depreciation Expense	14,169,364	13,334,789
Total Functions/Program Expenses	<u>242,051,015</u>	<u>233,039,439</u>
Change in Net Position	<u>7,664,461</u>	<u>152,624</u>
Net Position, Beginning	226,355,142	226,202,518
Adjustment to Beginning Net Position (1)	<u>1,925,711</u>	<u>-</u>
Net Position - Beginning, as Restated	<u>228,280,853</u>	<u>226,202,518</u>
Net Position, Ending	<u>\$ 235,945,314</u>	<u>\$ 226,355,142</u>

(1) In the 2020-21 fiscal year, the adjustment to beginning net position is due to the District implementing GASB Statement No.84 and reporting the school internal funds as part of governmental activities.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021**

The total governmental net position increased by \$9,590,172 during the current year, as compared to a net increase of \$152,624 in the previous year. Total revenues increased by \$16,253,413 compared to the prior year. The increase in revenues was mainly in grants and contributions not restricted to specific programs that total \$14,360,615, or 5.75 percent, of all revenues. District expenses increased \$9,011,576. The increase in expenditures resulted from new teacher salary increase, additional allocations to schools due to growth and reduced schedules, and a significant increase in the employers Florida Retirement System contribution. Direct instructional expenses, including school administration, increased \$7,687,049. Unallocated expenses for interest and depreciation increased \$758,052.

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 \$88,705,202, an increase of \$14,341,527 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, 2021 and June 30, 2020.

Fund Balance	June 30, 2021	June 30, 2020	Increase (Decrease)	Percentage Change
Major Governmental Funds:				
General Fund	\$ 34,378,258	\$ 29,960,482	\$ 4,417,776	14.75%
Local Capital Improvement Fund	11,844,516	10,610,313	1,234,203	11.63%
Other Capital Projects	25,792,706	17,753,499	8,039,207	45.28%
Other Governmental Funds (nonmajor)	16,689,722	16,039,381	650,341	4.05%
Total Fund Balance	<u>\$ 88,705,202</u>	<u>\$ 74,363,675</u>	<u>\$ 14,341,527</u>	<u>19.29%</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 \$17,337,550, while total fund balance was \$34,378,258. As a measure of the General Fund's liquidity, it may be useful to compare both assigned and unassigned fund balance and total fund balance to total revenues. Unassigned fund balance represents 9.62 percent of General Fund revenues, while total assigned and unassigned fund balance represents 17.30 percent of that same amount.

During the current fiscal year, the total fund balance of the General Fund increased by \$4,417,776.

The Special Revenue – Federal Education Stabilization Fund has total revenues and expenditures of \$4,611,955 each and the funding was mainly used for materials and supplies and capital outlay for the 2020-21 fiscal year. Because grant revenues are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021**

The Special Revenue – Other Fund has total revenues and expenditures of \$14,078,665 each and the funding was mainly used for instructional salaries and benefits for the 2020-21 fiscal year. Because grant revenues are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

Capital Projects – Local Capital Improvement Fund. The fund balance of the Capital Projects – Local Capital Improvement Fund increased by \$1,234,203 to \$11,844,516. This increase was primarily due to an increase in property taxes.

Capital Projects – Other Capital Projects Fund. The fund balance of the Capital Projects – Other Capital Projects Fund increased by \$8,039,207 to \$25,792,706. The majority of the increase is due to impact fee and half cent sales tax collections. This fund is restricted for educational capital outlay needs, including new construction, renovations and remodeling projects, and debt service payments.

The following schedule shows the changes in General Fund revenues and transfers in for fiscal years ended June 30, 2021 and June 30, 2020:

General Fund Revenues and Other Financing Sources	June 30, 2021	June 30, 2020	Increase (Decrease)	Percentage Change
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 223,901	\$ 284,900	\$ (60,999)	-21.41%
Miscellaneous Federal Direct	217,530	-	217,530	100.00%
Federal through State Sources:				
Medicaid	1,570,561	998,624	571,937	57.27%
Other Federal through State Sources	193,277	420,695	(227,418)	-54.06%
State Sources:				
Florida Education Finance Program (FEFP)	100,812,326	98,320,833	2,491,493	2.53%
Categorical Programs	24,303,819	24,705,998	(402,179)	-1.63%
Other State Sources	45,270	97,428	(52,158)	-53.53%
Local Sources:				
Ad Valorem Taxes	48,974,618	47,658,751	1,315,867	2.76%
Interest Income	39,901	688,789	(648,888)	-94.21%
Other Local Sources	3,911,349	3,290,708	620,641	18.86%
Total Revenues	<u>\$ 180,292,552</u>	<u>\$ 176,466,726</u>	<u>\$ 3,825,826</u>	2.17%
Other Financing Sources:				
Transfers In	1,278,213	1,618,319	(340,106)	-21.02%
Other Financing Sources	21,055	29,612	(8,557)	-28.90%
Total Revenues and Other Financing Sources	<u>\$ 181,591,820</u>	<u>\$ 178,114,657</u>	<u>\$ 3,477,163</u>	1.95%

During the 2020-2021 fiscal year, Revenues and Other Financing Sources increased by \$3,477,163, or 1.95 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, 2021 and June 30, 2020:

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021**

General Fund Expenditures by Major Object	June 30, 2021	June 30, 2020	Increase (Decrease)	Percentage Change
Salaries	\$ 113,499,541	\$ 113,838,685	\$ (339,144)	-0.30%
Employee Benefits	34,874,872	33,261,220	1,613,652	4.85%
Purchased Services	14,635,256	14,117,353	517,903	3.67%
Energy Services	5,725,153	5,998,074	(272,921)	-4.55%
Materials and Supplies	4,886,042	4,939,585	(53,543)	-1.08%
Capital Outlay	2,427,412	3,654,237	(1,226,825)	-33.57%
Other Expenditures	1,125,768	1,166,456	(40,688)	-3.49%
Total Expenditures by Major Object	<u>\$ 177,174,044</u>	<u>\$ 176,975,610</u>	<u>\$ 198,434</u>	0.11%

General Fund expenditures increased by \$198,434 or 0.11 percent. The largest portions of General Fund expenditures are for salaries and employee benefits with \$148,374,413 expended, or 83.75 percent, of total expenditures in the 2020-2021 fiscal year compared to \$147,099,905, or 83.12 percent, in the 2019-2020 fiscal year.

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, 2021:

General Fund Revenues and Other Financing Sources	Original Budget	Final Budget	Increase (Decrease)	Percentage Change
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 193,000	\$ 223,901	\$ 30,901	16.01%
Miscellaneous Federal Direct	-	217,530	217,530	100.00%
Federal through State Sources:				
Medicaid	980,000	1,570,561	590,561	60.26%
Other Federal through State Sources	263,715	193,277	(70,438)	-26.71%
State Sources:				
Florida Education Finance Program (FEFP)	101,977,300	100,134,574	(1,842,726)	-1.81%
Categorical Programs	24,878,920	24,888,920	10,000	0.04%
Other State Sources	102,500	137,921	35,421	34.56%
Local Sources:				
Ad Valorem Taxes	48,609,846	48,949,012	339,166	0.70%
Interest Income	550,000	39,901	(510,099)	-92.75%
Other Local Sources	1,400,128	3,936,955	2,536,827	181.19%
Other Financing Sources:				
Transfers In	1,056,560	1,278,213	221,653	20.98%
Other Financing Sources	-	21,055	21,055	100.00%
Total Revenues and Other Financing Sources	<u>\$ 180,011,969</u>	<u>\$ 181,591,820</u>	<u>\$ 1,579,851</u>	0.88%

Final budgeted revenues and other financing sources for the General Fund when compared to the initial budget were \$1,579,851, or 0.88 percent higher. Medicaid actual billing reimbursements increased \$590,561 than anticipated during budget planning. In addition, actual collections from Other Local Sources resulted in an increase of \$2,536,827 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, 2021:

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021**

General Fund Expenditures By Function	Original Budget	Final Budget	Increase (Decrease)	Percentage Change
Current:				
Instruction	\$ 120,319,117	\$ 112,014,473	\$ (8,304,644)	-6.90%
Pupil Personnel Services	6,652,196	7,960,116	1,307,920	19.66%
Instructional Media Services	1,205,440	1,267,135	61,695	5.12%
Instruction and Curriculum Development	2,479,307	2,695,600	216,293	8.72%
Instructional Staff Training	838,334	723,650	(114,684)	-13.68%
Instruction Related Technology	291,398	370,462	79,064	27.13%
School Board	701,988	519,598	(182,390)	-25.98%
General Administration	1,460,041	1,577,317	117,276	8.03%
School Administration	12,026,252	12,096,392	70,140	0.58%
Facility Services - Non Capitalized	567,796	731,528	163,732	28.84%
Fiscal Services	1,020,680	930,266	(90,414)	-8.86%
Central Services	2,574,472	2,534,836	(39,636)	-1.54%
Pupil Transportation Services	9,425,499	7,267,205	(2,158,294)	-22.90%
Operation of Plant	18,658,896	17,296,776	(1,362,120)	-7.30%
Maintenance of Plant	5,390,475	5,490,122	99,647	1.85%
Administrative Related Technology Services	1,961,674	2,913,586	951,912	48.53%
Community Services	13,550	10,690	(2,860)	-21.11%
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	774,292	774,292	100.00%
Total Expenditures by Function	<u>\$ 185,587,115</u>	<u>\$ 177,174,044</u>	<u>\$ (8,413,071)</u>	-4.53%

The final budgeted expenditures and other financing uses were lower than the original budget by \$8,413,071, or 4.53 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, 2021, amounts to \$386,760,111 (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 \$2,920,340 in the District's investment in capital assets (net of accumulated depreciation) for the current fiscal year was 0.76 percent.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021**

	Governmental Activities	
	June 30, 2021	June 30, 2020
Land	\$ 10,646,224	\$ 10,304,474
Improvements Other Than Buildings	10,410,660	10,295,332
Buildings and Fixed Equipment	343,781,491	340,638,935
Furniture, Fixtures, and Equipment	7,886,624	7,350,431
Motor Vehicles	3,430,448	2,305,590
Construction in Progress	10,604,664	12,945,009
Total Capital Assets	<u>\$ 386,760,111</u>	<u>\$ 383,839,771</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 \$95,963,412. This amount is comprised of \$91,546,412 in Certificates of Participation (COPs) and Bonds Payable of \$4,417,000, which is backed by full faith and credit of the State of Florida.

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 \$4,736,872 of principal payments on long-term debt as follows:

State School Bonds	\$ 163,000
Other Debt Service:	
District Revenue Bonds	100,000
Certificates of Participation	<u>4,473,872</u>
Total Principal Payments	<u>\$4,736,872</u>

Additional information on the District's long-term debt can be found in Notes 4 through 7 of this report.

ECONOMIC FACTORS AND FORECAST

As of June 2021, the unemployment rate for Hernando County is currently 8.3 percent, which is a increase from the rate of 4.2 percent a year ago. This compares to the State's average unemployment rate of 3.3 percent. These factors were considered in preparing the District budget for the 2021-2022 fiscal year.

During the current fiscal year, the fund balance in the General Fund increased by \$4,417,776 to \$34,378,258. Included in this total, the District has inventories and prepaid of \$1,220,315 that are classified as non-spendable, and \$1,901,307 in State categorical funds reported as

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021**

restricted, and \$69,524 in Workforce Development. Assigned fund balance also includes \$11,234,940 for FTE shortfall and \$2,614,622 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, 2022, will be in excess of 3 percent of General Fund revenues.

At the time of issuance, the COVID-19 pandemic has created economic disruptions throughout the country causing significant declines in the financial markets and economic activity overall. The ultimate effect of these items is expected to be significant but is not quantifiable at this time.

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.



(THIS PAGE LEFT INTENTIONALLY BLANK)

BASIC FINANCIAL STATEMENTS





HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Primary Government Governmental Activities	Component Units
ASSETS		
Cash and Cash Equivalents	\$ 36,974,124	1,387,860
Investments	47,263,757	-
Accounts Receivable	37,004	163,460
Due from Other Agencies	4,491,064	7,433
Inventories	1,448,164	203,584
Prepaid Items	-	3,436
Asset Held for Sale	-	466,581
Capital Credits Receivable	4,987,936	-
Bond Insurance	370,027	-
Capital Assets:		
Nondepreciable Capital Assets	21,250,888	-
Depreciable Capital Assets, Net	365,509,223	149,039
Total Assets	482,332,187	2,381,393
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	2,908,615	-
Pensions	43,860,212	-
Total Deferred Outflows of Resources	46,768,827	-
LIABILITIES		
Salaries and Benefits Payable	-	87,870
Accounts Payable	771,971	84,247
Long-Term Liabilities:		
Due Within One Year	9,329,192	118,098
Due in More Than One Year	272,862,985	108,573
Total Liabilities	282,964,148	398,788
DEFERRED INFLOWS OF RESOURCES		
Unearned Revenue	736,940	-
Gain on Refunding	580,310	-
Other Postemployment Benefits	3,091,165	-
Pensions	5,783,137	-
Total Deferred Inflows of Resources	10,191,552	-
NET POSITION		
Net Investment in Capital Assets	281,484,392	425,647
Restricted for:		
State Required Carryover Programs	1,970,831	-
Food Service	5,842,346	-
Debt Service	7,271,467	-
Capital Projects	39,414,329	-
Other Purposes	1,798,802	-
Unrestricted	(101,836,853)	1,556,958
Total Net Position	\$ 235,945,314	\$ 1,982,605

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, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary Government:			
Governmental Activities:			
Instruction	\$ 129,183,841	\$ 496,167	\$ -
Student Personnel Services	10,743,255	-	-
Instructional Media Services	1,354,828	-	-
Instruction and Curriculum Development Services	5,844,572	-	-
Instructional Staff Training Services	4,043,552	-	-
Instruction Related Technology	566,717	-	-
Board	555,285	-	-
General Administration	2,242,723	-	-
School Administration	12,927,212	-	-
Facility Services - Non-Capitalized	781,908	-	-
Fiscal Services	2,228,554	-	-
Food Services	14,812,812	83,477	13,037,352
Central Services	2,709,875	-	-
Student Transportation Services	7,855,689	48,475	-
Operation of Plant	19,049,816	-	-
Maintenance of Plant	6,539,336	-	-
Administrative Technology Services	3,115,093	-	-
Community Services	11,424	-	-
Unallocated Interest on Long-Term Debt	3,315,159	-	-
Unallocated Depreciation Expense *	14,169,364	-	-
Total Primary Government	\$ 242,051,015	\$ 628,119	\$ 13,037,352
Component Units			
Educational Foundation/Charter School	\$ 4,752,798	\$ 280,966	\$ 1,659,923

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Local Sales Taxes

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position - Beginning

Adjustment to Beginning Net Position

Net Position - Beginning, as Restated

Net Position - Ending

* 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.

(Continued)

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position	
	Primary Government Governmental Activities	Component Units
\$ -	\$ (128,687,674)	\$ -
-	(10,743,255)	-
-	(1,354,828)	-
-	(5,844,572)	-
-	(4,043,552)	-
-	(566,717)	-
-	(555,285)	-
-	(2,242,723)	-
-	(12,927,212)	-
666,329	(115,579)	-
-	(2,228,554)	-
-	(1,691,983)	-
-	(2,709,875)	-
-	(7,807,214)	-
317,570	(18,732,246)	-
-	(6,539,336)	-
-	(3,115,093)	-
-	(11,424)	-
211,984	(3,103,175)	-
-	(14,169,364)	-
<u>\$ 1,195,883</u>	<u>(227,189,661)</u>	<u>-</u>
<u>\$ 177,688</u>	<u>-</u>	<u>(2,634,221)</u>

48,974,618	-
16,643,434	-
13,157,697	-
150,721,592	3,393,854
78,700	-
5,278,081	-
<u>234,854,122</u>	<u>3,393,854</u>
7,664,461	759,633
226,355,142	1,222,972
1,925,711	-
<u>228,280,853</u>	<u>1,222,972</u>
<u>\$ 235,945,314</u>	<u>\$ 1,982,605</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue - Federal Education Stabilization Fund	Special Revenue - Other Federal Programs Fund
ASSETS			
Cash and Cash Equivalents	\$ 4,768,495	-	-
Investments	26,643,544	-	-
Accounts Receivable	23,558	-	-
Due from Other Funds	1,186,753	-	-
Due from Other Agencies	1,089,928	498,795	745,922
Inventories	1,220,315	-	-
TOTAL ASSETS	34,932,593	498,795	745,922
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	554,335	51,830	6,134
Due to Other Funds	-	446,965	739,788
Total Liabilities	554,335	498,795	745,922
Deferred Inflows of Resources:			
Unearned Revenue	-	-	-
Total Deferred Inflows of Resources	-	-	-
Fund Balances:			
Nonspendable	1,220,315	-	-
Spendable:			
Restricted	1,970,831	-	-
Assigned	13,849,562	-	-
Unassigned	17,337,550	-	-
Total Fund Balances	34,378,258	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 34,932,593	\$ 498,795	\$ 745,922

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

(Continued)

Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
1,812,522	16,561,193	13,831,914	\$ 36,974,124
10,093,788	8,628,597	1,897,828	47,263,757
-	800	12,646	37,004
-	-	-	1,186,753
3,188	1,374,910	778,321	4,491,064
-	-	227,849	1,448,164
<u>11,909,498</u>	<u>\$ 26,565,500</u>	<u>16,748,558</u>	<u>91,400,866</u>
64,982	91,527	3,163	771,971
-	-	-	1,186,753
<u>64,982</u>	<u>91,527</u>	<u>3,163</u>	<u>1,958,724</u>
-	681,267	55,673	736,940
-	<u>681,267</u>	<u>55,673</u>	<u>736,940</u>
-	-	227,849	1,448,164
11,844,516	25,792,706	16,461,873	56,069,926
-	-	-	13,849,562
-	-	-	17,337,550
<u>11,844,516</u>	<u>25,792,706</u>	<u>16,689,722</u>	<u>88,705,202</u>
<u>\$ 11,909,498</u>	<u>\$ 26,565,500</u>	<u>\$ 16,748,558</u>	<u>\$ 91,400,866</u>



(THIS PAGE LEFT INTENTIONALLY BLANK)

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Total Fund Balances - Governmental Funds \$ 88,705,202

Amounts reported for governmental activities in the statement of net position 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.

