

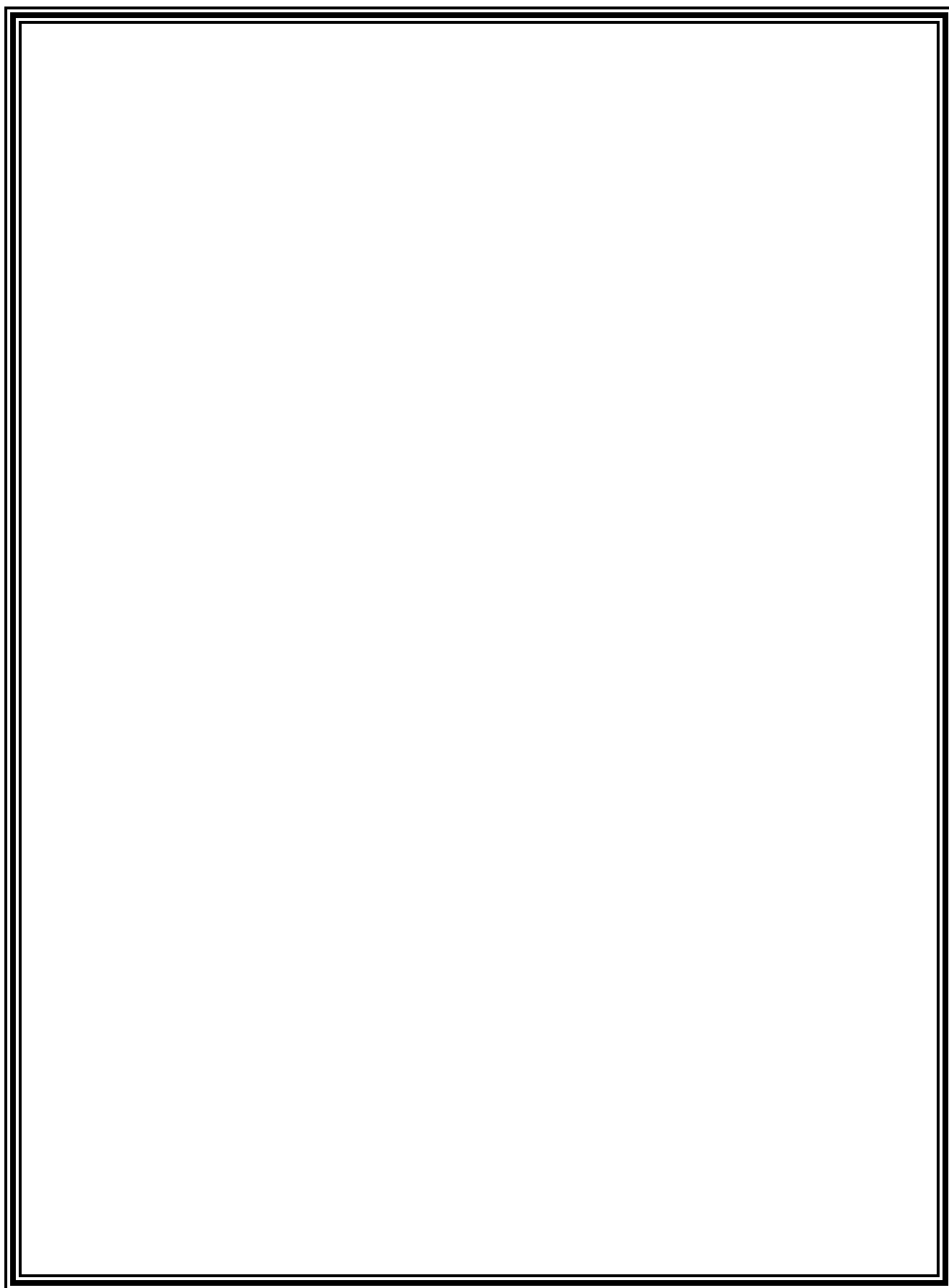
THE DISTRICT SCHOOL BOARD
OF HERNANDO COUNTY, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025



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, 2025



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, 2025

TABLE OF CONTENTS

INTRODUCTORY SECTION

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

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	23
Notes to the Financial Statements	24
Required Supplementary Information:	
Budgetary Comparison Schedule – General Fund	56
Budgetary Comparison Schedule – Other Federal Programs	61
Budgetary Comparison Schedule – Federal Education Stabilization	63
Budgetary Comparison Schedule – Local Capital Improvement	65
Budgetary Comparison Schedule – Other Capital Projects	66
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	67
Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan	68
Schedule of District Contributions – Florida Retirement System Pension Plan	69
Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan	70
Schedule of District Contributions – Health Insurance Subsidy Pension Plan	71

Notes to Required Supplementary Information	72
Other Supplementary Information:	
Combining and Individual Fund Statements:	
Combining Balance Sheet - Nonmajor Governmental Funds.....	73
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	75
Other Supplementary Information - Budgetary Comparison Schedules:	
Special Revenue Funds:	
Food Service	77
Internal Accounts	78
Debt Service Funds:	
SBE/COBI Bonds	79
Special Act Bonds	80
Other Debt Service.....	81
Capital Projects Funds:	
Public Education Capital Outlay (PECO).....	82
Capital Outlay and Debt Service	83
Nonmajor Component Units:	
Combining Schedule of Net Position - Nonmajor Component Units.....	84
Combining Schedule of Activities - Nonmajor Component Units.....	86

Table

STATISTICAL SECTION

Financial Trend Information:	
Net Position by Component – Government-Wide	1
Changes in Net Position – Government-Wide	2
Governmental Activities Tax Revenues by Source.....	3
Fund Balances of Governmental Funds	4
Summary of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds	5
Revenue Capacity Information:	
General Governmental Activities Tax Revenues by Source	6
Fair Market Value, Assessed Value, and Taxable Value of Property	7
Property Tax Rates - Direct and Overlapping Governments	8
Principal Property Taxpayers.....	9
Property Tax Levies and Collections	10
Debt Capacity Information:	
Ratios of Outstanding Debt by Type	11
Direct and Overlapping Governmental Activities Debt.....	12
Calculation of Legal Debt Margin.....	13
Ratio of Net General Bonded Debt Outstanding.....	14
Anticipated Capital Outlay Millage Levy Required to Cover Certificates of Participation Payments.....	15
Anticipated Sales Tax Revenue Collections Required to Cover Sales Tax Revenue Bond Payments.....	16

Demographic and Economic Information:	
County-Wide Demographic Statistics	17
Principal Employers Non-Retail, Non-Government.....	18
Operating Information:	
School Building Information and Student Enrollment Data	19
Number of Personnel.....	20
Average Teacher Salaries	21
Operating Statistics	22

COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards.....	118
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>	119
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance.....	121
Schedule of Findings and Questioned Cost	124
Independent Accountant's Report	126
Management Letter	127
Impact Fee Affidavit	129



(THIS PAGE INTENTIONALLY LEFT BLANK)

INTRODUCTORY SECTION





HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.



**HERNANDO
SCHOOL DISTRICT**

Superintendent: Ray Pinder
Board Chairperson: Kayce Hawkins
Vice Chairperson: Shannon Rodriguez
Board Members:
Michelle Bonczek
Susan Duval
Mark Johnson

Learn it. Love it. Live it.

December 19, 2025

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, 2025, 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 Florida Auditor have independently audited the District's financial statements. 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, 2025, 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, 2025. 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 School Board formed the Leasing Corporation 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 2024-2025 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 23,925 prekindergarten through adult students. The projected prekindergarten through grade 12 student enrollment for fiscal year 2025-2026 is 26,356 unweighted full-time equivalent students. The average age of the school buildings within the District is approximately 37.5 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 gain experience in 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 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 14.3 percent or 28,475 since the 2020 census. The County's current population as of April 1, 2020, is 194,515 with anticipated growth estimated to be 229,118 in the year 2030 and 251,320 in the year 2040. The median age is 47.4 years.

The local area economy continues to be affected by the national and State economic downturn. Unemployment rate increased during 2024-2025 to 4.0 percent for Hernando County and 2.9 percent for the State as of January 2025. The County's rate is lower than the national average of 4.1 percent during the same period.

The final property tax roll for Hernando County increased approximately \$1.30 million or 7.26 percent, bringing the tax roll to \$19.24 billion for the 2024-2025 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 periods, 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 3,127 full-time employees, including 1,505 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 2025 graduation rate for Hernando School District is 88.1%, a decrease of 0.9 percentage points over last year's rate and increase of 2.40 percentage points about the state's average.

More than 49 percent of Hernando County School District teachers have earned master's degrees or higher. Additionally, the District has 31 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, 2025. This was the twenty-second 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 to the operation of this innovative school system.

Respectfully submitted,



Ray Pinder
Superintendent of Schools



Joyce McIntyre
Chief Financial Officer



Dionne Makinson
Coordinator of Finance

District School Board of Hernando County, Florida

List of Principal Officials

School Board Members and Superintendent

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



Mark Johnson
District 1
Member Since Nov. 2022



Kacie Hawkins
District 2
Member Since Nov 2024



Shannon Rodriguez
District 3
Member Since Nov. 2022



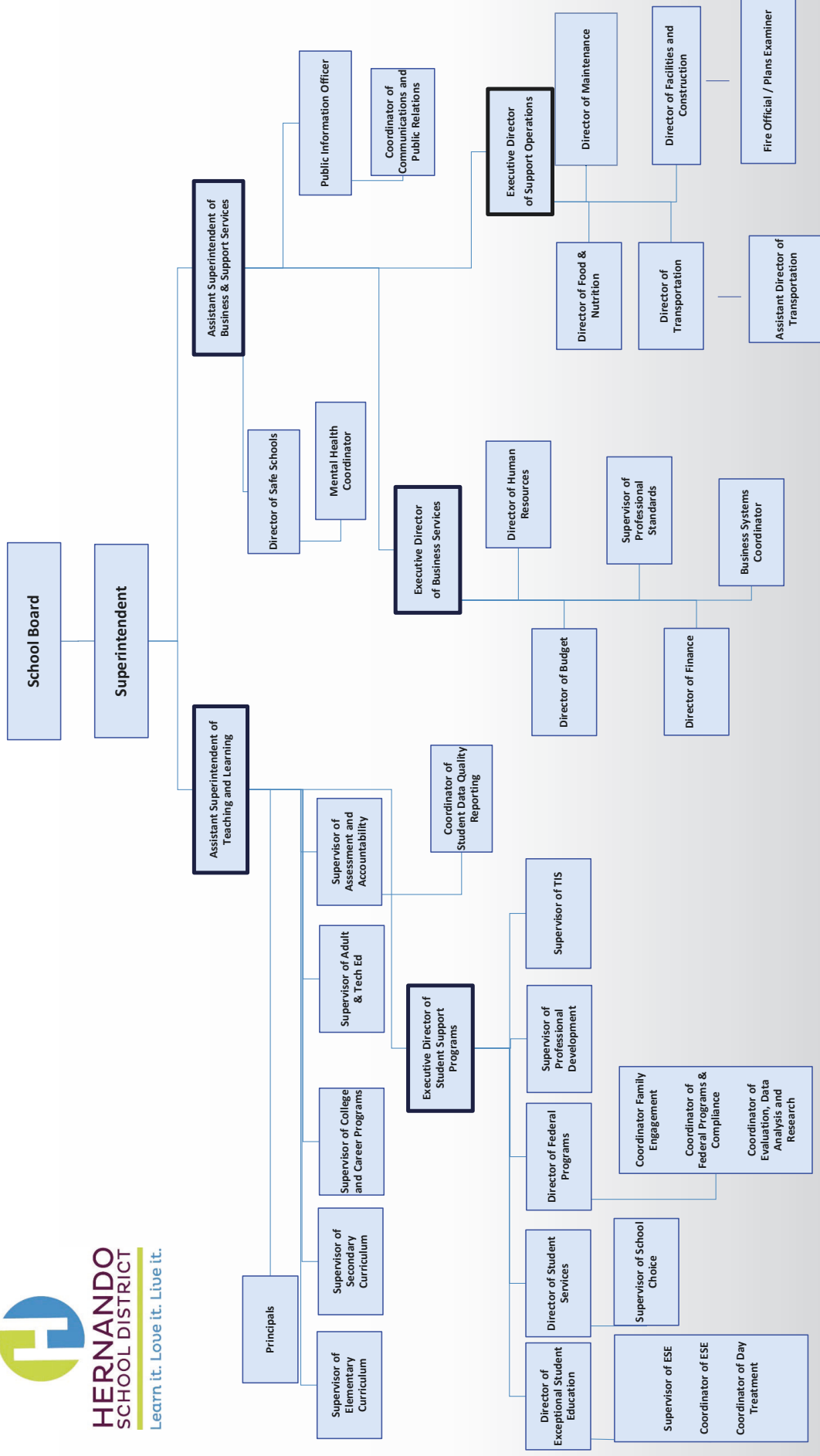
Michelle Bonczek
District 4
Member Since Nov 2024



Susan Duval
District 5
Member Since Nov. 2014



Ray Pinder
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, 2024

Christopher P. Morill

Executive Director/CEO



HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

FINANCIAL SECTION





HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Hernando County District School Board (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the three charter schools, which represent 52.19%, 28.40%, and 61.00%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2025, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the three charter schools, are based solely on the report of the other auditors.

Basis for Opinions

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Information

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

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

INDEPENDENT AUDITOR'S REPORT

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Purvis Gray

December 19, 2025
Ocala, Florida

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2025**

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, 2025. 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 2024-2025 fiscal year are as follows:

- Total Net Position is \$404,868,273 which represents an 9.38 percent increase from the 2023-2024 fiscal year.
- General revenues totaled \$325,168,295 or 94.3 percent, of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital gains and contributions total \$19,756,086 or 5.7 percent, of all revenues.
- Expenses total \$310,673,736 only \$19,756,086 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 \$404,868,273.
- The total combined assigned and unassigned fund balance of the General Fund representing the net fund balance that is spendable and not restricted, totals \$23,357,022, or 9.9 percent, of total General Fund revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2025**

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The government activities of the District include such functions as instruction, pupil personnel services, administration, 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 Elementary School, Inc., and Gulf Coast Academy of Science and Technology, Inc., all Charter Schools, 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 15-16 of this report.

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

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

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

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

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2025**

Data from the other seven governmental funds are combined into a single, aggregated presentation.

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

The basic governmental fund financial statements and the major budgetary comparison schedules presented as required supplementary information can be found on pages 18-23 and 57-66.

Notes to Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 24-55 of this report.

Required Supplementary Information. In addition to this management's discussion and analysis, this report also presents certain required supplementary information concerning the District's progress in funding its obligations to provide postemployment benefits other than pensions to its employees. The schedule of funding progress, other postemployment benefits plan, and required supplementary information can be found on pages 56-71 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 72-86 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the District's net position as of June 30, 2025, compared to net position as of June 30, 2024.

Net Position, End of Year

	Governmental Activities	
	June 30, 2025	June 30, 2024
Current and Other Assets	\$ 171,603,224	\$ 169,025,563
Capital Assets	475,233,703	448,753,260
Total Assets	<u>646,836,927</u>	<u>617,778,823</u>
Deferred Outflows of Resources	<u>48,802,369</u>	<u>47,492,956</u>
Long-Term Liabilities	258,346,682	276,442,480
Other Liabilities	6,905,745	2,476,489
Total Liabilities	<u>265,252,427</u>	<u>278,918,969</u>
Deferred Inflows of Resources	<u>25,518,596</u>	<u>16,207,289</u>
Net Position:		
Net Investment in Capital Assets	385,528,478	357,131,382
Restricted	138,780,203	118,128,420
Unrestricted	(119,440,408)	(105,114,281)
Total Net Position	<u>\$ 404,868,273</u>	<u>\$ 370,145,521</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2025**

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, 2025 and June 30, 2024, are as follows:

Changes in Net Position from Operating Results

	Governmental Activities	
	June 30, 2025	June 30, 2024
Revenues:		
Program Revenues:		
Charges for Services	\$ 693,727	\$ 1,093,530
Operating Grants and Contributions	17,954,440	17,655,934
Capital Grants and Contributions	1,107,919	3,045,661
General Revenues:		
Property Taxes	116,882,466	109,860,553
Local Sales Tax	19,208,526	18,599,588
Grants and Contributions Not Restricted to Specific Programs	160,244,360	176,632,470
Unrestricted Investment Earnings	6,871,424	7,187,827
Miscellaneous	21,961,519	17,172,115
Total Revenues	<u>344,924,381</u>	<u>351,247,678</u>
Functions/Program Expenses:		
Instruction	\$ 163,524,838	\$ 169,682,034
Student Personnel Services	14,768,656	14,750,491
Instructional Media Services	2,296,647	2,251,330
Instruction and Curriculum Development Services	9,704,317	9,497,832
Instructional Staff Training Services	2,446,147	2,364,542
Instruction Related Technology	1,330,679	1,169,597
Board	806,484	1,077,590
General Administration	3,383,610	4,500,329
School Administration	16,820,790	17,835,073
Facility Services - Non-Capitalized	4,109,965	4,699,925
Fiscal Services	937,821	1,163,280
Food Services	17,925,985	18,419,936
Central Services	4,880,671	4,626,260
Student Transportation Services	11,847,836	11,728,762
Operation of Plant	21,212,589	25,920,175
Maintenance of Plant	7,294,407	8,450,007
Administrative Technology Services	4,910,339	3,987,751
Community Services	179,356	20,245
Unallocated Interest on Long-Term Debt	2,661,456	2,955,043
Unallocated Depreciation Expense	19,631,143	18,245,254
Total Functions/Program Expenses	<u>310,673,736</u>	<u>323,345,456</u>
Change in Net Position	<u>34,250,645</u>	<u>27,902,222</u>
Net Position, Beginning	370,617,628	342,715,406
Net Position, Ending	<u>\$ 404,868,273</u>	<u>\$ 370,617,628</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2025

The total governmental net position increased by \$34,250,645 during the current year, as compared to a net increase of \$27,902,222 in the previous year. Total revenues decreased by \$6,323,297 compared to the prior year. The decrease in revenue was mainly due to decrease in grants and contributions not restricted to specific programs totaled \$16,388,110. District expenses decreased by \$12,671,720. Direct instructional expenses, including school administration, decreased \$6,157,196. Expenses for interest and unallocated depreciation decreased by \$1,385,889.

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 \$163,752,670, an increase of \$3,659,768 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, 2025 and June 30, 2024.

<u>Fund Balance</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Major Governmental Funds:				
General Fund	\$ 35,177,806	\$ 48,032,822	\$ (12,855,016)	-26.76%
Other Federal Programs				
Capital Projects Funds:				
Local Capital Improvement Fund	44,117,140	29,391,987	14,725,153	50.10%
Public Education Capital Outlay	0	2,965,421	(2,965,421)	-100.00%
Other Capital Projects	56,836,916	52,736,166	4,100,750	7.78%
Other Governmental Funds (nonmajor)	27,620,808	26,966,506	654,302	2.43%
Total Fund Balance	<u>\$ 163,752,670</u>	<u>\$ 160,092,902</u>	<u>\$ 3,659,768</u>	<u>2.29%</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 \$13,453,936 while total fund balance was \$35,177,806. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total revenues. Unassigned fund balance represents 6 percent of General Fund revenues, while total assigned and unassigned fund balance represents 9.9 percent of that same amount.

During the current fiscal year, the total fund balance of the General Fund decreased by 12,855,016. The Districts' property revenues increase 7% due to higher property values.

Capital Projects – Local Capital Improvements Fund. The fund balance of the Capital Projects – Non-Voted Capital Improvements Fund increased by \$14,725,153 to \$44,117,140. This increase was primarily due to a decrease in transfers out for the payment of maintenance and site improvements.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2025**

Capital Projects – Other Fund. The fund balance of the Capital Projects – Other Fund increased by \$4,100,750 to \$56,836,916. 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, 2025 and June 30, 2024:

General Fund Revenues and Other Financing Sources	June 30, 2025	June 30, 2024	Increase (Decrease)	Percentage Change
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 228,846	\$ 225,017	\$ 3,829	1.70%
Miscellaneous Federal Direct	809	-	809	100.00%
Federal through State Sources:	-	-		
Medicaid	897,360	1,350,375	(453,015)	-33.55%
Other Federal through State Sources	145,882	282,577	(136,695)	-48.37%
State Sources:	-	-		
Florida Education Finance Program (FEFP)	114,322,427	112,135,945	2,186,482	1.95%
Categorical Programs	24,364,683	24,387,481	(22,798)	-0.09%
Other State Sources	152,626	554,480	(401,854)	-72.47%
Local Sources:	-	-		
Ad Valorem Taxes	88,900,136	83,826,470	5,073,666	6.05%
Interest Income	2,548,165	3,778,943	(1,230,778)	-32.57%
Other Local Sources	4,126,342	5,441,132	(1,314,790)	-24.16%
Total Revenues	\$ 235,687,276	\$ 231,982,420	\$ 3,704,856	1.60%
Other Financing Sources:				
Transfers In	2,351,310	4,596,268	(2,244,958)	-48.84%
Other Financing Sources	195,341	292,601	(97,260)	-33.24%
Total Revenues and Other Financing Sources	\$ 238,233,927	\$ 236,871,289	\$ 1,362,638	0.58%

During the 2024-2025 fiscal year, Revenues and Other Financing Sources (Uses) increased by \$1,362,638, or .58 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, 2025 and June 30, 2024:

General Fund Expenditures by Major Object	June 30, 2025	June 30, 2024	Increase (Decrease)	Percentage Change
Salaries	\$ 151,362,482	\$ 141,083,535	\$ 10,278,947	7.29%
Employee Benefits	50,492,977	46,391,740	4,101,237	8.84%
Purchased Services	24,671,619	22,819,282	1,852,337	8.12%
Energy Services	6,982,968	7,126,633	(143,665)	-2.02%
Materials and Supplies	9,899,675	3,602,999	6,296,676	174.76%
Capital Outlay	4,631,727	9,214,800	(4,583,073)	-49.74%
Other Expenditures	2,239,082	4,793,170	(2,554,088)	-53.29%
Total Expenditures by Major Object	\$ 250,280,530	\$ 235,032,159	\$ 15,248,371	6.49%

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2025**

General Fund expenditures increased by \$15,248,371 or 6.49 percent. The largest portions of General Fund expenditures are for salaries and employee benefits with \$201,855,459 expended, or 80.65 percent, of total expenditures in the 2024-2025 fiscal year compared to \$187,475,275 or 79.77 percent, in the 2023-2024 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, 2025:

General Fund Revenues and Other Financing Sources	Original Budget	Final Budget	Increase (Decrease)	Percentage Change
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 222,836	\$ 228,846	\$ 6,010	2.70%
Miscellaneous Federal Direct		809	809	100.00%
Federal through State Sources:				
Medicaid	1,265,000	897,360	(367,640)	-29.06%
Other Federal through State Sources		145,882	145,882	100.00%
State Sources:				
Florida Education Finance Program (FEFP)	112,294,022	114,322,427	2,028,405	1.81%
Categorical Programs	23,163,952	24,364,683	1,200,731	5.18%
Other State Sources	19,000	152,626	133,626	703.29%
Local Sources:				
Ad Valorem Taxes	88,155,658	88,900,136	744,478	0.84%
Interest Income	3,300,000	2,548,165	(751,835)	-22.78%
Other Local Sources	2,162,501	4,126,342	1,963,841	90.81%
Other Financing Sources:				
Transfers In	2,338,416	2,351,310	12,894	0.55%
Other Financing Sources		195,341	195,341	100.00%
Total Revenues and Other Financing Sources	<u>\$ 232,921,385</u>	<u>\$ 238,233,927</u>	<u>\$ 5,312,542</u>	2.28%

Final budgeted revenues and other financing sources for the General Fund, when compared to the initial budget, were \$5,312,542 or 2.28 percent higher. Categorical Programs increased \$1,200,731 than anticipated during budget planning. In addition, actual collections from Other Local Sources resulted in an increase of \$1,963,841 in actual revenues due in part to receipt of funds related to insurance refunds and profit share revenues.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2025**