Nondepreciable Capital Assets	\$ 21,250,888	
Depreciable Capital Assets, Net	<u>365,509,223</u>	386,760,111

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.	4,987,936
---	-----------

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	\$ 43,860,212	
Deferred Inflows of Resources	<u>(5,783,137)</u>	38,077,075

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	\$ 2,908,615	
Deferred Inflows of Resources	<u>(3,091,165)</u>	(182,550)

Bond insurance costs related to the issuance of debt is reported as an asset in the government-wide statements and amortized over the life of the debt, but is not reported in the governmental funds.	370,027
--	---------

The gain on refunded debt is reported as a deferred inflow of resources in the government-wide statements and amortized over the life of the debt, but is not reported in the governmental funds.	(580,310)
---	-----------

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	\$ (4,853,826)	
Certificates of Participation Payable	(100,211,610)	
Other Postemployment Benefits Payable	(15,690,296)	
Net Pension Liability	(144,669,124)	
Compensated Absences Payable	<u>(16,767,321)</u>	<u>(282,192,177)</u>

Total Net Position - Governmental Activities \$ 235,945,314

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, 2021

	General Fund	Special Revenue - Federal Education Stabilization Fund
Revenues		
Intergovernmental:		
Federal Direct	\$ 441,431	\$ -
Federal Through State and Local	1,763,838	4,611,955
State	125,161,415	-
Local:		
Property Taxes Levied for Operational Purposes	48,974,618	-
Property Taxes Levied for Capital Projects	-	-
Local Sales Taxes	-	-
Impact Fees	-	-
Charges for Service - Food Services	-	-
Other	3,951,250	-
Total Revenues	<u>180,292,552</u>	<u>4,611,955</u>
Expenditures		
Current:		
Instruction	112,014,473	1,493,725
Student Personnel Services	7,960,116	3,743
Instructional Media Services	1,267,135	-
Instruction and Curriculum Development Services	2,695,600	50,940
Instructional Staff Training Services	723,650	1,162,580
Instruction Related Technology	370,462	-
Board	519,598	-
General Administration	1,577,317	-
School Administration	12,096,392	-
Facility Services - Non-Capitalized	731,528	757,716
Fiscal Services	930,266	-
Food Services	-	-
Central Services	2,534,836	-
Student Transportation Services	7,267,205	30,681
Operation of Plant	17,296,776	133,975
Maintenance of Plant	5,490,122	588,265
Administrative Technology Services	2,913,586	-
Community Services	10,690	-
Debt Service:		
Principal	-	-
Interest and Fiscal Charges	-	-
Dues and Fees	-	-
Capital Outlay:		
Facilities Acquisition and Construction	774,292	-
Other Capital Outlay	-	390,330
Total Expenditures	<u>177,174,044</u>	<u>4,611,955</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,118,508</u>	<u>-</u>
Other Financing Sources (Uses)		
Transfers In	1,278,213	-
Insurance Loss Recoveries	21,055	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	<u>1,299,268</u>	<u>-</u>
Net Change in Fund Balances	4,417,776	-
Fund Balances, July 1, 2020	29,960,482	-
Adjustments to Fund Balances	-	-
Fund Balances, July 1, 2020, as restated	<u>29,960,482</u>	<u>-</u>
Fund Balances, June 30, 2021	<u>\$ 34,378,258</u>	<u>\$ -</u>

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

(Continued)

Special Revenue - Other Federal Programs Fund	Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 441,431
14,078,665	-	-	14,017,965	34,472,423
-	-	789,224	1,452,083	127,402,722
-	-	-	-	48,974,618
-	16,643,434	-	-	16,643,434
-	-	13,157,697	-	13,157,697
-	-	3,833,301	-	3,833,301
-	-	-	83,477	83,477
-	21,601	83,153	2,706,046	6,762,050
14,078,665	16,665,035	17,863,375	18,259,571	251,771,153
5,303,859	-	-	-	118,812,057
2,085,161	-	-	-	10,049,020
-	-	-	-	1,267,135
2,708,083	-	-	-	5,454,623
1,859,288	-	-	-	3,745,518
159,833	-	-	-	530,295
-	-	-	-	519,598
521,268	-	-	-	2,098,585
-	-	-	-	12,096,392
932,156	1,286,105	273,057	-	3,980,562
-	-	-	2,673,480	3,603,746
-	-	-	13,855,274	13,855,274
-	-	-	-	2,534,836
46,813	-	-	-	7,344,699
-	-	-	-	17,430,751
-	-	-	-	6,078,387
-	-	-	-	2,913,586
-	-	-	-	10,690
-	-	-	4,736,872	4,736,872
-	-	-	3,942,783	3,942,783
-	-	-	11,914	11,914
-	2,491,007	9,056,415	58,599	12,380,313
462,204	2,302,706	494,696	403,110	4,053,046
14,078,665	6,079,818	9,824,168	25,682,032	237,450,682
-	10,585,217	8,039,207	(7,422,461)	14,320,471
-	-	-	8,250,489	9,528,702
-	-	-	-	21,055
-	(9,351,014)	-	(177,688)	(9,528,702)
-	(9,351,014)	-	8,072,801	21,055
-	1,234,203	8,039,207	650,340	14,341,526
-	10,610,313	17,753,499	14,113,671	72,437,965
-	-	-	1,925,711	1,925,711
-	10,610,313	17,753,499	16,039,382	74,363,676
\$ -	\$ 11,844,516	\$ 25,792,706	\$ 16,689,722	\$ 88,705,202

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, 2021

Net Change in Fund Balances - Governmental Funds \$ 14,341,526

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 capital outlays and other adjustments in excess of depreciation expense in the current period.

Capital Outlay - Facilities and Construction - Governmental Funds	\$ 12,380,313	
Capital Outlay - Other Capital Outlay - Governmental Funds	4,053,046	
Other Adjustments	678,679	
Less: Depreciation Expense	<u>(14,191,698)</u>	2,920,340

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 of repayments in the current period. 4,736,872

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	\$ 9,715,629	
Less: Current Year	<u>(9,102,024)</u>	613,605

Bond Insurance for the 2016 COPS Refunding Debt Amortization		
Prior Year	\$ (394,696)	
Less: Current Year	<u>370,027</u>	(24,669)

Gain on Refunding of the 2005 COPS - Amortization		
Prior Year	\$ 618,998	
Less: Current Year	<u>(580,310)</u>	38,688

The net change in the pension liability and deferred outflows and inflows is reported in the government-wide statements, but not in the governmental fund statements.

Increase in Pension Liability	\$ (25,351,836)	
Increase in Deferred Outflows of Resources-Pension	2,970,107	
Decrease in Deferred Inflows of Resources-Pension	<u>6,742,659</u>	(15,639,070)

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	\$ 4,987,936	
Less: Prior Year Accruals	<u>(4,670,366)</u>	317,570

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 paid in excess of the amount earned in the current period. 1,103,284

The net change in the other postemployment benefits liability and deferred outflows and inflows is reported in the government-wide statements, but not in the governmental fund statements.

Increase in Other Postemployment Benefits Liability	\$ (1,318,620)	
Increase in Deferred Outflows of Resources-Other Postemployment Benefits	1,357,797	
Increase in Deferred Inflows of Resources-Other Postemployment Benefits	<u>(782,862)</u>	\$ (743,685)

Change in Net Position - Governmental Activities \$ 7,664,461

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 FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Private-Purpose Trust Fund
	<u> </u>
ASSETS	
Cash and Cash Equivalents	\$ 342
Investments	<u>50,055</u>
TOTAL ASSETS	<u><u>\$ 50,397</u></u>
NET POSITION	
Held in Trust for Scholarships and Other Purposes	<u><u>\$ 50,397</u></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 FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Private-Purpose Trust Fund
	<u> </u>
ADDITIONS	
Investment Earnings	<u>\$ 37</u>
DEDUCTIONS	
Scholarship Payments	<u> 6,400</u>
Change in Net Position	(6,363)
Net Position, July 1, 2020	<u> 56,760</u>
Net Position, June 30, 2021	<u><u>\$ 50,397</u></u>

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 Board's reporting entity:

■ **Blended Component Unit**

The Hernando School Board Leasing Corporation (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. (Foundation) and the following charter schools: Brooksville Engineering, Science & Technology, Inc.; the Gulf Coast Academy of Science and Technology, Inc.; and the 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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

accountable for the charter schools as the District established the charter schools by approval of the charter, which is 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.

■ **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. Nonmajor 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:

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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.

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

Special Revenue – Other Federal Programs Fund - to account for certain Federal grant program resources.

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.

Additionally, the District reports the following fiduciary fund type:

Private-Purpose Trust Fund - to account for resources of the Hernando High School Renaissance Scholarship Endowment Funds 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 accrual basis of accounting, as are the fiduciary funds 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.

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

The Foundation shown as a discretely presented component unit, is accounted for under the not-for-profit basis of accounting and uses the accrual basis of accounting whereby revenues are recognized when earned, and expenses are recognized when incurred.

Deposits

The District's cash and cash equivalents are considered to be demand deposits. On June 30, 2021, the carrying amount of the District's bank deposit accounts was \$36,974,124 (Statement of Net Position) and \$342 (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. The Fiduciary Funds consider cash as those accounts used as demand deposit accounts.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 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 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.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 so 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.

Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction.

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.

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.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 position 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 position that applies to future periods 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 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 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.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 2020 tax levy on September 8, 2020. 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.

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.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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.

Accounting Changes

Implementation of Governmental Accounting Standards Board Statement No. 84 and Adjustment to Beginning Net Position

The District implemented GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The District does not consider the school internal funds to meet the criteria for reporting as fiduciary activities due to the District's administrative involvement with those funds. As such, the beginning net position and fund balance of the statement of activities and other governmental funds were each increased by \$1,925,711.

Implementation of Governmental Accounting Standards Board Statement No. 98

The District implemented GASB Statement No 98, *The Annual Comprehensive Financial Report*. The Statement establishes the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 \$47,263,757 (Statement of Net Position) and \$50,055 (Fiduciary Funds), consist of amounts placed in a Local Government Surplus Funds Trust Fund, 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.

As of June 30, 2021, the District has the following investments and maturities:

<u>Security Type</u>	<u>Value</u>	<u>Average Duration</u>
External Investment Pools:		
State Board of Administration:		
Florida PRIME	\$ 18,973,746	50 days
Debt Service Accounts	23,127	6 months
Florida Palm	28,266,884	53 days
U.S. Treasury Bonds (Fiduciary Fund)	50,055	1.63 years
Total	<u>\$ 47,313,812</u>	52 days

The Florida PRIME (the SBA) June 30, 2021, report was the source for the weighted average maturity and credit rating for Florida PRIME. <https://www.sbafla.com/prime/>.

The Fund Fact Sheet as of June 30, 2021, was the source for the Florida PALM (formerly Florida Education Investment Trust Fund (FEIT)) credit rating and weighted average maturity. <http://www.feitfund.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, 2021, the investment portfolio had a weighted average duration of .14 years. A portfolio's WAM reflects

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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.

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, 2021, \$47,263,757 of the District's investment securities were individually rated "AAAm" by Standard & Poor's, and \$50,055 rated "Aaa" by Moody's Investors Services.

The District's bank balance of \$36,974,466 was deposited in a qualified public depository, as required by Chapter 280, Florida Statutes.

As of June 30, 2021, the District had the following credit quality:

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

Security Type	Credit Rating	Portfolio Asset Allocation
State Board of Administration:		
Florida PRIME	AAAm	40.10%
Florida PRIME (Debt Service Accounts)	N/A	0.06%
External Investment Pool:		
Florida PALM	AAAm	59.74%
U.S. Treasury Securities	Aaa	0.10%
Total		<u>100.00%</u>

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 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, 2021, 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 issuers.

As of June 30, 2021, the District had the following issuer concentration based on fair value:

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

<u>Security Type</u>	<u>Value</u>	<u>Asset Allocation</u>
External Investment Pool:		
State Board of Administration:		
Florida PRIME	\$ 18,973,746	40.10%
Debt Service Accounts	23,127	0.06%
Florida Palm	28,266,884	59.74%
U.S. Treasury Bonds	50,055	0.10%
Total	<u><u>\$ 47,313,812</u></u>	<u><u>100.00%</u></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:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 10,304,474	\$ 341,750	\$ -	\$ 10,646,224
Construction in Progress	12,945,009	5,571,133	(7,911,478)	10,604,664
Total Capital Assets Not Being Depreciated	<u>23,249,483</u>	<u>5,912,883</u>	<u>(7,911,478)</u>	<u>21,250,888</u>
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	32,286,072	1,465,386	-	33,751,458
Buildings and Fixed Equipment	511,232,086	13,639,998	-	524,872,084
Furniture, Fixtures, and Equipment	46,337,601	2,425,484	(136,140)	48,626,945
Motor Vehicles	17,172,175	1,579,765	-	18,751,940
Total Capital Assets Being Depreciated	<u>607,027,934</u>	<u>19,110,633</u>	<u>(136,140)</u>	<u>626,002,427</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	(21,990,740)	(1,350,058)	-	(23,340,798)
Buildings and Fixed Equipment	(170,593,151)	(10,497,442)	-	(181,090,593)
Furniture, Fixtures, and Equipment	(38,987,170)	(1,889,291)	136,140	(40,740,321)
Motor Vehicles	(14,866,585)	(454,907)	-	(15,321,492)
Total Accumulated Depreciation	<u>(246,437,646)</u>	<u>(14,191,698)</u>	<u>136,140</u>	<u>(260,493,204)</u>
Total Capital Assets Being Depreciated, Net	<u>360,590,288</u>	<u>4,918,935</u>	<u>-</u>	<u>365,509,223</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 383,839,771</u></u>	<u><u>\$ 10,831,818</u></u>	<u><u>\$ (7,911,478)</u></u>	<u><u>\$ 386,760,111</u></u>

Depreciation expense was charged to functions as follows:

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

<u>Function</u>	<u>Amount</u>
Governmental Activities:	
Facility Services - Non-Capitalized	\$ 137
Food Services	5,913
Central Services	938
Operation of Plant	3,585
Maintenance of Plant	7,633
Student Transportation Services	2,736
Administrative Technology Services	1,392
Unallocated	14,169,364
Total Depreciation Expense - Governmental Activities	\$ 14,191,698

Note 4 - Certificates of Participation

The District entered into various financing arrangements each of which was characterized as a lease-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; \$29,162,000 for the Certificates of Participation, Series 2013A; and \$90,645,000 for the Certificates of Participation, Series 2016A. The Certificates of Participation, Series 2013A and Certificates of Participation, Series 2016A were used to advance refund the outstanding Certificates of Participation, Series 2003A and Certificates of Participation, Series 2005, respectively. The financings were accomplished through the issuance of Certificates of Participation to be repaid from the proceeds of rents paid by 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.

As a condition of the financing arrangement, the District has given ground leases on District property to the Leasing Corporation, with terms ranging from 20 to 30 years.