General Fund Expenditures By Function	Original Budget	Final Budget	Increase (Decrease)	Percentage Change
Current:				
Instruction	\$ 147,515,836	148,567,267	\$ 1,051,431	0.71%
Pupil Personnel Services	13,455,842	12,186,470	(1,269,372)	-9.43%
Instructional Media Services	1,659,559	2,316,187	656,628	39.57%
Instruction and Curriculum Development	3,255,363	5,866,270	2,610,907	80.20%
Instructional Staff Training	745,899	872,066	126,167	16.91%
Instruction Related Technology	462,157	1,044,032	581,875	125.90%
School Board	671,694	813,345	141,651	21.09%
General Administration	2,324,241	2,647,043	322,802	13.89%
School Administration	14,916,280	16,942,514	2,026,234	13.58%
Facility Services - Non Capitalized	897,519	1,192,985	295,466	32.92%
Fiscal Services	1,292,205	945,801	(346,404)	-26.81%
Food Services	-	526,719	526,719	0.00%
Central Services	3,989,595	4,920,883	931,288	23.34%
Pupil Transportation Services	9,480,257	11,810,829	2,330,572	24.58%
Operation of Plant	22,374,598	26,127,943	3,753,345	16.78%
Maintenance of Plant	6,896,235	7,204,419	308,184	4.47%
Administrative Related Technology Services	5,064,334	4,950,170	(114,164)	-2.25%
Community Services	21,375	180,885	159,510	746.25%
Fixed Capital Outlay:				
Facilities Acquisition and Construction		1,164,702	1,164,702	100.00%
Total Expenditures by Function	<u>\$ 235,022,990</u>	<u>\$ 250,280,530</u>	<u>\$ 15,257,540</u>	6.49%

The final budgeted expenditures and other financing uses were higher than the original budget by \$15,257,540 or 6.49 percent.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets. The District's investment in capital assets for governmental activities as of June 30, 2025, amounts to \$791,261,950 (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 40,468,333 in the District's investment in capital assets (net of accumulated depreciation) for the current fiscal year was 5.39 percent.

	Activities		
	June 30, 2025	June 30, 2024	Increase (Decrease)
Land	\$ 10,874,776	\$ 10,874,776	\$ -
Improvements Other Than Buildings	46,368,515	44,567,978	1,800,537
Buildings and Fixed Equipment	612,661,083	567,184,226	45,476,857
Furniture, Fixtures, and Equipment	66,450,856	61,733,387	4,717,469
Motor Vehicles	25,967,813	23,536,170	2,431,643
Construction in Progress	28,938,907	42,897,080	(13,958,173)
Total Capital Assets	<u>\$ 791,261,950</u>	<u>\$ 750,793,617</u>	<u>\$ 40,468,333</u>

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

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2025**

Long-Term Debt. At the end of the current fiscal year, the District has total long-term debt outstanding of \$74,772,000 (less premiums). This amount is comprised of \$71,310,000 in Certificates of Participation (COPs); and Bonds Payable of \$3,462,000 which is backed by full faith and credit of the State of Florida.

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

During the current fiscal year, the District paid \$6,967,881 of principal payments on long-term debt as follows:

State School Bonds	\$ 107,000
Other Debt Service:	
District Revenue Bonds	95,000
District Bonds	1,190,881
Certificates of Participation	<u>5,575,000</u>
Total Principal Payments	<u>\$ 6,967,881</u>

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

ECONOMIC FACTORS AND FORECAST

As of June 2025, the unemployment rate for Hernando County is currently 4.7 percent, which is an increase from the rate of 3.7 percent a year ago. This compares to the State's average unemployment rate of 3.8 percent. These factors were considered in preparing the District budget for the 2024-2025 fiscal year.

During the current fiscal year, the fund balance in the General Fund decreased by \$12,855,016 to \$35,177,806. Included in this total, the District has inventories and prepaid of \$1,376,280 that are classified as non-spendable, \$10,200,005 in State categorical funds reported as restricted, and \$244,499 in Workforce Development. Assigned fund balance includes \$23,357,022, and \$2,435,045 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, 2025, will be in excess of 6 percent of General Fund revenues.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2025**

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS





HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government Governmental Activities	Discretely Presented Component Units
Assets		
Cash and Cash Equivalents	\$ 42,816,630	\$ 1,798,380
Investments	119,838,463	-
Accounts Receivable	168,404	26,766
Due from Other Agencies	6,892,933	224,876
Inventories	1,615,443	295,688
Prepaid Items	-	22,732
Bond Insurance	271,351	-
Take Stock in Children Contract Value	-	7,660
Capital Credits Receivable	5,674,196	-
Capital Assets:		
Non-Depreciable Capital Assets	39,813,683	-
Depreciable Capital Assets, Net	429,745,824	3,961,416
Total Assets	646,836,927	6,337,518
Deferred Outflows of Resources		
OPEB Related	1,938,560	-
Pensions Related	46,863,809	-
Total Deferred Outflows of Resources	48,802,369	-
Liabilities		
Due to Other Agencies	480	28,445
Accounts Payable	6,905,265	62,737
Long-Term Liabilities:		
Due Within One Year	12,588,853	180,932
Due in More Than One Year	245,757,829	1,838,117
Total Liabilities	265,252,427	2,110,231
Deferred Inflows of Resources		
Deferred Revenue	673,458	2,620
Gain on Refunding	425,558	-
OPEB Related	7,295,010	-
Pensions Related	17,124,570	-
Total Deferred Inflows of Resources	25,518,596	2,620
Net Position		
Net Investment in Capital Assets	385,528,478	248,467
Restricted for:		
State Required Carryover Programs	10,444,503	-
Food Service	11,536,305	-
Debt Service	7,874,506	-
Capital Projects	106,229,615	-
Internal Accounts	2,695,274	2,838,714
Unrestricted	(119,440,408)	1,137,486
Total Net Position	\$ 404,868,273	\$ 4,224,667

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
Instruction	\$ 163,524,838	\$ 46,776	\$ -
Student Personnel Services	14,768,656	-	-
Instructional Media Services	2,296,647	-	-
Instruction and Curriculum Development Services	9,704,317	-	-
Instructional Staff Training Services	2,446,147	-	-
Instruction Related Technology	1,330,679	-	-
Board Related	806,484	-	-
General Administration	3,383,610	-	-
School Administration	16,820,790	-	-
Facility Services - Non-Capitalized	4,109,965	-	-
Fiscal Services	937,821	-	-
Food Services	17,925,985	522,105	17,954,440
Central Services	4,880,671	-	-
Student Transportation Services	11,847,836	124,846	-
Operation of Plant	21,212,589	-	-
Maintenance of Plant	7,294,407	-	-
Administrative Technology Services	4,910,339	-	-
Community Services	179,356	-	-
Interest on Long-Term Debt	2,661,456	-	-
Unallocated Depreciation Expense *	19,631,143	-	-
Total Primary Government	310,673,736	693,727	17,954,440
Component Units			
Educational Foundation/Charter Schools	6,494,898	455,504	2,250,533
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 Revenues			
Total General Revenues			
Change in Net Position			
Net Position, July 1, 2024			
Net Position, June 30, 2025			

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

Net (Expense) Revenue and Changes in Net Assets		
Capital Grants and Contributions	Primary Government Governmental Activities	Component Units
\$ -	\$ (163,478,062)	\$ -
-	(14,768,656)	-
-	(2,296,647)	-
-	(9,704,317)	-
-	(2,446,147)	-
-	(1,330,679)	-
-	(806,484)	-
-	(3,383,610)	-
-	(16,820,790)	-
977,836	(3,132,129)	-
-	(937,821)	-
-	550,560	-
-	(4,880,671)	-
-	(11,722,990)	-
-	(21,212,589)	-
-	(7,294,407)	-
-	(4,910,339)	-
-	(179,356)	-
-	(2,661,456)	-
130,083	(19,501,060)	-
1,107,919	(290,917,650)	-
109,091	-	(3,679,770)

88,900,136	-
27,982,330	-
19,208,526	-
160,244,360	4,944,687
6,871,424	-
21,961,519	-
325,168,295	4,944,687
34,250,645	1,264,917
370,617,628	2,959,750
\$ 404,868,273	\$ 4,224,667