The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to surrender the sites included under the Ground Lease 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 ground leases under this arrangement include land on which the projects have been constructed. The projects related to the ground leases are as follows:

Series 2016A Certificates

Explorer K-8 School
Winding Waters K-8 School
Grade Specific Additions to Pine Grove Elementary

Series 2013A Certificates

Challenger K-8 School of Science and
Mathematics

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

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

The lease 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 lease 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 lease payments under the lease agreements together with the present value of minimum lease payments as of June 30:

Fiscal Year Ending June 30,	Total	Principal	Interest
2022	\$ 8,243,164	\$ 4,608,977	\$ 3,634,187
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
2027-2031	43,276,500	33,295,000	9,981,500
2032-2035	34,612,850	32,165,000	2,447,850
Total Minimum Lease Payments	120,342,528	91,546,412	28,796,116
Unamortized COP Premiums	8,665,198	8,665,198	-
Total	\$ 129,007,726	\$ 100,211,610	\$ 28,796,116

Note 5 - Bonds Payable

Bonds payable at June 30, 2021, 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
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

<u>Bond Type</u>	<u>Original Debt Issue Amount</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
State School Bonds:				
Series 2011A, Refunding	\$ 365,000	\$ 100,000	3.0 - 5.0	2023
Series 2014A, Refunding	523,000	222,000	3.0 - 5.0	2025
Series 2020A, Refunding	758,000	695,000	2.0 - 5.0	2030
Subtotal	1,646,000	1,017,000		
Unamortized Premium	281,191	177,370		
State School Bonds	<u>1,927,191</u>	<u>1,194,370</u>		
District Revenue Bonds:				
Series 2020, Refunding	3,500,000	3,400,000	3.0 - 4.0	2050
Unamortized Premium	268,403	259,456		
Revenue Bonds	<u>3,768,403</u>	<u>3,659,456</u>		
Total Bonds Payable	<u>\$ 5,695,594</u>	<u>\$ 4,853,826</u>		

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,

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

construction, and installation of, and renovation to, 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 2020 issuance with a present value savings of \$288,508.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2021, are as follows:

Fiscal Year Ending June 30,	Total	Principal	Interest
State School Bonds			
2022	\$ 217,515	\$ 173,000	\$ 44,515
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
2027-2030	381,700	346,000	35,700
	<u>1,208,960</u>	<u>1,017,000</u>	<u>191,960</u>
Unamortized Bond Premium	<u>177,370</u>	<u>177,370</u>	<u>-</u>
Total State School Bonds	<u>1,386,330</u>	<u>1,194,370</u>	<u>191,960</u>
District Revenue Bonds			
2022	202,725	85,000	117,725
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
2027-2031	1,018,350	555,000	463,350
2032-2036	859,550	505,000	354,550
2037-2041	825,375	575,000	250,375
2042-2046	826,700	680,000	146,700
2047-2050	668,550	630,000	38,550
	<u>5,213,250</u>	<u>3,400,000</u>	<u>1,813,250</u>
Unamortized Bond Premium	<u>259,456</u>	<u>259,456</u>	<u>-</u>
Total Revenue Bonds	<u>5,472,706</u>	<u>3,659,456</u>	<u>1,813,250</u>
Total District Revenue Bonds	<u>\$ 6,859,036</u>	<u>\$ 4,853,826</u>	<u>\$ 2,005,210</u>

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, 2021, bonds considered defeased in substance are as follows:

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

Bond Issues	Amount Outstanding
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	1,825,000
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:

Description	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due in One Year
Governmental Activities					
Bonds Payable	\$ 4,680,000	\$ -	\$ 263,000	\$ 4,417,000	\$ 258,000
Unamortized Premium	472,751	-	35,925	436,826	35,924
Total Bonds Payable	<u>5,152,751</u>	<u>-</u>	<u>298,925</u>	<u>4,853,826</u>	<u>293,924</u>
 Certificates of Participation Payable	 96,020,284	 -	 4,473,872	 91,546,412	 4,608,977
Unamortized Premium	9,242,878	-	577,680	8,665,198	577,680
Total Certificates of Participation Payable	<u>105,263,162</u>	<u>-</u>	<u>5,051,552</u>	<u>100,211,610</u>	<u>5,186,657</u>
 Other Postemployment Benefits	 14,371,676	 3,196,351	 1,877,731	 15,690,296	 1,080,147
Net Pension Liability (1)	119,317,288	71,474,348	46,122,512	144,669,124	1,768,464
Compensated Absences Payable	17,870,605	2,719,660	3,822,944	16,767,321	1,000,000
Total Governmental Activities	<u>\$ 261,975,482</u>	<u>\$ 77,390,359</u>	<u>\$ 57,173,664</u>	<u>\$ 282,192,177</u>	<u>\$ 9,329,192</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*, 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.

GASB Statement No. 54 provides two major types of fund balances, which are nonspendable and spendable. Nonspendable 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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The District has inventory items that are considered nonspendable. The District has no nonspendable funds related to endowments.

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. The District's restricted fund balance total is \$56,069,926 which represents \$1,901,307 in State Categorical programs, \$69,524 for workforce development programs, \$5,614,497 for food services, \$7,271,467 for debt service, \$39,414,329 for capital projects, and \$1,798,802 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 \$13,849,562 which consists of \$11,234,940 assigned for District project carryforwards, and \$2,614,622 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 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 \$17,337,550.

The following is a schedule of Fund Balances by category at June 30, 2021:

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

	Major Funds			Non-Major Funds	Total Governmental Funds
	General	Capital Projects - Local Capital Improvement	Capital Projects - Other Capital Projects		
Fund Balances:					
Non-Spendable:					
Inventory and Prepaids	\$ 1,220,315	\$ -	\$ -	\$ 227,849	\$ 1,448,164
Restricted:					
State Categoricals	1,901,307	-	-	-	1,901,307
Workforce Development	69,524	-	-	-	69,524
Debt Service	-	-	-	7,271,467	7,271,467
Capital Projects	-	11,844,516	25,792,706	1,777,107	39,414,329
Food Services	-	-	-	5,614,497	5,614,497
Internal Accounts	-	-	-	1,798,802	1,798,802
Assigned:					
District Project Carryforwards	11,234,940	-	-	-	11,234,940
Health Insurance Rebates / Profit Sharing	2,614,622	-	-	-	2,614,622
Unassigned:	17,337,550	-	-	-	17,337,550
Total Fund Balances	\$34,378,258	\$ 11,844,516	\$ 25,792,706	\$16,689,722	\$ 88,705,202

At the end of the fiscal year, the assigned/unassigned General Fund balance was \$31,187,112, or 17.30%, 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	\$ 1,186,753	\$ -
Special Revenue:		
Federal Education Stabilization	-	446,965
Other Federal Programs	-	739,788
Total Governmental Funds	\$ 1,186,753	\$ 1,186,753

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.

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

<u>Funds</u>	<u>Inter-fund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
Major:		
General	\$ 1,278,213	\$ -
Capital Projects:		
Local Capital Improvement	-	9,351,014
Nonmajor Governmental	8,250,489	177,688
Total Governmental Funds	<u>\$ 9,528,702</u>	<u>\$ 9,528,702</u>

Inter-fund transfers represent permanent transfers of moneys between funds. In general, funds are transferred from 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 2020-2021 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program:	
Transportation	\$ 5,260,314
Instructional Materials	1,734,553
Florida Teachers Lead	443,482
Other	92,696,225
Categorical Educational Program - Class Size Reduction	24,305,383
Motor Vehicle License Tax (Capital Outlay and Debt Service)	876,894
Workforce Development Program	573,537
Food Service Supplement	186,330
Charter School Capital Outlay	177,688
Interest on Investment of Bond Reserves	14,574
Miscellaneous	1,133,742
Total	<u><u>\$ 127,402,722</u></u>

Note 11 - Property Taxes

The following is a summary of millages and taxes levied on the 2020 tax roll for 2020-2021 fiscal year; taxes budgeted are stated at 96 percent of the actual tax roll levy to allow for early payments discounts and uncollectable amounts:

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

	<u>Millages</u>	<u>Taxes Budgeted</u>
General Fund		
Non-Voted School Tax:		
Required Local Effort	3.665	\$ 40,370,516
Basic Discretionary Local Effort	0.748	8,239,330
Capital Projects Fund		
Nonvoted Tax:		
Local Capital Improvements	1.500	16,522,721
Total	<u>5.913</u>	<u>\$ 65,132,567</u>

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 Web site (www.dms.myflorida.com).

The District's FRS and HIS pension expense totaled \$23,637,570 for the fiscal year ended June 30, 2021.

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:

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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.

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 pension benefits with an FRS participating employer.

■ **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 of 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:

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

<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.

■ **Contributions**

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

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	10.00
FRS, Elected County Officers	3.00	49.18
FRS, Senior Management Service	3.00	27.29
DROP – Applicable to		
Members from All of the Above Classes	0.00	16.98
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.

The District's contributions to the Plan totaled \$ 6,355,456 for the fiscal year ended June 30, 2021.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

At June 30, 2021, the District reported a liability of \$101,925,850 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the District's 2019-20 fiscal year contributions relative to the total 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the District's proportionate share was 0.235169322% which was an increase of 0.000421903% from its proportionate share measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized the Plan pension expense of \$20,399,795. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions 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	\$ 3,900,910	\$ -
Change of Assumptions	18,451,822	-
Net Difference Between Projected and Actual Earnings	6,068,763	-
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	332,700	2,035,039
District FRS Contributions Subsequent to the Measurement Date	6,355,456	-
Total	<u><u>\$ 35,109,651</u></u>	<u><u>\$ 2,035,039</u></u>

The deferred outflows of resources related to pensions, totaling \$6,355,456, 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 ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2022	\$ 4,921,359
2023	8,616,419
2024	7,630,074
2025	4,538,427
2026	1,012,877
Total	<u><u>\$ 26,719,156</u></u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

■ **Actuarial Assumptions**

The total pension liability in the July 1, 2020, 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 July 1, 2020, 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 and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate (Property)	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Total	100.00%			
Assumed inflation - Mean			2.4%	1.7%

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

■ **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. The discount rate used in the 2020 valuation was updated from 6.90% to 6.80%.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

■ **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	Current	1% Increase
	5.80%	Discount Rate	7.80%
	6.80%		
District's Proportionate Share of the Net Pension Liability	<u>\$ 162,758,453</u>	<u>\$ 101,925,850</u>	<u>\$ 51,118,195</u>

■ **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, 2021, 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, 2021, 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.

The District's contributions to the HIS Plan totaled \$ 1,640,835 for the fiscal year ended June 30, 2021.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

At June 30, 2021, the District reported a net pension liability of \$42,743,274 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 HIS plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the District's 2019-20 fiscal year contributions relative to the total 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the District's proportionate share was 0.350072434%, which was an increase of 0.006257155% from its proportionate share measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$3,237,775 related to the HIS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions 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	\$ 1,748,459	\$ 32,974
Change of Assumptions	4,596,118	2,485,354
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	34,127	-
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	731,022	1,229,770
District HIS Contributions Subsequent to the Measurement Date	1,640,835	-
Total	<u><u>\$ 8,750,561</u></u>	<u><u>\$ 3,748,098</u></u>

The deferred outflows of resources totaling \$1,640,835, resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 753,925
2023	485,939
2024	103,790
2025	566,446
2026	751,911
Thereafter	699,617
Total	<u><u>\$ 3,361,628</u></u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

■ **Actuarial Assumptions**

The total pension liability in the July 1, 2020, 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	2.21%

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP 2018. This is a change from prior year mortality assumption which was based on the Generational RP-2000 with Projection Scale BB tables.

While an experience study had not been completed for the HIS 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 2.21%. 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 2.21%, 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 (1.21%) or 1-percentage-point higher (3.21%) than the current rate:

	1% Decrease	Current	1% Increase
	1.21%	Discount Rate	3.21%
	_____	_____	_____
District's Proportionate Share of the Net Pension Liability	\$ 49,409,317	\$ 42,743,274	\$ 37,287,137

■ **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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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.

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. Retirement benefits are based upon the value of the member's account upon retirement. 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 the Investment 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 accounts during the 2020-2021 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	7.67

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, regardless of membership class. 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, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the 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.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

The District's Investment Plan pension expense totaled \$2,735,404 for the fiscal year ended June 30, 2021.

Note 13 - Other Postemployment Benefit Obligations

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. Retirees and their eligible dependents shall be offered the same group health plan as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. 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. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided. The OPEB plan provides healthcare insurance benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

Employees Covered by Benefit Terms. At June 30, 2020, the following employees were covered by benefit terms:

<u>Membership Data as of June 30, 2020</u>	
Inactive Employees or Beneficiaries Currently	
Receiving Benefits	54
DROP Members	81
Inactive Members Entitled to but Not Yet	
Receiving Benefits	-
Active Members	<u>2,351</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.

Total OPEB Liability. The District's total OPEB liability of \$15,690,296 was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumption and Other Inputs. The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60 percent
Salary Increases	4.00 – 7.80 percent, including inflation
Discount Rate	2.21 percent

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

Healthcare Cost Trend Rates

Pre-Medicare	7.00 percent for 2020, decreasing to an ultimate rate of 4.60 percent by 2031.
Post- Medicare	5.25 percent for 2020, decreasing to an ultimate rate of 4.60 percent by 2025.

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index published the last week of June by The Bond Buyer. Mortality rates were based on the RP 2000 mortality tables, with adjustments for FRS experience and generational mortality improvements using Scale BB where applicable.

The demographic actuarial assumptions for mortality, retirement, disability incidence, and withdrawal used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013, adopted by the FRS. The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020, valuation were based on a review of recent plan experience done concurrently with the June 30, 2020, valuation.

Changes in Total OPEB Liability

Description	Amount
Total OPEB Liability, Beginning of Year	<u>\$14,371,676</u>
Changes for the Year	
Service Cost	1,033,551
Interest on the Total OPEB Plan Liability	498,844
Difference Between Expected and Actual Experience	(1,637,673)
Changes of Assumptions or Other Inputs	1,663,956
Benefit Payments	<u>(240,058)</u>
Increase in Total OPEB Liability	<u>1,318,620</u>
Total OPEB Plan Liability, End of Year	<u><u>\$15,690,296</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 percent in 2019 to 2.21 percent in 2020 and a change in healthcare trend rate assumptions.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	<u>\$ 16,587,695</u>	<u>\$ 15,690,296</u>	<u>\$ 14,736,239</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using the healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 13,644,189	\$ 15,690,296	\$ 18,116,477

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2021, the District recognized OPEB expense of \$1,080,147. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB 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	\$ -	\$ 2,923,634
Changes of Assumptions	1,828,468	167,531
District Contributions Subsequent to the Measurement Date	1,080,147	-
	<u>\$ 2,908,615</u>	<u>\$ 3,091,165</u>

The amount reported as deferred outflows of resources related to OPEB, totaling \$1,080,147, resulting from benefits paid subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2022	\$ (452,248)
2023	(452,248)
2024	(396,585)
2025	32,077
2026	6,130
Thereafter	177
Total	<u>\$ (1,262,697)</u>

Note 14 - Commitments and Contingencies

Encumbrances - The District uses encumbrance accounting for recording purchase order commitments for goods and services. At June 30, 2021, encumbrances totaled \$7,212,041 consisting of \$5,973,185 within Other Capital Projects, \$836,598 within Local Capital Improvement, and \$402,258 within nonmajor governmental funds.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

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, 2021, the accumulated credits to the District's account are \$4,987,936. During the 2020-2021 fiscal year, the District received \$176,160 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 (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 \$50 million 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.

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





(THIS PAGE LEFT INTENTIONALLY BLANK)

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
Federal Direct	193,000	\$ 441,431	\$ 441,431	\$ -
Federal Through State and Local	1,243,715	1,763,838	1,763,838	-
State	126,958,720	125,161,415	125,161,415	-
Local:				
Property Taxes Levied for				
Operational Purposes	48,609,846	48,974,618	48,974,618	-
Miscellaneous	1,950,127	3,951,250	3,951,250	-
Total Revenues	178,955,408	180,292,552	180,292,552	-
Expenditures				
Current:				
Instruction:				
Salaries	81,931,656	78,426,580	78,426,580	-
Employee Benefits	25,374,821	23,460,804	23,460,804	-
Purchased Services	7,004,140	6,586,136	6,586,136	-
Materials and Supplies	5,512,133	2,486,796	2,486,796	-
Capital Outlay	101,604	301,838	301,838	-
Other Expenses	394,763	752,319	752,319	-
Total Instruction	120,319,117	112,014,473	112,014,473	-
Student Personnel Services:				
Salaries	4,780,997	6,083,442	6,083,442	-
Employee Benefits	1,581,551	1,775,304	1,775,304	-
Purchased Services	46,000	44,786	44,786	-
Energy Services	5,500	-	-	-
Materials and Supplies	231,344	53,545	53,545	-
Capital Outlay	-	2,379	2,379	-
Other Expenses	6,804	660	660	-
Total Student Personnel Services	6,652,196	7,960,116	7,960,116	-
Instructional Media Services:				
Salaries	728,474	714,785	714,785	-
Employee Benefits	289,951	230,739	230,739	-
Purchased Services	160,695	195,431	195,431	-
Materials and Supplies	12,925	9,066	9,066	-
Capital Outlay	8,635	112,162	112,162	-
Other Expenses	4,760	4,952	4,952	-
Total Instructional Media Services	1,205,440	1,267,135	1,267,135	-

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures				
Current (Continued) :				
Instruction and Curriculum Development				
Services:				
Salaries	1,713,826	\$ 1,943,403	\$ 1,943,403	\$ -
Employee Benefits	542,826	584,181	584,181	-
Purchased Services	183,950	105,235	105,235	-
Energy Services	100	-	-	-
Materials and Supplies	17,105	32,413	32,413	-
Capital Outlay	20,000	29,483	29,483	-
Other Expenses	1,500	885	885	-
Total Instruction and Curriculum				
Development Services	2,479,307	2,695,600	2,695,600	-
Instructional Staff Training Services:				
Salaries	585,194	534,795	534,795	-
Employee Benefits	190,940	140,376	140,376	-
Purchased Services	23,150	19,266	19,266	-
Materials and Supplies	9,050	1,925	1,925	-
Other Expenses	30,000	27,288	27,288	-
Total Instructional Staff Training Services	838,334	723,650	723,650	-
Instruction Related Technology:				
Salaries	183,761	262,058	262,058	-
Employee Benefits	107,637	102,582	102,582	-
Purchased Services	-	1,136	1,136	-
Capital Outlay	-	4,686	4,686	-
Total Instruction Related Technology	291,398	370,462	370,462	-
Board of Education:				
Salaries	230,328	237,031	237,031	-
Employee Benefits	156,022	140,359	140,359	-
Purchased Services	284,525	121,311	121,311	-
Materials and Supplies	2,040	1,624	1,624	-
Capital Outlay	-	3,300	3,300	-
Other Expenses	29,073	15,973	15,973	-
Total Board of Education	701,988	519,598	519,598	-
General Administration:				
Salaries	1,016,663	1,071,289	1,071,289	-
Employee Benefits	292,890	319,298	319,298	-
Purchased Services	58,000	130,430	130,430	-
Materials and Supplies	29,500	13,330	13,330	-
Capital Outlay	738	-	-	-
Other Expenses	62,250	42,970	42,970	-
Total General Administration	1,460,041	1,577,317	1,577,317	-

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures				
Current (Continued) :				
School Administration:				
Salaries	8,805,952	\$ 9,081,960	\$ 9,081,960	\$ -
Employee Benefits	3,041,879	2,800,664	2,800,664	-
Purchased Services	3,776	53,695	53,695	-
Materials and Supplies	161,247	105,612	105,612	-
Capital Outlay	-	53,836	53,836	-
Other Expenses	13,398	625	625	-
Total School Administration	12,026,252	12,096,392	12,096,392	-
Facility Services - Non-Capitalized:				
Salaries	387,873	395,418	395,418	-
Employee Benefits	119,568	113,955	113,955	-
Purchased Services	50,445	40,432	40,432	-
Materials and Supplies	3,400	1,455	1,455	-
Capital Outlay	4,500	2,100	2,100	-
Other Expenses	2,010	178,168	178,168	-
Total Facility Services - Non-Capitalized	567,796	731,528	731,528	-
Fiscal Services:				
Salaries	595,197	575,239	575,239	-
Employee Benefits	202,655	166,204	166,204	-
Purchased Services	161,147	138,468	138,468	-
Materials and Supplies	10,890	8,876	8,876	-
Capital Outlay	20,046	20,413	20,413	-
Other Expenses	30,745	21,066	21,066	-
Total Fiscal Services	1,020,680	930,266	930,266	-
Central Services:				
Salaries	1,231,876	1,261,996	1,261,996	-
Employee Benefits	432,407	390,829	390,829	-
Purchased Services	761,266	740,165	740,165	-
Materials and Supplies	97,845	74,519	74,519	-
Capital Outlay	2,750	27,338	27,338	-
Other Expenses	48,328	39,989	39,989	-
Total Central Services	2,574,472	2,534,836	2,534,836	-
Student Transportation Services:				
Salaries	4,796,001	4,032,442	4,032,442	-
Employee Benefits	2,222,603	1,520,721	1,520,721	-
Purchased Services	416,800	319,452	319,452	-
Energy Services	1,104,000	715,546	715,546	-
Materials and Supplies	765,850	655,320	655,320	-
Capital Outlay	120,000	8,305	8,305	-
Other Expenses	245	15,419	15,419	-
Total Student Transportation Services	9,425,499	7,267,205	7,267,205	-

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures				
Current (Concluded) :				
Operation of Plant:				
Salaries	5,013,282	\$ 4,949,046	\$ 4,949,046	\$ -
Employee Benefits	2,260,899	1,846,521	1,846,521	-
Purchased Services	4,994,036	4,830,973	4,830,973	-
Energy Services	5,528,280	4,897,155	4,897,155	-
Materials and Supplies	673,763	578,126	578,126	-
Capital Outlay	85,795	172,673	172,673	-
Other Expenses	102,841	22,282	22,282	-
Total Operation of Plant	18,658,896	17,296,776	17,296,776	-
Maintenance of Plant:				
Salaries	2,782,312	2,692,411	2,692,411	-
Employee Benefits	1,007,460	916,648	916,648	-
Purchased Services	817,802	810,434	810,434	-
Energy Services	147,000	112,452	112,452	-
Materials and Supplies	576,461	796,592	796,592	-
Capital Outlay	55,340	158,641	158,641	-
Other Expenses	4,100	2,944	2,944	-
Total Maintenance of Plant	5,390,475	5,490,122	5,490,122	-
Administrative Technology Services:				
Salaries	1,141,590	1,233,973	1,233,973	-
Employee Benefits	363,937	365,687	365,687	-
Purchased Services	402,097	487,216	487,216	-
Materials and Supplies	53,000	70,516	70,516	-
Capital Outlay	-	755,703	755,703	-
Other Expenses	1,050	491	491	-
Total Administrative Technology Services	1,961,674	2,913,586	2,913,586	-
Community Services:				
Purchased Services	11,775	10,690	10,690	-
Materials and Supplies	1,775	-	-	-
Total Community Services	13,550	10,690	10,690	-
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	774,292	774,292	-
Total Fixed Capital Outlay	-	774,292	774,292	-
Total Expenditures	185,587,115	177,174,044	177,174,044	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,631,707)	3,118,508	3,118,508	-

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Concluded)**

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Other Financing Sources (Uses)				
Transfers In	1,056,560	\$ 1,278,213	\$ 1,278,213	\$ -
Insurance Loss Recoveries	-	21,055	21,055	-
Total Other Financing Sources (Uses)	<u>1,056,560</u>	<u>1,299,268</u>	<u>1,299,268</u>	<u>-</u>
Net Change in Fund Balances	(5,575,147)	4,417,776	4,417,776	-
Fund Balances, July 1, 2020	<u>30,141,175</u>	<u>29,960,482</u>	<u>29,960,482</u>	<u>-</u>
Fund Balances, June 30, 2021	<u><u>24,566,028</u></u>	<u><u>\$ 34,378,258</u></u>	<u><u>\$ 34,378,258</u></u>	<u><u>\$ -</u></u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - FEDERAL EDUCATION STABILIZATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Special Revenue Fund - Federal Education Stabilization			
	Original Budget	Final Budget	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental:			
Federal Through State and Local	5,414,753	4,611,955	\$ -
Total Revenues	<u>5,414,753</u>	<u>4,611,955</u>	<u>-</u>
Expenditures			
Current:			
Instruction:			
Salaries	766,841	228,176	-
Employee Benefits	144,578	43,377	-
Purchased Services	1,072,921	558,114	-
Materials and Supplies	677,832	657,563	-
Capital Outlay	1,002	-	-
Other Expenses	-	6,495	-
Total Instruction	<u>2,663,174</u>	<u>1,493,725</u>	<u>-</u>
Student Personnel Services:			
Salaries	2,157	2,051	-
Employee Benefits	406	387	-
Materials and Supplies	-	1,305	-
Total Student Personnel Services	<u>2,563</u>	<u>3,743</u>	<u>-</u>
Instructional and Curriculum Development Services:			
Salaries	14,906	39,705	-
Employee Benefits	2,810	10,070	-
Purchased Services	-	794	-
Materials and Supplies	-	371	-
Total Instruction Curriculum Development Services	<u>17,716</u>	<u>50,940</u>	<u>-</u>
Instructional Staff Training Services:			
Salaries	4,484	935	-
Employee Benefits	845	176	-
Purchased Services	65,850	66,749	-
Energy Services	1,077,865	-	-
Materials and Supplies	3,000	1,094,720	-
Total Instructional Staff Training Services	<u>1,152,044</u>	<u>1,162,580</u>	<u>-</u>
Facility Services - Non-Capitalized:			
Capital Outlay	-	757,716	-
Total Facility Services - Non-Capitalized	<u>-</u>	<u>757,716</u>	<u>-</u>
Student Transportation Services:			
Salaries	10,474	17,401	-
Employee Benefits	1,974	3,280	-
Energy	71,896	10,000	-
Total Student Transportation	<u>84,344</u>	<u>30,681</u>	<u>-</u>
Operation of Plant:			
Salaries	129,961	84,407	-
Employee Benefits	24,510	15,911	-
Purchased Services	412,079	2,068	-
Materials and Supplies	-	31,589	-
Total Operation of Plant	<u>566,550</u>	<u>133,975</u>	<u>-</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - FEDERAL EDUCATION STABILIZATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Special Revenue Fund - Federal Education Stabilization			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Maintenance of Plant:				
Purchased Services	147,933	-	-	-
Materials and Supplies	213,863	588,265	588,265	-
Capital Outlay	566,566	-	-	-
Total Maintenance of Plant	928,362	588,265	588,265	-
Fixed Capital Outlay:				
Other Capital Outlay	-	390,330	390,330	-
Total Fixed Capital Outlay	-	390,330	390,330	-
Total Expenditures	5,414,753	4,611,955	4,611,955	-
Net Change in Fund Balances	-	-	-	-
Fund Balances, July 1, 2020	-	-	-	-
Fund Balances, June 30, 2021	-	\$ -	\$ -	\$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Special Revenue Fund - Other Federal Programs			
	Original Budget	Final Budget	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental:			
Federal Through State and Local	15,057,501	\$ 14,078,665	\$ 14,078,665
Total Revenues	15,057,501	14,078,665	14,078,665
Expenditures			
Current:			
Instruction:			
Salaries	3,387,783	3,032,675	3,032,675
Employee Benefits	1,448,052	1,021,373	1,021,373
Purchased Services	894,852	855,280	855,280
Materials and Supplies	278,548	337,045	337,045
Capital Outlay	754,893	-	-
Other Expenses	31,982	57,486	57,486
Total Instruction	6,796,110	5,303,859	5,303,859
Student Support Services:			
Salaries	1,451,880	1,543,550	1,543,550
Employee Benefits	551,054	458,315	458,315
Purchased Services	35,962	15,134	15,134
Materials and Supplies	71,139	65,842	65,842
Capital Outlay	8,550	-	-
Other Expenses	5,800	2,320	2,320
Total Student Personnel Services	2,124,385	2,085,161	2,085,161
Instruction and Curriculum			
Development Services:			
Salaries	2,277,108	2,019,328	2,019,328
Employee Benefits	703,321	573,100	573,100
Purchased Services	70,626	56,352	56,352
Materials and Supplies	20,080	40,413	40,413
Capital Outlay	16,410	-	-
Other Expenses	41,395	18,890	18,890
Total Instruction and Curriculum	3,128,940	2,708,083	2,708,083
Instructional Staff Training Services:			
Salaries	1,268,474	1,224,976	1,224,976
Employee Benefits	382,485	344,545	344,545
Purchased Services	541,549	170,862	170,862
Materials and Supplies	20,652	79,120	79,120
Capital Outlay	3,430	-	-
Other Expenses	53,825	39,785	39,785
Total Instructional Staff Training Services	2,270,415	1,859,288	1,859,288

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Concluded)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Expenditures				
Current (Concluded) :				
Instruction Related Technology:				
Salaries	111,135	\$ 111,967	\$ 111,967	\$ -
Employee Benefits	56,535	45,886	45,886	-
Materials and Supplies	2,300	1,980	1,980	-
Total Instruction Related Technology	169,970	159,833	159,833	-
General Administration:				
Other Expenses	476,398	521,268	521,268	-
Total General Administration	476,398	521,268	521,268	-
Facility Services - Non-Capitalized:				
Capital Outlay	-	932,156	932,156	-
Total Facility Services - Non-Capitalized	-	932,156	932,156	-
Student Transportation Services:				
Salaries	27,703	7,151	7,151	-
Employee Benefits	12,025	1,392	1,392	-
Purchased Services	800	32,000	32,000	-
Energy Services	6,750	6,270	6,270	-
Other Expenses	44,005	-	-	-
Total Student Transportation Services	91,283	46,813	46,813	-
Fixed Capital Outlay:				
Other Capital Outlay	-	462,204	462,204	-
Total Fixed Capital Outlay	-	462,204	462,204	-
Total Expenditures	15,057,501	14,078,665	14,078,665	-
Net Change in Fund Balances	-	-	-	-
Fund Balances, July 1, 2020	-	-	-	-
Fund Balances, June 30, 2021	-	\$ -	\$ -	\$ -

**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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 1,033,551	\$ 945,389	\$ 1,029,637	\$ 1,062,870
Interest on the Total OPEB Plan Liability	498,844	494,953	500,632	403,753
Difference Between Expected and Actual Experience	(1,637,673)	(55,582)	(2,975,368)	(60,978)
Changes of Assumptions	1,663,956	324,301	443,230	(456,379)
Benefits Payments	<u>(240,058)</u>	<u>(251,350)</u>	<u>(291,175)</u>	<u>(309,654)</u>
Net Change in Total OPEB Plan Liability	1,318,620	1,457,711	(1,293,044)	639,612
Total OPEB Plan Liability, Beginning of the Year	<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><u>\$ 15,690,296</u></u>	<u><u>\$ 14,371,676</u></u>	<u><u>\$ 12,913,965</u></u>	<u><u>\$ 14,207,009</u></u>
Covered-Employee Payroll	<u><u>\$ 123,545,630</u></u>	<u><u>\$ 105,631,388</u></u>	<u><u>\$ 105,631,388</u></u>	<u><u>\$ 109,705,009</u></u>
Total OPEB Plan Liability as a Percentage of Covered-Employee Payroll	12.70%	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, 2018. As a result, this schedule will present 10 years as information is available.

Changes in assumptions and other inputs include the change in the discount rate from 3.50% as of the beginning of the measurement period to 2.21% as of the end of the measurement period and a change in healthcare trend rate assumptions. These changes are 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)

	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the FRS Net Pension Liability	0.2351693217100%	0.2347474192600%	0.2393077272586%	0.236737893439716%	0.243941041000827%	0.275441373781394%	0.277347267000000%	0.281845212000000%
District's Proportionate Share of the FRS Net Pension Liability	<u>\$ 101,925,850</u>	<u>\$ 80,843,743</u>	<u>\$ 72,080,728</u>	<u>\$ 70,025,480</u>	<u>\$ 61,595,303</u>	<u>\$ 35,576,948</u>	<u>\$ 16,922,262</u>	<u>\$ 48,518,105</u>
District's Covered-Employee Payroll	<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>\$ 97,642,573</u>	<u>\$ 95,928,404</u>	<u>\$ 108,014,295</u>
District's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered-Employee Payroll	103.65%	84.43%	75.53%	63.99%	56.15%	36.44%	17.64%	44.92%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%	88.54%

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)**

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required								
FRS Contribution	\$ 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	(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 Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-
District's Covered-Employee Payroll	\$ 96,493,630	\$ 98,338,271	\$ 95,751,298	\$ 109,437,312	\$ 109,508,812	\$ 109,705,301	\$ 97,642,573	\$ 95,928,404
FRS Contributions as a Percentage of Covered- Employee Payroll	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)

	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the HIS Net Pension Liability	0.350072433960%	0.343815279200%	0.346088818041%	0.343544358509%	0.355329704330%	0.373508027713%	0.375157423000%	0.375159130500%
District's Proportionate Share of the HIS Net Pension Liability	<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>	<u>\$ 32,351,909</u>
District's Covered-Employee Payroll	<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>	<u>\$ 108,014,295</u>
District's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered-Employee Payroll	43.47%	40.18%	38.38%	33.57%	37.75%	33.58%	31.46%	29.95%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%	1.78%

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>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	\$ 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	(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 Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	<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- Employee Payroll	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
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 capital leases 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

In 2020, the long-term expected rate of return was decreased from 6.9 percent to 6.8 percent.

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

Changes of Assumptions

In 2020, the municipal bond rate used to determine total pension liability was decreased from 3.5 percent to 2.21 percent, and the mortality assumption was updated.

OTHER SUPPLEMENTARY INFORMATION



HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.



HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to be expended for particular purposes.

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

Miscellaneous Special Revenue Fund – To account for and report activities related to School Internal Funds which are used 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 Acts 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).

Debt Service Fund – Other Fund - To account for and report on payment of principal, interest and related costs on the District's Certificates of Participation issued in 2013A and 2016A.