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Other Special Revenue Service Fund	Special Revenue - Federal Education Stabilization Fund	Capital Projects- Public Education Capital Outlay Fund
Assets				
Cash and Cash Equivalents	\$ 8,846,079		\$ -	\$ -
Investments	25,835,788		-	-
Accounts Receivable	168,404		-	-
Due from Other Funds	880,965	-	-	-
Due from Other Agencies	1,483,480	894,747		-
Prepaid Items				
Inventories	1,376,280		-	-
Total Assets	<u>38,590,996</u>	<u>894,747</u>	<u>-</u>	<u>-</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts and Retainage Payable	3,412,710	13,782		-
Salary and Benefits Payable				-
Due to Other Agencies	480			-
Deferred Revenue				-
Due to Other Funds		880,965		-
Total Liabilities	<u>3,413,190</u>	<u>894,747</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable Revenue - Capital Outlay	-		-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Non-Spendable	1,376,280		-	-
Spendable:				-
Restricted	10,444,504		-	
Assigned	9,903,086	-	-	-
Unassigned	13,453,936	-	-	-
Total Fund Balances	<u>35,177,806</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 38,590,996</u>	<u>\$ 894,747</u>	<u>\$ -</u>	<u>\$ -</u>

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

Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 7,132,857	\$ 10,874,623	\$ 15,963,071	\$ 42,816,630
36,832,722	46,837,686	10,332,267	119,838,463
-	-	-	168,404
-	-	-	880,965
151,561	3,187,386	1,175,759	6,892,933
-	-	239,163	-
-	-	239,163	1,615,443
44,117,140	60,899,695	27,710,260	172,212,838
	3,454,565	24,208	6,905,265
			-
			480
	608,214	65,244	673,458
		-	880,965
-	4,062,779	89,452	8,460,168
		-	-
-			-
-	-	-	-
		239,164	1,615,444
44,117,140	56,836,916	27,381,644	138,780,204
-	-	-	9,903,086
-	-	-	13,453,936
44,117,140	56,836,916	27,620,808	163,752,670
\$ 44,117,140	\$ 60,899,695	\$ 27,710,260	\$ 172,212,838

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balances - Governmental Funds \$ 163,752,670

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

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

Non-Depreciable Capital Assets	\$ 39,813,683	
Depreciable Capital Assets, Net	429,745,824	469,559,507

Capital credits to be received in future years are not available to liquidate liabilities in governmental funds, but are accrued in the government-wide statements.		5,674,196
---	--	-----------

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	46,863,809	
Deferred Inflows of Resources	(17,124,570)	29,739,239

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	1,938,560	
Deferred Inflows of Resources	(7,295,010)	(5,356,450)

Bond Insurance for 2016 COPS Refunding Debt		271,351
---	--	---------

Gain on Refunding of the 2005 COPS		(425,558)
------------------------------------	--	-----------

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	(3,759,783)	
Certificates of Participation Payable	(77,664,478)	
Installment-Purchase Payable	(2,452,561)	
Other Postemployment Benefits Payable	(5,587,661)	
Net Pension Liability	(149,873,894)	
Compensated Absences Payable	(19,008,305)	(258,346,682)

Total Net Position - Governmental Activities		\$ 404,868,273
---	--	-----------------------



(THIS PAGE LEFT INTENTIONALLY BLANK)

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, 2025

	General Fund	Special Revenue - Federal Programs	Special Revenue - Federal Education Stabilization Fund
Revenues			
Intergovernmental:			
Federal Direct	\$ 229,654	\$ -	\$ -
Federal Through State and Local	1,043,242	16,042,233	4,684,325
State	138,926,882	-	-
Local:			
Property Taxes Levied for Operational Purposes	88,900,136	-	-
Property Taxes Levied for Capital Projects	-	-	-
Local Sales Taxes	-	-	-
Impact Fees	-	-	-
Charges for Service - Food Services	-	-	-
Other	6,587,362	-	-
Total Revenues	235,687,276	16,042,233	4,684,325
Expenditures			
Current:			
Instruction	148,567,267	7,500,909	1,519,231
Student Personnel Services	12,186,470	2,667,697	40,138
Instructional Media Services	2,316,187	-	-
Instruction and Curriculum Development Services	5,866,270	3,372,353	548,256
Instructional Staff Training Services	872,066	1,415,653	179,239
Instruction Related Technology	1,044,032	297,969	-
Board	813,345	-	-
General Administration	2,647,043	745,226	6,315
School Administration	16,942,514	-	21,384
Facility Services - Non-Capitalized	1,192,985	-	23,615
Fiscal Services	945,801	-	-
Food Services	526,719	-	-
Central Services	4,920,883	-	-
Student Transportation Services	11,810,829	40,602	93,382
Operation of Plant	26,127,943	-	65,475
Maintenance of Plant	7,204,419	1,824	139,558
Administrative Technology Services	4,950,170	-	-
Community Services	180,885	-	-
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Dues and Fees	-	-	-
Capital Outlay:			
Facilities Acquisition and Construction	1,164,702	-	2,047,732
Total Expenditures	250,280,530	16,042,233	4,684,325
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,593,254)	-	-
Other Financing Sources (Uses)			
Transfers In	2,351,310	-	-
Insurance Loss Recoveries	195,341	-	-
Transfers (Out)	(1,280,520)	-	-
Total Other Financing Sources (Uses)	1,266,131	-	-
Net Change in Fund Balances	(13,327,123)	-	-
Fund Balances, July 1, 2024	48,504,929	-	-
Change within Financial Reporting Entity (Major to Non-Major)	-	-	-
Fund Balances, June 30, 2025	\$ 35,177,806	\$ -	\$ -

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

Capital Projects- Public Education Capital Outlay Fund	Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
	\$ -	\$ -	\$ -	\$ 229,654
		175,387	17,772,927	39,542,727
			1,824,628	140,926,897
	27,982,330			88,900,136
		19,208,526		27,982,330
		9,013,193		19,208,526
			522,105	9,013,193
	1,660,128	2,337,789	7,645,963	522,105
-	29,642,458	30,734,895	27,765,623	18,231,242
			7,328,672	164,916,079
				14,894,305
				2,316,187
				9,786,879
				2,466,958
				1,342,001
				813,345
				3,398,584
	2,928,140			16,963,898
				4,144,740
			-	945,801
			17,543,516	18,070,235
				4,920,883
				11,944,813
				26,193,418
				7,345,801
				4,950,170
				180,885
			6,967,882	6,967,882
			3,284,424	3,284,424
			13,696	13,696
	1,240,973	26,634,145	4,615,954	35,703,506
-	4,169,113	26,634,145	39,754,144	341,564,490
-	25,473,345	4,100,750	(11,988,521)	2,992,320
-	-	-	9,930,296	12,281,606
-	-	-	-	195,341
-	(10,748,192)	-	(252,894)	(12,281,606)
-	(10,748,192)	-	9,677,402	195,341
-	14,725,153	4,100,750	(2,311,119)	3,187,661
2,965,421	29,391,987	52,736,166	26,966,506	160,565,009
(2,965,421)	-	-	2,965,421	-
\$ -	\$ 44,117,140	\$ 56,836,916	\$ 27,620,808	\$ 163,752,670

**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, 2025**

Net Change in Fund Balances - Governmental Funds		\$ 3,187,661
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation expense in excess of capital outlays in the current period:		
Capital Outlay - Facilities and Construction - Governmental Funds	33,319,221	
Capital Outlay - Other Capital Outlay - Governmental Funds	7,149,112	
(Less Depreciation Expense)	<u>(19,662,086)</u>	20,806,247
Long-term debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceeded proceeds in the current period:		
Debt Repayments		6,967,881
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	7,261,210	
(Less Current Year)	<u>(6,652,261)</u>	608,949
Bond Insurance for the 2016 COPS Refunding Debt Amortization:		
Prior Year	(296,020)	
(Less Current Year)	<u>271,351</u>	(24,669)
Gain on Refunding of the 2005 COPS - Amortization:		
Prior Year	464,246	
(Less Current Year)	<u>(425,558)</u>	38,688
The net decrease in net pension liability and deferred outflows and inflows is reported in the statement of activities but not in the fund statements.		239,646
Capital credits to be received in future years are accrued in the government-wide statements, but the credits do not provide current financial resources and are not recognized in the governmental funds:		
Current Year Accruals	5,674,196	
(Less Prior Year Accruals)	<u>(5,501,966)</u>	
Net Increase in Capital Credits Receivable		172,230
In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences used in excess of the amount earned in the current period.		(554,264)
Other postemployment benefits costs are recorded in the governmental funds under the pay-as-you-go method, but under the full accrual method in the government-wide statements. This is the net increase in the other postemployment benefits liability, deferred inflows and outflows for the current period.		2,808,276
Change in Net Position - Governmental Activities	<u>\$</u>	<u>34,250,645</u>

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

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

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

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

■ **Blended Component Unit**

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

■ **Discretely Presented Component Units**

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

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

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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. Non-major funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

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

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

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

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

Basis of Accounting

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

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

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

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

Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, pensions, and other postemployment benefits, and compensated absences, which

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

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

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

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

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be demand deposits. On June 30, 2025, the carrying amount of the District's bank deposit accounts was \$44,615,010.