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
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Special Revenue		Debt Service Funds		
	Food Services	Internal	SBE/COBI	Special Act	Other Debt
	410	Accounts	Bonds	Bonds	Service
		490	210	220	290
Assets					
Cash and Cash Equivalents	\$ 4,878,694	\$ 1,787,925	\$ -	\$ 316,467	\$ 5,075,785
Investments	14,549	-	23,127	5,305	1,850,783
Accounts Receivable	1,769	10,877	-	-	-
Inventory	227,849	-	-	-	-
Due from Other Agencies	778,321	-	-	-	-
Total Assets	5,901,182	1,798,802	23,127	321,772	6,926,568
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	3,163	-	-	-	-
Total Liabilities	3,163	-	-	-	-
Deferred Inflows of Resources:					
Unearned Revenue	55,673	-	-	-	-
Total Deferred Inflows of Resources	55,673	-	-	-	-
Fund Balances					
NonSpendable:					
Other Not in Spendable Form	227,849	-	-	-	-
Total NonSpendable Fund Balance	227,849	-	-	-	-
Spendable:					
Restricted	5,614,497	1,798,802	23,127	321,772	6,926,568
Assigned	-	-	-	-	-
Total Restricted Fund Balance	5,614,497	1,798,802	23,127	321,772	6,926,568
Total Fund Balances	5,842,346	1,798,802	23,127	321,772	6,926,568
Total Liabilities and Fund Balances	\$ 5,901,182	\$ 1,798,802	\$ 23,127	\$ 321,772	\$ 6,926,568

(Continued)

Capital Projects Funds			
Public Education Capital Outlay Fund 340	Capital Outlay and Debt Service 360	Total Non-Major Governmental Funds	
\$ -	\$ 1,773,043	\$ 13,831,914	
-	4,064	1,897,828	
-	-	12,646	
-	-	227,849	
-	-	778,321	
-	1,777,107	16,748,558	
-	-	3,163	
-	-	3,163	
-	-	55,673	
-	-	55,673	
-	-	227,849	
-	-	227,849	
-	1,777,107	16,461,873	
-	-	-	
-	1,777,107	16,461,873	
-	1,777,107	16,689,722	
\$ -	\$ 1,777,107	\$ 16,748,558	

**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, 2021**

	Special Revenue		Debt Service Funds		
	Food Services 410	Internal Accounts 490	SBE/COBI Bonds 210	Special Act Bonds 220	Other Debt Service 290
Revenues					
Intergovernmental:					
Federal Through State and Local	\$ 14,017,965	\$ -	\$ -	\$ -	\$ -
State	186,330	-	211,985	209,750	-
Local:					
Charges for Service - Food Service	83,477	-	-	-	-
Other Local Revenue	155,754	2,546,571	-	-	3,721
Total Revenues	14,443,526	2,546,571	211,985	209,750	3,721
Expenditures					
Current:					
Fiscal Services	-	2,673,480	-	-	-
Food Services	13,855,274	-	-	-	-
Fixed Capital Outlay:					
Facilities Acquisition and Construction	-	-	-	-	-
Other Capital Outlay	403,110	-	-	-	-
Debt Service:					
Principal	-	-	163,000	100,000	4,473,872
Interest and Fiscal Charges	-	-	52,991	120,500	3,769,292
Dues and Fees	-	-	94	3,500	7,350
Total Expenditures	14,258,384	2,673,480	216,085	224,000	8,250,514
Excess (Deficiency) of Revenues Over (Under) Expenditures	185,142	(126,909)	(4,100)	(14,250)	(8,246,793)
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	8,250,489
Transfers (Out)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	8,250,489
Net Change in Fund Balances	185,142	(126,909)	(4,100)	(14,250)	3,696
Fund Balances, July 1, 2020	5,657,204	-	27,227	336,022	6,922,872
Adjustment to Fund Balances	-	1,925,711	-	-	-
Fund Balances, beginning restated, July 1, 2020	5,657,204	1,925,711	27,227	336,022	6,922,872
 Fund Balances, June 30, 2021	 \$ 5,842,346	 \$ 1,798,802	 \$ 23,127	 \$ 321,772	 \$ 6,926,568

(Continued)

Capital Projects Funds		
Public Education Capital Outlay Fund 340	Capital Outlay and Debt Service 360	Total Non-Major Governmental Funds
\$ -	\$ -	\$ 14,017,965
177,688	666,330	1,452,083
-	-	83,477
-	-	2,706,046
177,688	666,330	18,259,571
-	-	2,673,480
-	-	13,855,274
2,518	56,081	58,599
-	-	403,110
-	-	4,736,872
-	-	3,942,783
-	970	11,914
2,518	57,051	25,682,032
175,170	609,279	(7,422,461)
-	-	\$ 8,250,489
(177,688)	-	(177,688)
(177,688)	-	8,072,801
(2,518)	609,279	\$ 650,340
2,518	1,167,828	14,113,671
-	-	1,925,711
2,518	1,167,828	16,039,382
\$ -	\$ 1,777,107	\$ 16,689,722

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, 2021

	Special Revenue Fund - Food Service			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Through State	\$ 14,520,000	\$ 14,017,965	\$ 14,017,965	\$ -
State	157,000	186,330	186,330	-
Local	415,000	239,231	239,231	-
Total Revenues	<u>15,092,000</u>	<u>14,443,526</u>	<u>14,443,526</u>	<u>-</u>
Expenditures				
Salaries	4,151,153	3,890,932	3,890,932	-
Employee Benefits	2,277,921	1,597,647	1,597,647	-
Purchased Services	773,900	361,988	361,988	-
Energy Services	314,200	245,112	245,112	-
Materials and Supplies	7,224,500	7,090,916	7,090,916	-
Capital Outlay	460,150	403,110	403,110	-
Other	208,000	668,679	668,679	-
Total Expenditures	<u>15,409,824</u>	<u>14,258,384</u>	<u>14,258,384</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(317,824)</u>	<u>185,142</u>	<u>185,142</u>	<u>-</u>
Net Change in Fund Balances	<u>(317,824)</u>	<u>185,142</u>	<u>185,142</u>	<u>-</u>
Fund Balances, July 1, 2020	<u>5,728,501</u>	<u>5,657,204</u>	<u>5,657,204</u>	<u>-</u>
Fund Balances, June 30, 2021	<u>\$ 5,410,677</u>	<u>\$ 5,842,346</u>	<u>\$ 5,842,346</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, 2021

	Special Revenue Fund - Internal Accounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Local:				
Other Local Revenue	\$ -	\$ 2,546,571	\$ 2,546,571	\$ -
Total Revenues	-	2,546,571	2,546,571	-
Expenditures				
Current:				
Fiscal Services:				
Purchased Services	-	164,930	164,930	-
Materials and Supplies	-	1,488,529	1,488,529	-
Other	-	1,020,021	1,020,021	-
Total Expenditures	-	2,673,480	2,673,480	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(126,909)	(126,909)	-
Net Change in Fund Balances	-	(126,909)	(126,909)	-
Fund Balances, July 1, 2020	-	-	-	-
Adjustments to Fund Balance	-	1,925,710	1,925,710	-
Fund Balances, July 1, 2020, as Restated	-	1,925,710	1,925,710	-
Fund Balances, June 30, 2021	\$ -	\$ 1,798,801	\$ 1,798,801	\$ -

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

	Debt Service Fund - SBE/COBI BONDS			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
State	\$ 225,900	\$ 211,985	\$ 211,985	\$ -
Total Revenues	<u>225,900</u>	<u>211,985</u>	<u>211,985</u>	<u>-</u>
Expenditures				
Debt Service:				
Principal	170,000	163,000	163,000	-
Interest and Fiscal Charges	55,400	52,991	52,991	-
Dues and Fees	500	94	94	-
Total Expenditures	<u>225,900</u>	<u>216,085</u>	<u>216,085</u>	<u>-</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	(4,100)	(4,100)	-
Net Change in Fund Balances	-	(4,100)	(4,100)	-
Fund Balances, July 1, 2020	<u>27,227</u>	<u>27,227</u>	<u>27,227</u>	<u>-</u>
Fund Balances, June 30, 2021	<u>\$ 27,227</u>	<u>\$ 23,127</u>	<u>\$ 23,127</u>	<u>\$ -</u>

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

	Debt Service Fund - Special Act Bonds			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
State	225,500	209,750	209,750	-
Local:				
Other Local Revenue	100	-	-	-
Total Revenues	<u>225,600</u>	<u>209,750</u>	<u>209,750</u>	<u>-</u>
Expenditures				
Debt Service:				
Principal	110,000	100,000	100,000	-
Interest and Fiscal Charges	120,500	120,500	120,500	-
Dues and Fees	5,000	3,500	3,500	-
Total Expenditures	<u>235,500</u>	<u>224,000</u>	<u>224,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,900)</u>	<u>(14,250)</u>	<u>(14,250)</u>	<u>-</u>
Net Change in Fund Balances	(9,900)	(14,250)	(14,250)	-
Fund Balances, July 1, 2020	<u>336,022</u>	<u>336,022</u>	<u>336,022</u>	<u>-</u>
Fund Balances, June 30, 2021	<u><u>326,122</u></u>	<u><u>321,772</u></u>	<u><u>321,772</u></u>	<u><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 Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Local:				
Other Local Revenue	\$ -	\$ 3,721	\$ 3,721	\$ -
Total Revenues	-	3,721	3,721	-
Expenditures				
Debt Service:				
Principal	4,473,872	4,473,872	4,473,872	-
Interest and Fiscal Charges	3,769,292	3,769,292	3,769,292	-
Dues and Fees	11,000	7,350	7,350	-
Total Expenditures	8,254,164	8,250,514	8,250,514	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,254,164)	(8,246,793)	(8,246,793)	-
Other Financing Sources (Uses)				
Transfers In	8,254,164	8,250,489	8,250,489	-
Total Other Financing Sources (Uses)	8,254,164	8,250,489	8,250,489	-
Net Change in Fund Balances	-	3,696	3,696	-
Fund Balances, July 1, 2020	6,922,872	6,922,872	6,922,872	-
Fund Balances, June 30, 2021	\$ 6,922,872	\$ 6,926,568	\$ 6,926,568	\$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND - PUBLIC EDUCATION CAPITAL OUTLAY (PECO)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Capital Projects Fund - Public Education Capital Outlay (PECO)			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
State	\$ 173,252	\$ 177,688	\$ 177,688	\$ -
Total Revenues	<u>173,252</u>	<u>177,688</u>	<u>177,688</u>	<u>-</u>
Expenditures				
Current:				
Remodeling and Renovations	<u>173,252</u>	<u>2,518</u>	<u>2,518</u>	<u>-</u>
Total Expenditures	<u>173,252</u>	<u>2,518</u>	<u>2,518</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>175,170</u>	<u>175,170</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers (Out)	<u>-</u>	<u>(177,688)</u>	<u>(177,688)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(177,688)</u>	<u>(177,688)</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>(2,518)</u>	<u>(2,518)</u>	<u>-</u>
Fund Balances, July 1, 2020	<u>2,518</u>	<u>2,518</u>	<u>2,518</u>	<u>-</u>
Fund Balances, June 30, 2021	<u>\$ 2,518</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Capital Projects Fund - Capital Outlay and Debt Service			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
State	\$ 55,900	\$ 666,330	\$ 666,330	\$ -
Total Revenues	<u>55,900</u>	<u>666,330</u>	<u>666,330</u>	<u>-</u>
Expenditures				
Fixed Capital Outlay:				
Remodeling and Renovations	-	56,081	56,081	-
Total Facilities Acquisition and Construction	-	56,081	56,081	-
Debt Service:				
Dues and Fees	-	970	970	-
Total Expenditures	<u>-</u>	<u>57,051</u>	<u>57,051</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>55,900</u>	<u>609,279</u>	<u>609,279</u>	<u>-</u>
Net Change in Fund Balances	55,900	609,279	609,279	-
Fund Balances, July 1, 2020	<u>1,167,828</u>	<u>1,167,828</u>	<u>1,167,828</u>	<u>-</u>
Fund Balances, June 30, 2021	<u>\$ 1,223,728</u>	<u>\$ 1,777,107</u>	<u>\$ 1,777,107</u>	<u>\$ -</u>

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, 2021

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	16,522,721	\$ 16,643,434	\$ 16,643,434	\$ -
Other Local Revenue	140,000	21,601	21,601	-
Total Revenues	<u>16,662,721</u>	<u>16,665,035</u>	<u>16,665,035</u>	<u>-</u>
Expenditures				
Current:				
Facility Services - Non-Capitalized		1,286,105	1,286,105	
Fixed Capital Outlay:				
Facilities Acquisition & Construction	4,127,564	2,491,007	2,491,007	
Other Capital Outlay		2,302,706	2,302,706	-
Total Fixed Capital Outlay	<u>4,127,564</u>	<u>4,793,713</u>	<u>4,793,713</u>	<u>-</u>
Total Expenditures	<u>4,127,564</u>	<u>6,079,818</u>	<u>6,079,818</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>12,535,157</u>	<u>10,585,217</u>	<u>10,585,217</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers (Out)	<u>(9,310,724)</u>	<u>(9,351,014)</u>	<u>(9,351,014)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(9,310,724)</u>	<u>(9,351,014)</u>	<u>(9,351,014)</u>	<u>-</u>
Net Change in Fund Balances	3,224,433	1,234,203	1,234,203	-
Fund Balances, July 1, 2020	<u>10,610,313</u>	<u>10,610,313</u>	<u>10,610,313</u>	<u>-</u>
Fund Balances, June 30, 2021	<u><u>13,834,746</u></u>	<u><u>\$ 11,844,516</u></u>	<u><u>\$ 11,844,516</u></u>	<u><u>\$ -</u></u>

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

	Capital Projects Fund - Other Capital Projects			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
State	\$ 50,000	\$ 789,224	\$ 789,224	\$ -
Local:				
Local Sales Taxes	8,600,000	13,157,697	13,157,697	-
Impact Fees	1,500,000	3,833,301	3,833,301	-
Other Local Revenue	90,500	83,153	83,153	-
Total Revenues	<u>10,240,500</u>	<u>17,863,375</u>	<u>17,863,375</u>	<u>-</u>
Expenditures				
Current:				
Facility Services - Non Capitalized	-	273,057	273,057	-
Fixed Capital Outlay:				
Facilities Acquisition & Construction	4,937,545	9,056,415	9,056,415	-
Other Capital Outlay	-	494,696	494,696	-
Total Fixed Capital Outlay	<u>4,937,545</u>	<u>9,551,111</u>	<u>9,551,111</u>	<u>-</u>
Total Expenditures	<u>4,937,545</u>	<u>9,824,168</u>	<u>9,824,168</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,302,955</u>	<u>8,039,207</u>	<u>8,039,207</u>	<u>-</u>
Net Change in Fund Balances	5,302,955	8,039,207	8,039,207	-
Fund Balances, July 1, 2020	<u>17,753,499</u>	<u>17,753,499</u>	<u>17,753,499</u>	<u>-</u>
Fund Balances, June 30, 2021	<u>\$ 23,056,454</u>	<u>\$ 25,792,706</u>	<u>\$ 25,792,706</u>	<u>\$ -</u>

Nonmajor 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.

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.

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 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.

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, 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 - NON-MAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	BEST Academy (Charter School)	Gulf Coast Elementary (Charter School)
Assets		
Cash and Cash Equivalents	\$ 232,346	\$ 271,108
Accounts Receivable	14,396	-
Inventory	-	-
Due From Other Agencies	-	7,433
Prepaid Items	-	-
Asset Held for Sale	-	-
Capital Assets:		
Improvements Other than Buildings	-	10,746
Furniture, Fixtures, and Equipment, Net	2,324	3,412
Motor Vehicles, Net	-	-
Total Assets	<u>249,066</u>	<u>292,699</u>
Liabilities		
Salaries and Benefits Payable	-	44,175
Accounts Payable	786	39,715
Long-Term Liabilities:		
Due Within One Year:		
Note Payable	86,084	-
Due in More than One Year:		
Note Payable	-	35,000
Total Liabilities	<u>86,870</u>	<u>118,890</u>
Net Position		
Net Investment in Capital Assets	2,324	14,158
Restricted for:		
Other Purposes		
Unrestricted	159,872	159,651
Total Net Position	<u>\$ 162,196</u>	<u>\$ 173,809</u>

(Continued)

Gulf Coast Academy of Science and Technology, Inc. (Charter School)	Hernando County Education Direct Support Organization, Inc. (Foundation)	Totals	
		2021	2020
\$ 377,964	\$ 506,442	\$ 1,387,860	\$ 567,432
39,509	109,555	163,460	188,843
-	203,584	203,584	289,328
-	-	7,433	-
-	3,436	3,436	3,276
-	466,581	466,581	224,000
-	-	10,746	-
14,412	-	20,148	10,822
118,145	-	118,145	59,396
550,030	1,289,598	2,381,393	1,343,097
43,695	-	87,870	26,790
13,301	30,445	84,247	39,436
32,014	-	118,098	15,545
73,573	-	108,573	38,354
162,583	30,445	398,788	120,125
26,970	382,195	425,647	16,319
360,477	876,958	1,556,958	809,529
\$ 387,447	\$ 1,259,153	\$ 1,982,605	\$ 1,222,972

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
COMBINING SCHEDULE OF ACTIVITIES - NON-MAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Charter Schools				
Governmental Activities:				
Instruction	\$ 2,090,763	\$ 280,966	\$ 95,143	\$ -
Instructional Staff Training Services	1,066	-	-	-
Board	105,282	-	-	-
General Administration	105,631	-	-	-
School Administration	687,077	-	-	-
Facility Services - Non-Capitalized	232,709	-	4,354	177,688
Fiscal Services	43,021	-	-	-
Food Services	517	-	-	-
Student Transportation Services	43,449	-	-	-
Operation of Plant	231,650	-	-	-
Community Services	1,769	-	-	-
Interest on Long-Term Debt	4,038	-	-	-
Loss on Disposal	-	-	-	-
Unallocated Depreciation	27,595	-	-	-
Total Charter Schools	<u>3,574,567</u>	<u>280,966</u>	<u>99,497</u>	<u>177,688</u>
Hernando Education Foundation	<u>1,178,231</u>	<u>-</u>	<u>1,560,426</u>	<u>-</u>
Total Component Units	<u>\$ 4,752,798</u>	<u>\$ 280,966</u>	<u>\$ 1,659,923</u>	<u>\$ 177,688</u>

General Revenues:

Grants and Contributions Not Restricted to
Specific Programs
Transferred In - Gulf Coast Middle Charter
State and Local Sources
Other

Total General Revenues

Change in Net Position

Net Position - July 1, 2020

Net Position - June 30, 2021

(Continued)

Total Charter Schools	Hernando Education Foundation	Total Component Units
\$ (1,714,654)	\$ -	\$ (1,714,654)
(1,066)	-	(1,066)
(105,282)	-	(105,282)
(105,631)	-	(105,631)
(687,077)	-	(687,077)
(50,667)	-	(50,667)
(43,021)	-	(43,021)
(517)	-	(517)
(43,449)	-	(43,449)
(231,650)	-	(231,650)
(1,769)	-	(1,769)
(4,038)	-	(4,038)
-	-	-
(27,595)	-	(27,595)
(3,016,416)	-	(3,016,416)
-	382,195	382,195
(3,016,416)	382,195	(2,634,221)
3,393,854	-	3,393,854
-	-	-
-	-	-
-	-	-
3,393,854	-	3,393,854
377,438	382,195	759,633
346,014	876,958	1,222,972
\$ 723,452	\$ 1,259,153	\$ 1,982,605



(THIS PAGE LEFT INTENTIONALLY BLANK)

STATISTICAL SECTION



HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.



HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

Statistical Section

This part of the District School Board of Hernando County, Florida's comprehensive annual 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 School 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>	93
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>	103
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>	109
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>	116
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>	118

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, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Primary Government:				
Governmental Activities:				
Net Investment in Capital Assets	\$ 266,338,102	\$ 245,324,633	\$ 252,232,149	\$ 247,598,971
Restricted	30,470,226	42,909,843	31,149,082	34,480,595
Unrestricted	59,489	387,651	(3,116,673)	(84,211,485)
Total Governmental Activities Net Position	<u>296,867,817</u>	<u>288,622,127</u>	<u>280,264,558</u>	<u>197,868,081</u>
Total Primary Government Net Position	<u><u>\$ 296,867,817</u></u>	<u><u>\$ 288,622,127</u></u>	<u><u>\$ 280,264,558</u></u>	<u><u>\$ 197,868,081</u></u>

(1)

(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, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
\$ 243,008,106	\$ 249,506,834	\$ 255,798,875	\$ 268,410,915	\$ 277,874,189	\$ 281,484,392
36,222,596	41,168,493	32,481,524	35,433,091	38,946,428	56,297,775
(78,168,863)	(79,918,029)	(75,064,735)	(77,641,488)	(90,465,475)	(101,836,853)
201,061,839	210,757,298	213,215,664	226,202,518	226,355,142	235,945,314
<u>\$ 201,061,839</u>	<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>

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, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Expenses				
Governmental Activities:				
Instruction	\$ 98,717,026	\$ 100,345,605	\$ 105,662,000	\$ 106,464,738
Student Personnel Services	9,550,196	9,481,173	9,262,052	9,271,687
Instructional Media Services	1,962,166	1,944,186	2,118,740	2,189,442
Instruction and Curriculum Development Services	3,661,358	4,153,389	4,103,785	4,611,206
Instructional Staff Training Services	3,122,643	2,742,317	2,214,563	2,834,048
Instruction Related Technology	1,283,515	1,466,935	1,681,610	1,495,715
Board	371,024	460,031	460,573	480,877
General Administration	944,946	1,036,546	1,286,149	1,391,321
School Administration	11,041,666	11,209,818	11,230,650	11,254,519
Facility Services - Non-Capitalized	18,555,981	3,125,424	2,013,899	2,430,003
Fiscal Services	919,336	784,117	1,101,844	1,107,565
Food Services	10,458,339	10,639,194	10,901,515	10,428,835
Central Services	1,905,301	1,784,314	1,895,196	1,538,384
Student Transportation Services	7,675,794	7,396,420	8,120,089	7,905,288
Operation of Plant	14,319,724	14,386,258	14,998,980	14,866,067
Maintenance of Plant	4,554,190	4,749,690	4,786,141	4,715,632
Administrative Technology Services	1,722,324	1,950,483	1,944,813	2,140,357
Community Services	52,954	33,324	186,817	20,549
Unallocated Interest on Long-Term Debt	8,088,488	7,596,032	7,604,707	5,804,308
Unallocated Depreciation	-	12,641,415	15,209,697	12,079,806
Total Governmental Activities Expenses	<u>198,906,971</u>	<u>197,926,671</u>	<u>206,783,820</u>	<u>203,030,347</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Food Service	2,473,071	2,455,483	2,453,338	2,143,141
Transportation	9,774	-	157,721	152,795
Instruction	56,592	57,567	64,628	86,746
Operating Grants and Contributions	8,156,319	8,334,627	8,740,134	8,909,622
Capital Grants and Contributions	866,466	888,495	881,129	1,063,330
Total Governmental Activities Program Revenues	<u>11,562,222</u>	<u>11,736,172</u>	<u>12,296,950</u>	<u>12,355,634</u>
Net Expenses Governmental Activities	<u>(187,344,749)</u>	<u>(186,190,499)</u>	<u>(194,486,870)</u>	<u>(190,674,713)</u>
Total Primary Government Net Expenses	<u>(187,344,749)</u>	<u>(186,190,499)</u>	<u>(194,486,870)</u>	<u>(190,674,713)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Property Taxes				
Levied for Operational Purposes	48,807,293	48,159,073	45,785,613	45,018,129
Levied for Capital Projects	12,242,466	12,136,449	11,873,491	11,912,140
Local Sales Tax	7,832,909	8,206,074	9,007,765	5,284,711
Grants and Contributions not restricted to specific programs	101,639,556	105,093,241	114,790,011	117,033,440
Unrestricted Investment Earnings	459,580	443,527	479,244	(121,985)
Miscellaneous	4,047,285	3,906,445	5,641,459	2,661,570
Total Governmental Activities	<u>175,029,089</u>	<u>177,944,809</u>	<u>187,577,583</u>	<u>181,788,005</u>
Total Primary Government General Revenues and Other Changes in Net Position	<u>175,029,089</u>	<u>177,944,809</u>	<u>187,577,583</u>	<u>181,788,005</u>
Change in Net Position				
Governmental Activities	<u>(12,315,660)</u>	<u>(8,245,690)</u>	<u>(6,909,287)</u>	<u>(8,886,708)</u>
Total Primary Government	<u>\$ (12,315,660)</u>	<u>\$ (8,245,690)</u>	<u>\$ (6,909,287)</u>	<u>\$ (8,886,708)</u>

Source: District records

TABLE 2 (Continued)

Fiscal Year Ending					
June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
\$ 105,595,214	\$ 108,581,464	\$ 112,178,899	\$ 116,734,406	\$ 122,952,772	\$ 129,183,841
8,570,746	8,978,591	9,475,910	9,629,463	10,305,339	10,743,255
1,832,370	1,580,760	1,670,186	1,406,550	1,499,407	1,354,828
4,345,473	4,606,251	4,984,827	5,487,994	5,909,931	5,844,572
2,992,562	3,366,519	3,187,021	3,238,748	3,158,097	4,043,552
740,282	634,787	615,107	708,413	599,914	566,717
501,111	485,796	702,006	569,835	549,206	555,285
1,297,242	1,646,718	1,385,010	1,136,961	2,135,155	2,242,723
11,166,980	11,297,615	11,885,259	12,578,189	12,665,115	12,927,212
2,470,261	2,188,737	6,876,093	541,797	1,115,028	781,908
778,107	854,703	859,712	857,653	1,008,056	2,228,554
10,358,424	11,602,638	12,811,088	12,700,237	13,692,564	14,812,812
1,381,116	1,841,843	2,076,296	2,127,534	2,555,810	2,709,875
6,980,040	7,033,814	7,522,704	8,227,042	8,070,432	7,855,689
14,482,370	14,972,754	16,363,264	16,987,276	18,265,529	19,049,816
5,201,852	5,374,764	5,412,786	5,885,546	7,227,468	6,539,336
2,580,640	2,734,734	2,889,131	2,939,278	4,592,787	3,115,093
6,104	1,452	983	1,420	10,358	11,424
6,102,038	4,042,505	3,781,555	3,606,715	3,391,682	3,315,159
12,090,214	11,339,724	12,024,965	12,888,627	13,334,789	14,169,364
199,473,146	203,166,169	216,702,802	218,253,684	233,039,439	242,051,015
1,858,156	1,796,468	1,394,814	709,880	355,162	83,477
152,003	150,590	167,416	148,583	84,271	48,475
84,512	87,244	107,632	151,301	118,511	496,167
9,842,901	9,731,565	11,623,384	14,072,478	12,519,029	13,037,352
1,549,777	1,536,802	3,131,121	1,624,966	948,688	1,195,883
13,487,349	13,302,669	16,424,367	16,707,208	14,025,661	14,861,354
(185,985,797)	(189,863,500)	(200,278,435)	(201,546,476)	(219,013,778)	(227,189,661)
(185,985,797)	(189,863,500)	(200,278,435)	(201,546,476)	(219,013,778)	(227,189,661)
46,435,418	44,718,926	45,514,011	45,800,900	47,671,751	48,974,618
12,229,002	12,489,651	13,334,037	14,191,789	15,329,228	16,643,434
4,955,233	10,391,995	11,353,186	11,015,453	11,578,748	13,157,697
120,575,310	127,269,757	130,386,623	135,980,854	136,360,977	150,721,592
276,542	305,927	431,310	1,098,468	328,709	78,700
4,708,050	4,382,703	4,041,105	6,445,866	7,896,989	5,278,081
189,179,555	199,558,959	205,060,272	214,533,330	219,166,402	234,854,122
189,179,555	199,558,959	205,060,272	214,533,330	219,166,402	234,854,122
3,193,758	9,695,459	4,781,837	12,986,854	152,624	7,664,461
\$ 3,193,758	\$ 9,695,459	\$ 4,781,837	\$ 12,986,854	\$ 152,624	\$ 7,664,461

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, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Property Taxes:					
Levied for Operational Purposes	\$ 48,807,293	\$ 48,159,073	\$ 45,785,613	\$ 45,018,129	\$ 46,435,418
Levied for Capital Projects	12,242,466	12,136,449	11,873,491	11,912,140	12,229,002
Local Sales Taxes (1)	7,832,909	8,206,074	9,007,765	5,284,711	4,955,233
Total	\$ 68,882,668	\$ 68,501,596	\$ 66,666,869	\$ 62,214,980	\$ 63,619,653

(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, 2017		June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
\$	44,718,926	\$ 45,514,011	\$ 45,800,900	\$ 47,671,751	\$ 48,974,618
	12,489,651	13,334,037	14,191,789	15,329,228	16,643,434
	10,391,995	11,353,186	11,015,453	11,578,748	13,157,697
\$	67,600,572	\$ 70,201,234	\$ 71,008,142	\$ 74,579,727	\$ 78,775,749

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, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
General Fund					
Fund Balances:					
Non-Spendable	\$ 1,440,561	\$ 1,490,830	\$ 1,434,975	\$ 1,373,299	\$ 1,570,675
Spendable:					
Restricted	978,496	478,153	30,755	1,779,073	966,179
Assigned	10,216,038	9,455,599	5,957,272	1,435,474	923,563
Unassigned (2)	4,224,837	4,849,807	6,938,011	1,814,821	6,575,155
Total General Fund	<u>\$ 16,859,932</u>	<u>\$ 16,274,389</u>	<u>\$ 14,361,013</u>	<u>\$ 6,402,667</u>	<u>\$ 10,035,572</u>
All Other Governmental Funds					
Fund Balances:					
Non-Spendable	\$ 2,452,182	\$ 1,601,859	\$ 969,525	\$ 109,867	\$ 132,059
Spendable:					
Restricted	46,419,030	40,924,387	41,101,828	35,224,108	36,379,446
Assigned	-	-	-	-	-
Unassigned (2)	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 48,871,212</u>	<u>\$ 42,526,246</u>	<u>\$ 42,071,353</u>	<u>\$ 35,333,975</u>	<u>\$ 36,511,505</u>
Total Combined All Governmental funds	<u>\$ 65,731,144</u>	<u>\$ 58,800,635</u>	<u>\$ 56,432,366</u>	<u>\$ 41,736,642</u>	<u>\$ 46,547,077</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 (Continued)

Fiscal Year Ending				
June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
\$ 1,343,934	\$ 1,465,072	\$ 1,342,406	\$ 1,451,517	\$ 1,220,315
659,550	553,807	1,173,775	1,043,221	1,970,831
4,208,679	5,220,275	4,935,020	14,719,921	13,849,562
<u>13,288,610</u>	<u>18,369,962</u>	<u>22,945,943</u>	<u>12,745,823</u>	<u>17,337,550</u>
<u>\$ 19,500,773</u>	<u>\$ 25,609,116</u>	<u>\$ 30,397,144</u>	<u>\$ 29,960,482</u>	<u>\$ 34,378,258</u>
\$ 141,688	\$ 119,702	\$ 80,796	\$ 377,058	\$ 227,849
26,286,195	27,870,166	34,259,316	37,383,820	54,099,095
7,902,438	4,091,654	-	4,716,605	-
-	-	-	-	-
<u>\$ 34,330,321</u>	<u>\$ 32,081,522</u>	<u>\$ 34,340,112</u>	<u>\$ 42,477,483</u>	<u>\$ 54,326,944</u>
<u>\$ 53,831,094</u>	<u>\$ 57,690,638</u>	<u>\$ 64,737,256</u>	<u>\$ 72,437,965</u>	<u>\$ 88,705,202</u>