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

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

minimizes the use of unobservable inputs.

Investments consist of amounts placed in the 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 pool operates under investment guidelines established by Section 215.47, Florida Statutes. Under the fair value hierarchy, SBA Debt Service moneys are considered to be Level 1.

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

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

Capital Assets

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

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

<u>Description</u>	<u>Estimated Useful 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.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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.

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

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position and the governmental funds balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The District has financial items that qualify for reporting in this category related to unearned revenue, gain on refunding of bonds, OPEB, and pensions that are reported only in the government-wide statement of net position. In both the statement of net position and balance sheet a financial item related to unearned revenue is included. For purposes of measuring the net

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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.

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 2025 tax levy on September 9, 2025. 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.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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.

Educational Impact Fees

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

Federal Revenue Sources

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

Note 2 - Investments

Cash and Cash Equivalents and Investment Portfolio

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

Investment Portfolio

Investment holdings, totaling \$119,838,463 (Statement of Net Position) consist of amounts placed in a Local Government Surplus Funds Trust Fund, Registered Investment Companies (Money Market Mutual Funds), and Intergovernmental Investment Pool.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025, the District has the following investments and maturities:

Investments	Value	Weighted Average Duration
External Investment Pools:		
State Board of Administration:		
Florida PRIME	\$ 66,009,899	47 days
Debt Service Accounts	11,077	0 months
Florida Palm	53,817,487	44 days
Total	<u>\$ 119,838,463</u>	.125 days

The Florida PRIME (the SBA) June 30, 2025, report was the source for the weighted average maturity and credit rating for Florida PRIME. <https://prime.sbafla.com/>.

The Fund Fact Sheet as of June 30, 2025, was the source for the Florida PALM (formerly Florida Education Investment Trust Fund (FEIT)) credit rating and weighted average maturity. <https://www.fl-palm.com/>.

Interest Rate Risk

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

The District also uses WAM as a measurement of interest rate risk and as of June 30, 2025, the investment portfolio had a weighted average duration of 0.125 years. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

Credit Risk

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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 “Aa” by Moody’s and a minimum long-term debt rating of “AA” 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 “Aa” by Moody’s or “AA” by Standard & Poor’s for long-term debt, or rated at least “MIG-2” by Moody’s or “SP-2” 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, 2025, \$119,841,149 of the District’s investment securities were individually rated “AAAm” by Standard & Poor’s, and Moody’s Investors Services.

The District’s bank balance of \$44,615,010 was deposited in a qualified public depository, as required by Chapter 280, Florida Statutes.

As of June 30, 2025, the District had the following credit quality:

<u>Investments</u>	<u>Credit Rating</u>	<u>Professional Asset Allocation</u>
State Board of Administration:		
Florida PRIME	AAAm	55.08%
Florida PRIME - Debt Service Accounts	N/A	0.01%
External Investment Pool:		
Florida Palm	AAAm	44.91%
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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025, 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 on the following investments which are designed to reduce concentration of credit risk of the District's investment portfolio.

A maximum of 100% of available funds may be invested in the United States Government Securities, 50% of available funds may be invested in United States Government agencies with a 25% limit on individual issuers, 75% of available funds may be invested in Federal Instrumentalities with a 25% limit on individual issuers, 75% of available funds may be invested in non-negotiable interest bearing time certificates of deposit with a 25% limit on individual issuers, 30% of available funds may be invested in negotiable certificates of deposit (CDs) with a 10% limit on individual issuers, 50% of available funds may be invested in repurchase agreements with a 25% limit on individual issuers, 25% of available funds may be invested in commercial paper with a 10% limit on individual issuers, 25% of available funds may be invested in banker acceptances with a 10% 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 10% limit on individual issuers, 50% of available funds may be invested in Registered Investment Companies (Money Market Mutual Funds) with a 40% limit of individual issuers, 50% of available funds may be invested in Intergovernmental Investment Pools, and 50% of available funds may be invested in Florida PRIME.

As of June 30, 2025, the District had the following issuer concentration based on fair value:

<u>Investments</u>	<u>Value</u>	<u>Portfolio Asset Allocation</u>
External Investment Pool:		
State Board of Administration:		
Florida PRIME	\$ 66,009,899	55.08%
Florida PRIME - Debt Service Accounts	11,077	0.01%
Florida Palm	53,817,487	44.91%
Total	<u>\$ 119,838,463</u>	<u>100.00%</u>

Foreign Currency Risk

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 3 - Changes in Capital Assets

Changes in capital assets are presented in the table below:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land (660)	\$ 10,874,776	\$ -	\$ -	\$ 10,874,776
Construction in Process	42,897,080	33,241,888	(47,200,061)	\$ 28,938,907
Total Capital Assets Not Being Depreciated	53,771,856	33,241,888	(47,200,061)	\$ 39,813,683
Capital Assets Being Depreciated:				
Improvements Other Than Buildings (670)	44,567,978	73,843	1,726,694	46,368,515
Buildings and Fixed Equipment (680)	567,184,226	3,490	45,473,367	612,661,083
Furniture, Fixtures, and Equipment (641/643/64)	61,733,387	4,717,469	-	66,450,856
Motor Vehicles (652 Vehicles) (651 Buses)	23,536,170	2,431,643	-	25,967,813
Total Capital Assets Being Depreciated	697,021,761	7,226,445	47,200,061	751,448,267
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	(28,121,482)	(1,854,741)	-	(29,976,223)
Buildings and Fixed Equipment	(214,016,688)	(12,253,222)	-	(226,269,910)
Furniture, Fixtures, and Equipment	(45,979,831)	(3,947,795)	-	(49,927,626)
Motor Vehicles	(13,922,356)	(1,606,328)	-	(15,528,684)
Total Accumulated Depreciation	(302,040,357)	(19,662,086)	-	(321,702,443)
Total Capital Assets Being Depreciated, Net	394,981,404	(12,435,641)	47,200,061	429,745,824
Governmental Activities Capital Assets, Net	448,753,260	20,806,247	-	469,559,507

Depreciation expense was charged to functions as follows:

Function	Amount
Governmental Activities:	
Facilities Acquisition and Construction	190
Food Services	8,192
Central Services	1,300
Operation of Plant	4,967
Maintenance of Plant	10,574
Transportation	3,791
Administrative Related Technology	1,929
Unallocated	19,631,143
Total Depreciation Expense – Governmental Activities	<u>\$19,662,086</u>

Note 4 - Certificates of Participation

The District entered into various financing arrangements each of which was characterized as a financed-purchase agreement, with the Florida School Boards Association, Inc., whereby the District secured financing of various educational facilities in the total amount of \$106,670,000 for the Certificates of Participation, Series 2005; and \$90,645,000 for the Certificates of Participation, Series 2016A. The Certificates of Participation, Series 2016A were used to advance refund the outstanding Certificates of Participation, Series 2005A. The financings were accomplished through the issuance of Certificates of Participation to be repaid from the proceeds of the District.

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

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

Series 2016A Certificates

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

The payments for the 2016A Series are payable by the District, semiannually, on July 1 and January 1, at interest rates ranging from 3% to 5%. The payment of principal and interest on the bonds underlying the agreements are due on July 1 and January 1 of each year. The July 1 payment is typically made on or around June 15 and is considered to be reduction of bond principal as of June 30.