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, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Revenues					
Federal Direct Sources:					
Reserve Officers Training Corps (ROTC)	\$ 212,982	\$ 181,480	\$ 211,147	\$ 214,600	\$ 212,975
Miscellaneous Federal Direct	-	-	-	-	-
Total Federal Direct	212,982	181,480	211,147	214,600	212,975
Federal Through State and Local Sources:					
Food Service	7,358,101	7,538,918	7,948,367	7,980,511	8,925,859
Donated Foods and Cash in Lieu of	647,480	650,756	646,529	787,997	780,408
Other Federal Through State and Local Grants	15,354,876	14,223,225	12,883,165	14,004,179	12,497,218
Total Federal Through State and Local Sources	23,360,457	22,412,899	21,478,061	22,772,687	22,203,485
State Sources:					
Florida Education Finance Program (FEFP)	60,448,872	65,005,531	75,288,663	77,610,844	82,146,741
Other Categoricals	480,823	785,735	338,778	588,486	1,251,270
Class Size Reduction	24,160,280	23,768,179	23,768,179	23,277,212	23,405,339
District Discretionary Lottery Funds	71,021	-	209,627	76,689	74,859
Motor Vehicle License Tax (Capital Outlay and Debt Service)	857,309	885,165	881,096	890,774	871,031
Gross Receipts Tax (Public Education Capital Outlay)	-	-	-	171,925	678,746
Food Services	148,847	144,953	145,238	141,114	136,634
Other State Sources and State Grants	916,672	1,094,671	2,156,177	1,259,137	1,265,011
Total State Sources	87,083,824	91,684,234	102,787,758	104,016,181	109,829,631
Local Sources:					
Ad Valorem Taxes	61,049,759	60,295,522	57,659,104	56,930,269	58,664,420
Food Services Sales	2,473,071	2,455,483	2,453,338	2,143,141	1,853,722
Sales Taxes	7,832,909	8,206,074	9,007,765	5,284,711	4,955,233
Impact Fees	156,980	17,400	-	-	-
Investment Income	459,580	443,527	479,244	(121,985)	75,400
Local Grants and Other Local Sources	3,738,298	3,780,410	4,763,741	2,324,313	4,583,457
Total Local Sources	75,710,597	75,198,416	74,363,192	66,560,449	70,132,232
Total Revenues	186,367,860	189,477,029	198,840,158	193,563,917	202,378,323
Expenditures					
Current:					
Instruction	98,066,676	98,589,783	104,389,399	108,232,447	106,537,953
Student Personnel Services	9,511,114	9,318,507	9,152,498	9,427,045	8,647,264
Instructional Media	1,953,328	1,929,947	2,095,267	2,227,387	1,848,730
Instruction & Curriculum Development Services	3,652,268	4,122,970	4,063,373	4,694,020	4,384,269
Instructional Staff Training Services	3,113,823	2,722,233	2,198,139	2,887,886	3,019,279
Instruction Related Technology	1,191,584	1,456,191	1,661,574	1,518,686	746,891
Board	370,010	456,661	456,414	489,759	505,584
General Administration	943,700	1,028,954	1,297,673	1,408,320	1,308,823
School Administration	10,939,393	11,108,102	11,132,690	11,449,262	11,266,677
Facility Services - Non-Capitalized	4,906,994	536,955	2,014,145	2,483,626	2,530,237
Fiscal Services	916,353	778,374	1,091,962	1,127,499	785,054
Food Services	10,165,772	10,455,762	10,777,737	10,606,646	10,447,569
Central Services	1,807,463	1,753,480	1,874,395	1,563,721	1,393,002
Student Transportation Services	7,614,044	7,268,604	8,013,177	8,020,090	7,040,108
Operation of Plant	14,278,025	14,132,010	14,591,305	15,141,503	14,607,003
Maintenance of Plant	4,482,917	4,668,408	4,728,859	4,793,969	5,247,754
Administrative Technology Services	1,713,875	1,936,198	1,923,355	2,179,690	2,602,849
Community Services	52,702	33,081	185,766	21,017	6,159
Fixed Capital Outlay:					
Facilities Acquisition & Construction	4,601,562	4,061,686	491,326	534,263	5,584,160
Other Capital Outlay	2,697,848	631,706	871,600	1,004,850	875,413
Debt Service:					
Principal	11,182,245	11,930,409	12,338,922	12,283,682	5,164,115
Interest	7,951,530	7,527,482	6,692,404	5,882,626	3,541,896
Dues and Fees	-	-	-	13,494	642,355
Miscellaneous	42,831	22,270	113,267	-	632
Total Expenditures	202,156,057	196,469,773	202,155,247	207,991,488	198,733,776
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,788,197)	(6,992,744)	(3,315,089)	(14,427,571)	3,644,547
Other Financing Sources (Uses)					
Refunding Note Payable Issued	-	-	-	-	-
Refunding Bonds Issued	365,000	-	29,685,000	1,299,000	90,645,000
Premium on Refunding Bonds	55,865	-	82,496	123,525	11,553,598
Sale of Bonds	-	-	-	-	-
Loans	-	-	-	-	-
Insurance Loss Recoveries	75,157	62,235	57,181	87,923	59,145
Certificates of Participation	-	-	-	-	-
Payments to Refunding Bonds Escrow Agent	(419,780)	-	(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	483,097	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Face Value of Refunding Bonds	-	-	-	-	-
Transfers In	23,871,497	20,641,428	21,214,610	20,582,195	24,921,175
Transfers Out	(23,871,497)	(20,641,428)	(21,214,610)	(20,582,195)	(24,921,175)
Total Other Financing Sources (Uses)	559,339	62,235	946,828	(268,153)	1,165,888
Net Change in Fund Balance	(15,228,858)	(6,930,509)	(2,368,261)	(14,695,724)	4,810,435
Debt Service as a Percentage of Non-Capital Expenditures	9.8%	10.1%	9.5%	8.8%	4.5%
Beginning Fund Balance	80,960,002	65,731,144	58,800,627	56,432,366	41,736,642
Adjustment to Fund Balance	-	-	-	-	-
Restated Beginning Fund Balance	-	-	-	-	-
Ending Fund Balance	\$ 65,731,144	\$ 58,800,635	\$ 56,432,366	\$ 41,736,642	\$ 46,547,077

Source: District records

TABLE 5 (Continued)

Fiscal Year Ending				
June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
\$ 204,649	\$ 199,442	\$ 204,705	\$ 207,672	\$ 223,901
5,527	4,705	61,743	77,228	217,530
210,176	204,147	266,448	284,900	441,431
8,805,504	10,707,799	13,046,405	11,237,891	12,931,434
794,049	787,894	892,106	1,124,155	1,086,531
13,393,272	14,539,840	15,239,374	14,451,098	20,454,458
22,992,825	26,035,533	29,177,885	26,813,144	34,472,423
87,411,334	88,568,231	93,120,031	97,631,835	100,134,574
388,271	814,639	565,063	573,537	-
23,665,654	23,526,247	23,919,919	24,039,718	24,305,383
363,643	38,604	75,470	22,391	-
891,311	891,291	905,266	936,148	239,682
645,305	435,038	440,908	-	-
132,012	127,689	133,967	156,983	186,330
1,837,593	3,019,837	3,979,185	1,308,368	2,536,753
115,335,123	117,421,576	123,139,809	124,668,980	127,402,722
57,208,577	58,848,048	59,992,688	62,930,323	65,618,052
1,796,468	1,394,814	709,880	372,581	83,477
10,391,995	11,353,186	11,015,453	11,636,400	13,157,697
1,631,051	1,748,325	2,427,403	2,153,894	3,833,301
304,548	431,310	1,098,465	905,006	126,776
2,728,271	3,705,566	3,090,070	3,385,057	6,635,274
74,060,910	77,481,249	78,333,959	81,383,261	89,454,577
212,599,034	221,142,505	230,918,101	233,150,285	251,771,153
105,150,370	108,971,048	112,707,854	115,928,362	118,812,057
8,694,875	9,205,158	9,297,311	9,716,584	10,049,020
1,530,809	1,622,464	1,358,033	1,413,745	1,267,135
4,460,697	4,841,452	5,298,695	5,572,290	5,454,623
3,260,140	3,095,004	3,127,033	2,977,672	3,745,518
614,729	597,531	683,977	565,640	530,295
470,445	681,947	550,179	517,829	519,598
1,446,155	1,336,897	1,399,321	1,879,884	2,098,585
10,940,618	11,545,666	11,835,587	11,941,545	12,096,392
261,216	6,862,457	522,988	1,051,204	3,980,562
827,696	835,148	828,070	950,464	3,603,746
11,231,422	12,427,740	12,256,971	12,905,046	13,855,274
1,782,914	2,016,197	2,053,324	2,408,961	2,534,836
6,809,430	7,305,505	7,940,862	7,606,933	7,344,699
14,496,847	15,892,768	16,398,181	17,218,820	17,430,751
5,199,010	5,251,839	5,675,832	6,807,784	6,078,387
2,647,241	2,805,435	2,836,674	4,329,162	2,913,586
1,406	956	1,372	9,768	10,690
15,650,703	10,977,330	19,014,189	13,741,576	12,380,313
321,446	648,085	-	-	4,053,046
4,711,753	6,073,736	5,868,985	7,483,165	4,736,872
4,680,315	4,419,363	4,244,523	4,083,318	3,942,783
153,375	8,791	7,418	141,364	11,914
-	-	-	-	-
205,343,612	217,422,517	223,907,379	229,251,116	237,450,682
7,255,422	3,719,988	7,010,722	3,899,169	14,320,471
-	-	-	4,674,633	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
28,595	12,700	-	-	-
-	126,856	35,896	29,612	21,055
-	-	-	-	-
-	-	-	(902,705)	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
9,891,305	14,749,455	13,003,285	13,216,414	9,528,702
(9,891,306)	(14,749,455)	(13,003,285)	(13,216,414)	(9,528,702)
28,594	139,556	35,896	3,801,540	21,055
7,284,016	3,859,544	7,046,618	7,700,709	14,341,526
5.0%	5.1%	4.9%	5.4%	3.9%
46,547,078	53,831,094	57,690,638	64,737,256	72,437,965
-	-	-	-	1,925,711
-	-	-	-	74,363,677
\$ 53,831,094	\$ 57,690,638	\$ 64,737,256	\$ 72,437,965	\$ 88,705,202

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		
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
2011-2012	48,807,293	12,242,466	7,832,909		68,882,668

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

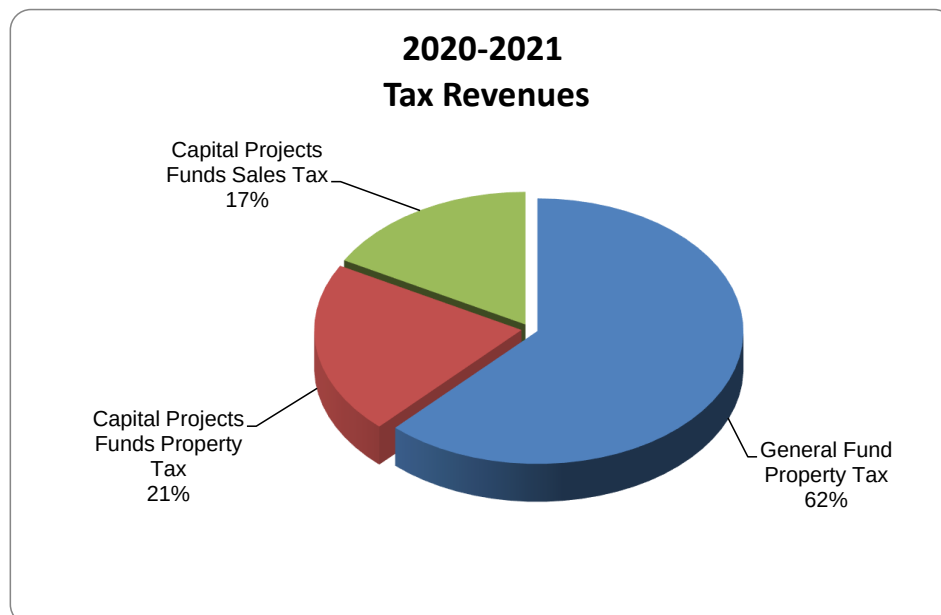


TABLE 7

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		
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
2011-2012	10,600,374	1,629,933	9,949,584	1,585,617	2,417,670	325,372	7,531,914	1,260,245	7,445	8,799,604	76.28%	14.4324

(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

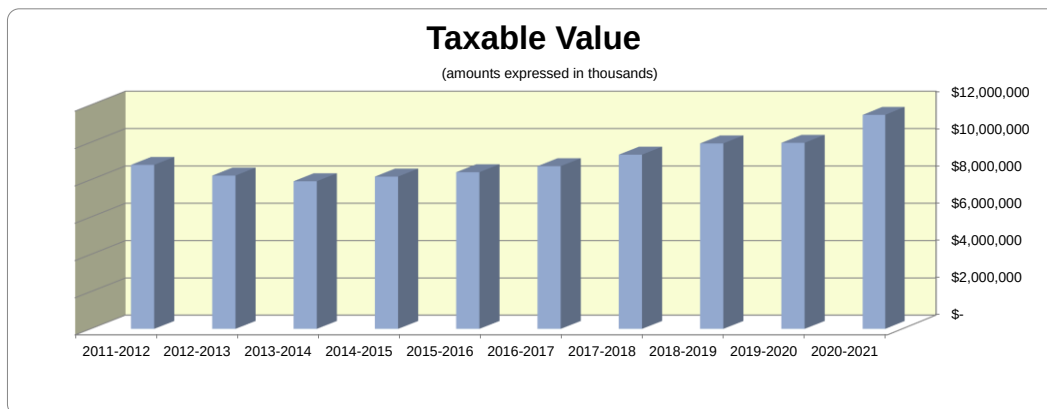


TABLE 8

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, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
District Direct Rates					
District School Board:					
Local Required Effort	5.2600	5.2060	5.0320	4.9190	4.9480
Discretionary Local	0.7480	0.7480	0.7480	0.7480	0.7480
Supplemental Discretionary	0.0000	0.0000	0.0000	0.0000	0.0000
Voted Debt Service	0.0000	0.0000	0.0000	0.0000	0.0000
Local Capital Improvement	1.5000	1.5000	1.5000	1.5000	1.5000
Total District School Board Direct Rates	7.5080	7.4540	7.2800	7.1670	7.1960
Overlapping Rates					
Other Hernando County:					
General Fund	5.6279	5.9169	6.8669	6.9912	6.9912
Public Health	0.1102	0.1102	0.1102	0.1102	0.1102
Road and Bridge	0.7091	0.7091	0.7091	0.7091	0.7091
Recreation/Sensitive Lands	0.0844	0.0844	0.1000	0.0000	0.0000
Special Ad Valorem Districts	3.1737	3.1737	0.6673	0.6673	0.7839
Total Other Hernando County Rates	9.7053	9.9943	8.4535	8.4778	8.5944
Southwest Florida Water Management Districts (SWFWMD):					
SWFWMD County-Wide	0.3928	0.3928	0.3818	0.3658	0.3468
Hillsborough Basin					
Withlacoochee Basin	0.0000	0.0000	0.0000	0.0000	0.0000
Coastal Basin	0.0000	0.0000	0.0000	0.0000	0.0000
Total Southwest Florida Water Management Districts	0.3928	0.3928	0.3818	0.3658	0.3468
Municipalities:					
City of Brooksville	6.3700	6.6000	6.7317	6.6962	6.6439
City of Weeki Wachee	2.7838	2.7137	2.7654	2.6267	2.7622
Total Municipalities	9.1538	9.3137	9.4971	9.3229	9.4061
Total Overlapping Rates (1)	19.2519	19.7008	18.3324	18.1665	18.3473
Base Millage Rate (2)	14.4324	14.6674	15.4480	15.3433	15.3533

(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 (Continued)

Fiscal Year Ending				
June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
4.6210	4.3710	4.0920	3.9150	3.6650
0.7480	0.7480	0.7480	0.7480	0.7480
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
1.5000	1.5000	1.5000	1.5000	1.5000
<u>6.8690</u>	<u>6.6190</u>	<u>6.3400</u>	<u>6.1630</u>	<u>5.9130</u>
6.9912	6.8912	6.8912	7.8912	7.6412
0.1102	0.1102	0.1102	0.1102	0.1102
0.7091	0.7091	0.7091	0.7091	0.7091
0.0000	0.0000	0.0000	0.0000	0.0000
0.7839	0.7839	1.0239	1.0239	1.0239
<u>8.5944</u>	<u>8.4944</u>	<u>8.7344</u>	<u>9.7344</u>	<u>9.4844</u>
0.3317	0.3131	0.2955	0.2801	0.2669
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
<u>0.3317</u>	<u>0.3131</u>	<u>0.2955</u>	<u>0.2801</u>	<u>0.2669</u>
6.6426	6.9763	6.2000	6.2000	5.9000
2.8478	2.8470	2.8421	2.8658	
9.4904	9.8233	9.0421	9.0658	5.9000
<u>18.4165</u>	<u>18.6308</u>	<u>18.0720</u>	<u>19.0803</u>	<u>15.6513</u>
15.0112	14.6426	14.3460	15.1536	14.6404

TABLE 9

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

Taxpayer	2020-2021				2011-2012			
	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	\$ 267,991,414	1	2.47%	Cement Manufacturing	\$ 172,892,132	2	2.29%
Withlacoochee River Electric Co-op	Public Utility	226,545,720	2	2.09%	Public Utility	274,170,984	1	3.64%
Wal-Mart Regional Distribution	Retail Sales	111,617,577	3	1.03%	Retail Sales	25,848,715	9	0.34%
Duke Energy (Florida Power Corporation)	Public Utility	110,990,344	4	1.02%	Public Utility	60,736,200	5	0.80%
HCA Health Services of Florida, Inc.	Hospital/ Health Care	69,899,606	5	0.64%	Hospital/ Health Care	38,868,298	7	0.49%
Florida Gas Transmission	Utilities	51,669,421	6	0.48%	Utilities	25,975,000	8	0.35%
BW Hibiscus Springs LLC	Apartments	50,883,772	7	0.47%				
Wal-Mart Stores, Inc.	Retail Sales	47,462,976	8	0.44%	Retail Sales	114,641,372	3	1.51%
Wal-Mart Stores East LP	Retail Sales	32,481,193	9	0.30%				
Oak Hill Hospital	Hospital	31,383,725	10	0.29%				
					Cable Utility	63,653,313	4	0.84%
					Telecommunications	56,405,000	6	0.75%
					Utilities	23,393,507	10	0.31%

(1) Percentage of Taxable Value to County Total Taxable Value. Total Taxable Value can be found on Table 7 page 111 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
2020-2021	\$ 67,923,876	\$ 65,584,390	96.56%	\$ 33,665	\$ 65,618,055	96.61%
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%
2011-2012	66,067,422	60,364,306	91.37%	685,453	61,049,759	92.41%

(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	Capital Leases	Total Primary Government	Per Capita (2)	Percentage of Per Capita Income (2)
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%
2011-2012	-	5,260,000	133,755,000	2,575,000	18,590,000	9,438,299	1,041,954	170,660,253	986	3.21%