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

Fiscal Year Ending June 30,	Total	Principal	Interest
2026	\$ 8,655,200	\$ 5,850,000	\$ 2,805,200
2027	8,654,700	6,025,000	2,629,700
2028	8,653,450	6,325,000	2,328,450
2029	8,657,200	6,645,000	2,012,200
2030	8,654,950	6,975,000	1,679,950
2031-2035	43,269,050	39,490,000	3,779,050
Total Minimum Payments	86,544,550	71,310,000	15,234,550
Unamortized COP Premiums	6,354,478	6,354,478	-
Total	\$ 92,899,028	\$ 77,664,478	\$ 15,234,550

Note 5 - Bonds Payable

Bonds payable at June 30, 2025, are as follows:

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Bond Type	Original Debt Issue Amount	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:				
Series 2014A, Refunding	\$ 523,000	\$ -	3.0 - 5.0	2025
Series 2020A, Refunding	758,000	422,000	5.0	2030
Subtotal	1,281,000	422,000		
Unamortized Premium	281,191	74,115		
State School Bonds	1,562,191	496,115		
District Revenue Bonds:				
Series 2020, Refunding	3,500,000	3,040,000	3.0 - 4.0	2051
Unamortized Premium	268,403	223,668		
Revenue Bonds	3,768,403	3,263,668		
Total Bonds Payable	\$ 5,330,594	\$ 3,759,783		

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 2020 bonds, totaling \$3.3 million, were issued to provide funds, together with other available funds of the Board, sufficient to refund the District's outstanding Refunding Revenue Bonds, Series 1990, and finance the costs of acquisition, construction, and installation of, and renovation to, 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.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

District Bonds

■ **District Bonds, Financing Arrangement**

These bonds were issued April 2022 for the purchase of school buses in the amount of \$5,960,850.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2025, are as follows

Fiscal Year Ending June 30,	Total	Principal	Interest
State School Bonds			
2026	\$ 95,200	\$ 76,000	\$ 19,200
2027	95,300	80,000	15,300
2028	95,200	84,000	11,200
2029	95,875	89,000	6,875
2030	95,325	93,000	2,325
	476,900	422,000	54,900
Unamortized Bond Premium	74,115	74,115	-
Total State School Bonds	551,015	496,115	54,900
District Revenue Bonds			
2026	200,350	95,000	105,350
2027	206,350	105,000	101,350
2028	202,150	105,000	97,150
2029	202,850	110,000	92,850
2030	203,350	115,000	88,350
2031-2035	900,150	525,000	375,150
2036-2040	822,250	550,000	272,250
2041-2045	826,800	660,000	166,800
2046-2050	834,625	775,000	59,625
	4,398,875	3,040,000	1,358,875
Unamortized Bond Premium	223,668	223,668	-
Total Revenue Bonds	\$ 4,622,543	\$ 3,263,668	\$ 1,358,875

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, 2025, bonds considered defeased in substance are as follows:

Bond Issues	Amount Outstanding
State School Bonds, Series 2004A	35,000
State School Bonds, Series 2005A	80,000
State School Bonds, Series 2010A	675,000
District Revenue Bonds, Series 2001	1,335,000
Total Defeased Debt	\$ 2,125,000

Note 7 – Installment-Purchase Payable

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

School buses with asset balances of \$3,643,442 are being acquired under an installment-purchase agreement. Future minimum installment-purchase payments and the present value of the minimum installment-purchase payments as of June 30 are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2026	\$ 1,256,457	\$ 1,214,327	\$ 42,130
2027	1,256,457	1,238,234	18,224
	<u>\$ 2,512,914</u>	<u>\$ 2,452,561</u>	<u>\$ 60,354</u>

The stated interest rate is 1.9591 percent.

Note 8 – Changes in Long-Term Liabilities

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

Description	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Due in One Year
Governmental Activities					
Bonds Payable	\$ 3,664,000	\$ -	\$ 202,000	\$ 3,462,000	\$ 171,000
Unamortized Premium	329,052	-	31,269	297,783	23,770
Total Bonds Payable	<u>3,993,052</u>	<u>-</u>	<u>233,269</u>	<u>3,759,783</u>	<u>194,770</u>
Financed-Purchase Agreements Payable	76,885,000	-	5,575,000	71,310,000	5,850,000
Unamortized Premium	6,932,158	-	577,680	6,354,478	577,680
Total Certificates of Participation Payable	<u>83,817,158</u>	<u>-</u>	<u>6,152,680</u>	<u>77,664,478</u>	<u>6,427,680</u>
Installment-Purchase Payable	3,643,442	-	1,190,881	2,452,561	1,214,327
Other Postemployment Benefits	8,797,572	-	3,209,911	5,587,661	-
Net Pension Liability (1)	157,737,215	-	7,863,321	149,873,894	-
Compensated Absences Payable (2)	18,454,041	554,264	-	19,008,305	4,752,076
Total Governmental Activities	<u>\$ 276,442,480</u>	<u>\$ 554,264</u>	<u>\$ 18,650,062</u>	<u>\$ 258,346,682</u>	<u>\$ 12,588,853</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.

(2) GASB 101 was implemented during the fiscal year.

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

Note 9 - Fund Balance Reporting

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

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

Restricted—The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations or other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraints on the use of fund balance. The District classifies most of its fund balances other than General Fund as restricted, as well as, unspent State categorical and earmarked education funding that are legally or otherwise restricted. State Categorical funds represent amounts provided the State of Florida to qualifying schools or districts for specific children with special needs, certain programs, or special purposes such as transportation. Unspent State Categorical funds are restricted until utilized for those express purposes. The District's restricted fund balance total is \$138,780,204, which represents \$10,200,005 in State Categorical programs, \$244,499 for workforce development programs, \$11,536,305 for food services, \$7,874,506 for debt service, \$106,229,615 for capital projects, and \$2,695,274 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 \$9,903,086 which consists of \$7,468,041 assigned for District project carryforwards, and \$2,435,045 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 \$13,507,559.

The following is a schedule of Fund Balances by category at June 30, 2025:

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

	Major Funds					Non-Major Funds	Total Governmental Funds
	General	Special Revenue Other Federal Prgm	Special Revenue Federal Education Stabilization	Capital Projects Local Capital Improvement	Capital Projects Other Capital Projects		
Fund Balances:							
Non-Spendable:							
Inventory and Prepaids	\$ 1,376,280	\$ -	\$ -	\$ -	\$ -	\$ 239,164	\$ 1,615,444
Restricted:							
State Categoricals	10,200,005	-	-	-	-	-	10,200,005
Workforce Development	244,499	-	-	-	-	-	244,499
Debt Service	-	-	-	-	-	7,874,506	7,874,506
Capital Projects	-	-	-	44,117,140	56,836,916	5,275,559	106,229,615
Food Services	-	-	-	-	-	11,536,305	11,536,305
Internal Accounts	-	-	-	-	-	2,695,274	2,695,274
Assigned:							
School Operations:							
Other	7,468,041	-	-	-	-	-	7,468,041
Health Insurance Rebates/							
Profit Sharing	2,435,045	-	-	-	-	-	2,435,045
Unassigned	13,453,936	-	-	-	-	-	13,453,936
Total Fund Balances	\$ 35,177,806	\$ -	\$ -	\$ 44,117,140	\$ 56,836,916	\$ 27,620,808	\$ 163,752,670

At the end of the fiscal year, the assigned/unassigned General Fund balance was \$23,357,022 or 9.9%, 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	\$ 880,965	\$ -
Special Revenue:		
Federal Education Stabilization		(880,965)
Total Governmental Funds	\$ 880,965	\$ (880,965)

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:

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General	\$ 2,351,310	\$ 1,280,520
Capital Projects:		
Local Capital Improvement	-	10,748,192
Other	-	-
Nonmajor Governmental:	9,930,296	252,894
Total Governmental Funds	\$ 12,281,606	\$ 12,281,606

Inter-fund transfers represent permanent transfers of moneys between funds. In general, funds are transferred from the General Fund and Capital Projects Funds to the Debt Service Funds for annual debt payments and from the Capital Projects Funds to the General Fund to assist in

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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 2024-2025 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program:	
Transportation	\$ 6,388,927
Safe School	2,308,904
Mental Health	1,526,023
Other	105,359,271
Categorical Educational Program - Class Size Reduction	22,688,712
Motor Vehicle License Tax (Capital Outlay and Debt Service)	961,842
Workforce Development Program	657,252
Charter School Capital Outlay	252,894
Food Service Supplement	181,513
Interest on Investment of Bond Reserves	339,833
Miscellaneous	261,726
Total	<u>\$ 140,926,897</u>

Note 11 - Property Taxes

The following is a summary of millages and taxes levied on the 2024 tax roll for 2024-2025 fiscal year; taxes budgeted are stated at 96 percent of the actual tax roll levy to allow for early payments discounts and uncollectable amounts:

<u>General Fund</u>	<u>Millages</u>	<u>Taxes Levied</u>
Non-Voted School Tax:		
Required Local Effort	3.017	\$ 60,532,542
Basic Discretionary Local Effort	0.748	15,007,737
Additional Millage (Voted Levy)	1.000	20,063,819
 Capital Projects Fund		
Non-Voted Tax:		
Local Capital Improvements	1.500	30,095,729
Total	<u>6.265</u>	<u>\$ 125,699,827</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)

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

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

The District's FRS and HIS pension expense totaled \$22,386,819 for the fiscal year ended June 30, 2025.