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, 2021
(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	\$ 11,911,505			100.00%	\$ 11,911,505
Non-Ad Valorem Refunding Bonds, Series 2012	9,920,000			100.00%	9,920,000
Non-Ad Valorem Refunding Bonds, Series 2010	1,235,000			100.00%	1,235,000
Subtotal Overlapping Debt	<u>23,066,505</u>				<u>23,066,505</u>
District School Board of Hernando County:					
State Board of Education Bonds, Series 2011A Refundin	100,000	100.00%	\$ 100,000	100.00%	100,000
State Board of Education Bonds, Series 2014A Refundin	222,000	100.00%	222,000	100.00%	222,000
State Board of Education Bonds, Series 2020A Refundin	695,000	100.00%	695,000	100.00%	695,000
Bonds Payable - Unamortized Premium	436,827	100.00%	436,827	100.00%	436,827
Certificates of Participation, Series 2013A	6,261,412	100.00%	6,261,412	100.00%	6,261,412
Certificates of Participation, Series 2016A	85,285,000	100.00%	85,285,000	100.00%	85,285,000
Certificates of Participation - Unamortized Premium	8,665,198		8,665,198		8,665,198
Capital Improvement Bonds, Series 2020 Refunding	3,400,000	100.00%	3,400,000	100.00%	3,400,000
Subtotal Direct Debt	<u>105,065,437</u>		<u>105,065,437</u>		<u>105,065,437</u>
Totals	<u>\$ 128,131,942</u>		<u>\$ 105,065,437</u>		<u>\$ 128,131,942</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 Comprehensive Annual 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, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Taxable Value (1)	<u>\$ 8,799,604</u>	<u>\$ 8,228,070</u>	<u>\$ 7,925,320</u>	<u>\$ 8,174,271</u>
Debt Limit - 10% of Taxable Value (2)	<u>\$ 879,960</u>	<u>\$ 822,807</u>	<u>\$ 792,532</u>	<u>\$ 817,427</u>
Amount of Debt Applicable to the Debt Limit:				
General Obligation Bonds Payable	\$ -	\$ -	\$ -	\$ -
Less, Amount Available for Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Debt Applicable to the Debt Limit	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Legal Debt Margin	<u>\$ 879,960</u>	<u>\$ 822,807</u>	<u>\$ 792,532</u>	<u>\$ 817,427</u>
Total Debt Applicable to the Debt Limit as a Percentage of the Debt Limit	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 (Continued)

Fiscal Year Ending					
June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
<u>\$ 8,408,354</u>	<u>\$ 8,730,587</u>	<u>\$ 9,346,958</u>	<u>\$ 9,949,228</u>	<u>\$ 9,980,807</u>	<u>\$ 11,477,508</u>
<u>\$ 840,834</u>	<u>\$ 873,058</u>	<u>\$ 934,696</u>	<u>\$ 994,923</u>	<u>\$ 998,081</u>	<u>\$ 1,147,751</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 840,834</u>	<u>\$ 873,058</u>	<u>\$ 934,696</u>	<u>\$ 994,923</u>	<u>\$ 998,081</u>	<u>\$ 1,147,751</u>
0.00%	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
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%	
2011-2012	173,142	8,799,604	-	-	-	0.00%	

(1) Hernando County Monthly Demographics Update Summary - through November 2021

(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)
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
2011-2012	8,799,604	7,771	0.920 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: Capital lease 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 NINE 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)
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
2011-2012	7,832,909	5,750,000	792,834	6,542,834	1.20

(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)
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%
2011-2012	173,142	5,320,481	30,729	22,442	62.6%	63,088	10.8%	47.7	16.2%

Source:

- (1) Hernando County Monthly Demographics Update Summary - through December 2020
- (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, 2021
- (4) U.S. Census Bureau - State & County Quickfacts
Bachelor's degree or higher, % of persons 25+ 2015-2019
- (5) Food & Nutrition Data as of 04/30/21 (Free 54.6% Reduced 3.7% =58.3%)

TABLE 18

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

Employer / Type of Business	2020-2021			2019-2020	
	Number of Employees	Rank	% (1)	Number of Employees	Rank
Citrus Memorial Health Care Systems	1,320	1	1.9%	1,320	1
Oak Hill Hospital Healthcare	1,089	2	1.5%	930	4
Hernando Healthcare	1,032	3	1.5%	900	5
Wal-Mart Distribution Center	1,020	4	1.4%	1,044	2
Heart Institute at Oak Hill Hospital Health Care	947	5	1.3%	947	3
HealthSouth	355	6	0.5%	355	6
Accuform, Inc. Manufacturer	280	7	0.4%	280	9
Cemex #426 Mining	250	8	0.4%	300	8
Hernando Pasco Hospice Healthcare	221	9	0.3%	221	10
Sparton Electronics Manufacturer	219	10	0.3%	325	7
Total	<u>6,733</u>		<u>9.5%</u>	<u>6,622</u>	

(1) Percentage shown represents the number of employees as a percent of Hernando County's total labor force of 70,615

(2) Last updated list of Major Private Sector Employees from Florida Department of Transportation

Source: <https://www.fdot.gov/docs/default-source/planning/systems/programs/mspi/pdf/freight/onlineviewing/Hernando.pdf>



(THIS PAGE LEFT INTENTIONALLY BLANK)

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	49	118,217	751	85.4%	8	150
Chocachatti Elementary (Magnet)	1998	19	111,262	737	98.5%	8	300
Deltona Elementary	1989	28	114,971	743	109.8%	7	156
Eastside Elementary	1973	44	93,669	736	82.7%	6	72
John D. Floyd Elementary	1986	31	108,736	696	139.2%	19	480
Moton Elementary	1989	28	95,943	755	75.9%	4	98
Pine Grove Elementary	1988	29	123,530	698	123.9%	12	332
Spring Hill Elementary	1980	37	95,285	588	139.8%	11	265
Suncoast Elementary	1994	23	130,003	744	121.1%	4	128
Westside Elementary	1972	45	83,917	590	86.8%	13	240
Total Elementary School Student Enrollment							
Middle Schools:							
Fox Chapel Middle School	1978	39	123,502	1,120	65.4%	7	132
D. S. Parrott Middle School	1988	29	147,544	1,143	57.0%		
Powell Middle School	1984	33	153,878	1,195	82.1%		
West Hernando Middle School	1993	24	198,184	1,269	56.6%	6	220
Total Middle School Student Enrollment							
Combination Schools:							
Challenger K-8 School of Science and Mathematics (Magnet)	2004	13	237,114	1,734	85.2%	1	44
Explorer K-8	2008	9	278,292	2,073	79.9%		
Winding Waters K-8	2012	5	183,590	1,560	83.4%		
Total Combination School Student Enrollment							
High Schools:							
Central High School	1989	28	244,451	1,581	83.0%	4	100
Hernando High School	1962	55	247,679	1,665	72.6%	5	120
Nature Coast Technical High School (Magnet)	2001	16	255,290	1,413	93.9%		
Springstead High School	1975	42	224,751	1,685	102.2%	22	525
Weeki Wachee High School (Grades 9-12)	2011	6	211,964	1,665	80.7%		
Total High School Student Enrollment							
Specialty Schools:							
Endeavor Academy (formerly STAR Center)	1974	43	19,260	121	95.9%	4	70
Hernando eSchool	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
Stop Camp/Withlacoochee DJJ	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
Gulf Coast Elementary School	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
Gulf Coast Academy of Science and Mathematics	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
Heart Literacy	1986	31	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 29.4 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 (Continued)

Student Enrollment									
2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
765	778	788	782	661	641	648	674	662	666
920	865	826	762	744	726	739	736	704	756
806	831	833	922	793	816	828	808	686	795
532	508	468	528	580	609	652	663	598	684
-	-	-	-	-	969	954	945	888	940
632	650	615	603	640	573	569	551	539	650
616	578	610	650	763	865	914	948	844	905
680	697	914	735	749	822	924	870	795	924
941	926	693	988	860	901	891	908	777	841
581	571	594	564	518	512	557	582	516	542
6,473	6,404	6,341	6,534	6,308	7,434	7,676	7,685	7,009	7,703
677	681	642	594	698	733	772	751	729	830
840	811	792	683	632	652	661	724	763	824
1,021	919	827	797	922	981	1,013	1,082	934	970
953	847	738	617	660	718	689	694	610	720
3,491	3,258	2,999	2,691	2,912	3,084	3,135	3,251	3,036	3,344
1,626	1,586	1,593	1,574	1,542	1,477	1,429	1,397	1,369	1,453
1,770	1,827	1,770	1,748	1,668	1,656	1,686	1,689	1,503	1,574
805	1,044	1,208	1,391	1,298	1,301	1,378	1,391	1,277	1,605
4,201	4,457	4,571	4,713	4,508	4,434	4,493	4,477	4,149	4,632
1,337	1,169	1,151	1,160	1,253	1,312	1,267	1,259	1,173	1,295
1,371	1,296	1,270	1,189	1,179	1,209	1,161	1,205	1,221	1,228
1,331	1,304	1,284	1,266	1,327	1,327	1,457	1,404	1,325	1,312
1,774	1,615	1,606	1,656	1,784	1,722	1,724	1,791	1,678	1,912
915	1,265	1,381	1,459	1,402	1,343	1,278	1,274	1,196	1,444
6,728	6,649	6,692	6,730	6,945	6,913	6,887	6,933	6,593	7,191
39	57	52	71	104	116	125	133	108	106
39	60	31	5	7	55	49	43	76	212
11	10	12	9	9	8	2	2	-	2
-	-	-	-	-	-	-	-	-	-
89	127	95	85	120	179	176	178	184	320
-	-	76	126	121	130	119	90	60	75
-	-	-	-	-	-	-	-	114	123
-	-	108	107	109	110	-	-	-	-
120	117	116	130	128	124	236	236	236	218
120	117	300	363	358	364	355	326	410	416
21,102	21,012	20,998	21,116	21,151	22,408	22,722	22,850	21,381	23,606
6	1	22	49	35	28	53	53	24	40
175	166	159	261	86	96	101	123	73	63
181	167	181	310	121	124	154	176	97	103
21,283	21,179	21,179	21,426	21,272	22,532	22,876	23,026	21,478	23,709

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
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
2011-2012	1,575	175	93	1,134	2,977	18.82

(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	All Degrees
2020-2021	\$ 46,120	\$ 48,620	\$ 49,620	\$ 50,620	\$ 49,759
2019-2020	48,398	50,898	51,898	52,898	49,313
2018-2019	46,321	48,821	49,821	50,821	47,236
2017-2018	46,729	49,229	50,229	51,229	47,644
2016-2017	45,777	48,277	49,277	50,277	43,176
2015-2016	45,034	47,534	48,534	49,534	43,176
2014-2015	43,026	48,930	48,131	47,402	45,017
2013-2014	40,614	49,042	40,453	52,577	43,107
2012-2013	40,872	47,773	47,841	48,932	43,970
2011-2012	41,425	47,678	47,892	48,095	43,616

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
2020-2021	\$ 242,051,015	24,450	9.2%	\$ 9,900	-5.2%	1,630	-0.8%	15.00
2019-2020	233,039,439	22,398	-4.8%	10,448	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
2011-2012	198,906,971	22,442	-2.4%	8,863	-7.3%	1,575	-0.9%	14.25

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

Source: District records

COMPLIANCE SECTION





HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

Compliance Section

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

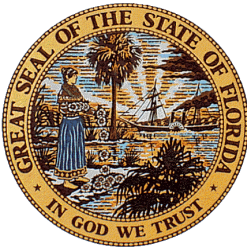
Content	Page
Schedule of Expenditures of Federal Awards	123
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	124
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	126
Schedule of Findings and Questioned Costs	129
Prior Audit Follow-Up	130
Summary Schedule of Prior Audit Findings	131

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster	Federal 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	\$ 2,555,031
National School Lunch Program	10.555	21001, 21003	9,224,515
COVID-19 National School Lunch Program	COVID-19, 10.555	21001, 21003	1,164,943
Total National School Lunch Program	10.555		<u>10,389,489</u>
Total Child Nutrition Cluster			<u>12,944,489</u>
Student Financial Aid Cluster:			
United States Department of Education:			
Federal Pell Grant Program	84.063	N/A	<u>116,669</u>
Special Education Cluster:			
United States Department of Education:			
Florida Department of Education:			
Special Education - Grants to States	84.027	262, 263	4,708,198
Special Education - Preschool Grants	84.173	267	<u>113,735</u>
Total Special Education Cluster			<u>4,821,933</u>
Child Care and Development Fund Cluster:			
United States Department of Health and Human Services:			
Early Learning Coalition of Pasco and Hernando Counties, Inc.:			
Child Care and Development Block Grant	COVID-19, 93.575	None	<u>17,723</u>
Not Clustered			
United States Department of Agriculture:			
Florida Department of Health:			
Child and Adult Care Food Program	10.558	A-4575	1,013,476
COVID-19 Child and Adult Care Food Program	COVID-19, 10.558	A-4575	<u>71,517</u>
Total United States Department of Agriculture			<u>1,084,993</u>
United States Department of Defense:			
Air Force Junior Reserve Officers Training Corps	12.UNK	N/A	135,543
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	<u>88,358</u>
Total United States Department of Defense			<u>223,901</u>
United States Department of Justice:			
Public Safety Partnership and Community Policing Grants	16.710	N/A	<u>217,530</u>
United States Department of Education:			
Education Stabilization Fund:			
Higher Education Emergency Relief Fund - Student Aid	COVID-19, 84.425E	N/A	4,182
Higher Education Emergency Relief Fund - Institutional Portion	COVID-19, 84.425F	N/A	8,970
Florida Department of Education:			
Governor's Emergency Education Relief Fund	COVID-19, 84.425C	123	425,773
Elementary and Secondary School Emergency Relief Fund	COVID-19, 84.425D	124	<u>4,186,182</u>
Total Education Stabilization Fund	84.425		<u>4,625,107</u>
Florida Department of Education:			
Adult Education - Basic Grants to States	84.002	191, 193	216,451
Title I Grants to Local Educational Agencies	84.010	212, 223	7,206,410
Career and Technical Education - Basic Grants to States	84.048	161	208,647
Education for Homeless Children and Youth	84.196	127	98,194
English Language Acquisition State Grants	84.365	102	89,599
Supporting Effective Instruction State Grants	84.367	224	769,513
Student Support and Academic Enrichment Grants	84.424	241	<u>667,919</u>
Total United States Department of Education			<u>13,881,840</u>
Total Expenditures of Federal Awards			<u>\$ 33,309,078</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, 2021. 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) COVID-19 National School Lunch Program. The District incurred \$1,164,943 in expenditures for the National School Lunch Program grant in the 2019-20 fiscal year.
- (5) COVID-19 Child and Adult Care Food Program. The District incurred \$71,517 in expenditures for the Child and Adult Care Food Program grant in the 2019-20 fiscal year.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
Fax: (850) 488-6975

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

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*

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 as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 23, 2022, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the aggregate 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 auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

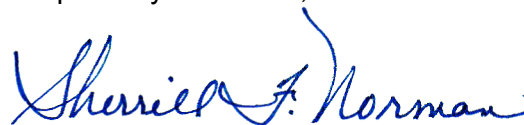
Compliance and Other Matters

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

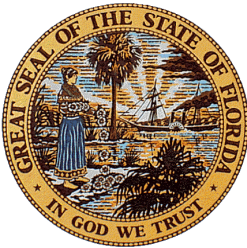
Purpose of this Report

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

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 23, 2022
Audit Report No. 2022-170



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
Fax: (850) 488-6975

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

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

Report on Compliance for Each Major Federal Program

We have audited the Hernando County District School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the fiscal year ended June 30, 2021. The District's major Federal programs are identified in **SECTION I – SUMMARY OF AUDITOR'S RESULTS** of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

Management's Responsibility

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

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 fiscal year ended June 30, 2021.

Report on Internal Control Over Compliance

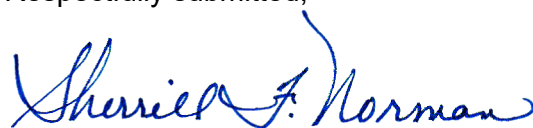
District management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 noncompliance 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with the first name "Sherrill" and last name "Norman" clearly legible, and "F." as a small initial in the middle.

Sherrill F. Norman, CPA
Tallahassee, Florida
March 23, 2022
Audit Report No. 2022-170

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?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major Federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major Federal programs:	
Assistance Listing Numbers:	Name of Federal Program or Cluster:
10.553, 10.555, and 10.559	Child Nutrition Cluster
10.558	Child and Adult Care Food Program
84.425	Education Stabilization Fund
Dollar threshold used to distinguish between type A and type B programs:	\$999,272
Auditee qualified as low risk auditee?	No

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters are reported.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for the financial statement audit findings included in the prior audit report.

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:

Kay Hatch

Jimmy Lodato

Linda Prescott

Learn it. Love it. Live it.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Audit Report No. (Finding No.)	Program/Area	Brief Description	Status	Comments
Purvis, Gray and Company, LLP (2017-1)	Inventory of Capital Assets	District procedures over capital assets need improvement.	Partially Corrected	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.
Purvis, Gray and Company, LLP (2019-1)	Financial Reporting - Software Implementation Issues	District financial reporting procedures need improvement to ensure that account balances and transactions are properly reported on the financial statements.	Fully Corrected	

It is the policy of the Hernando County School District not to illegally discriminate or allow its employees to illegally discriminate on the basis of race, color, religion, national origin, age, sex, marital status, disability or GINA in its educational programs or employment practices.



HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.