FRS Pension Plan

■ Plan Description

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

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

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

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

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

■ **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 of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
<i>Regular Class Members Initially Enrolled Before July 1, 2011</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class Members Initially Enrolled On or After July 1, 2011</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Officers</i>	3.00
<i>Senior Management Service Class</i>	2.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent 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 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. 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 2024-2025 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	13.63
FRS, Elected County Officers	3.00	58.68
FRS, Senior Management Service	3.00	34.52
DROP – Applicable to		
Members from All of the Above Classes	0.00	21.13
FRS, Reemployed Retiree	(2)	(2)

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Notes:

- (1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent 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 \$15,604,964 for the fiscal year ended June 30, 2025.

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

At June 30, 2024, the District reported a liability of \$96,694,656 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of July 1, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's 2024-25 fiscal year contributions relative to the total 2024-25 fiscal year contributions of all participating members. At June 30, 2025, the District's proportionate share was 0.249955793 percent, which was a decrease of 0.005395044 percent from its proportionate share measured as of June 30, 2024.

For the fiscal year ended June 30, 2025, the District recognized the Plan pension expense of \$15,604,964. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 9,768,756	
Changes in Assumptions	13,252,887	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	-	6,426,830
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	3,379,913	3,640,187
District FRS Contributions Subsequent to the Measurement Date	14,684,390	
	<u>\$ 41,085,946</u>	<u>\$ 10,067,017</u>

The deferred outflows of resources related to pensions, totaling \$14,684,390 resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2026	(764,475)
2027	16,351,217
2028	436,505
2029	(468,081)
2030	779,373
Total	<u>16,334,539</u>

Actuarial Assumptions

The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment Rate of Return	6.70 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, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

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:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.3%	3.3%	1.2%
Fixed Income	18.0%	4.1%	4.1%	3.5%
Global Equity	54.0%	8.0%	6.8%	16.5%
Real Estate	10.0%	6.7%	6.1%	11.7%
Private Equity	11.0%	11.2%	8.4%	25.8%
Strategic Investments	<u>6.0%</u>	5.9%	5.7%	6.7%
Total	<u>100.00%</u>			
Assumed inflation - Mean			2.6%	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 6.70 percent. 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.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

■ **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 6.7 percent, 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 (5.70 percent) or 1 percentage-point higher (7.70 percent) than the current rate:

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
District's Proportionate Share of the Net Pension Liability	<u>\$ 170,082,514</u>	<u>\$ 96,694,656</u>	<u>\$ 35,216,759</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 (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, 2025, 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 Federal 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, 2025, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent 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 \$2,730,092 for the fiscal year ended June 30, 2025.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

At June 30, 2025, the District reported a net pension liability of \$53,179,238 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 1 year, net of the District's proportionate share of the pension plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, and update procedures were used to determine the net pension liability as of June 30, 2025. The District's proportionate share of the net pension liability was based on the District's 2024-2025 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2025, the District's proportionate share was 0.354505170 percent, which was a decrease of 0.001965586596 percent from its proportionate share measured as of June 30, 2025.

For the fiscal year ended June 30, 2025, the District recognized the HIS pension expense of \$312,099 related to the HIS Plan. In addition, the District reported deferred outflows of resources relate and deferred inflows of resources relate to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 513,482	\$ 102,112
Changes in Assumptions	941,148	6,295,740
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	-	19,233
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	1,135,875	640,468
District HIS Contributions Subsequent to the Measurement Date	3,187,358	-
	<u>\$ 5,777,863</u>	<u>\$ 7,057,553</u>

The deferred outflows of resources totaling \$3,187,358 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Amount
2026	(642,978)
2027	(812,618)
2028	(1,322,275)
2029	(1,012,636)
2030	(522,593)
Thereafter	(153,948)
Total	<u>(4,467,048)</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

■ **Actuarial Assumptions**

The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.50 percent, average, including inflation
Municipal Bond Rate	3.93 percent

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

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

■ **Discount Rate**

The discount rate used to measure the total pension liability was 3.93 percent. 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. The discount rate changed from 3.54 percent to 3.93 percent.

■ **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 3.93 percent, 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 (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current rate:

	1% Decrease <u>2.93%</u>	Current Discount Rate <u>3.93%</u>	1% Increase <u>4.93%</u>
District's Proportionate Share of the Net Pension Liability	\$ 60,537,728	\$ 53,179,238	\$ 47,070,503

■ **Pension Plan Fiduciary Net Position**

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

B. FRS – Defined Contribution Pension Plan

The District contributes to the FRS Investment Plan (the Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA and is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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 plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2024-2025 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	13.63
FRS, Elected County Officers	58.68
FRS, Senior Management Service	34.52

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, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$6,781,855 for the fiscal year ended June 30, 2025.

Note 13 - OPEB Payable

Plan Description

The Other Postemployment Benefits Plan (OPEB Plan) is a single employer defined benefit plan administered by the District. Pursuant to Section 112.0801, Florida Statutes, former employees

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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 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. The OPEB Plan does not issue a stand-alone report and is not included in the report of a Public Employee Retirement System or another entity. OPEB Plan members receiving benefits contributed from \$628 to \$672 per month for retiree-only coverage and from \$1,202 to \$1,279 for retiree and spouse coverage, depending on the health plan selected.

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, 2025, the following employees were covered by the benefit terms:

Inactive Members or Beneficiaries Currently Receiving Benefits	51
Inactive Members Entitled to but Not Yet Receiving Benefits	0
Active Employees	3,008
Total Membership	<u><u>3,059</u></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 \$12,913,965 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024, and update procedures were used to determine the total OPEB liability as of June 30, 2025.

Actuarial Assumptions 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	2.40 percent
Salary Increases	3.65 – 6.35 percent, average, including inflation
Discount Rate	3.93 percent
Healthcare Cost Trend Rates	
Pre-Medicare	6.75 percent for 2024, decreasing to an ultimate Rate of 4.40 percent for 2034.

- (1) There is one retiree who is not covered under Medicare and will be permitted to remain on medical insurance. As they are not covered under Medicare, their medical trend rates are the same as the Pre-Medical trend rates.

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 PUB-2010 mortality tables, with adjustments for FRS experience and generational mortality improvements using Scale MP-2021.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

The demographic actuarial assumptions for mortality, retirement, disability incidence, and withdrawal used in the June 30, 2025, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018, 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, 2022, valuation were based on a review of recent plan experience done concurrently with the June 30, 2022, valuation.

Changes in Total OPEB Liability

Description	Amount
Total OPEB Liability, Beginning of Year	<u>\$ 8,797,572</u>
Changes for the Year	
Service Cost	631,093
Interest on Net OPEB Liability	318,791
Difference Between Expected and Actual Experience	(3,905,700)
Changes of Assumptions or Other Inputs	(125,818)
Benefit Payments and Implicit Subsidy Credit	<u>(128,277)</u>
Increase in Total OPEB Liability	<u>(3,209,911)</u>
Total OPEB Liability, End of Year	<u>\$ 5,587,661</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54 percent in 2024 to 3.93 percent in 2025.

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 (2.93 percent) or 1 percentage point higher (4.93 percent) than the current rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	\$ 5,789,463	\$ 5,587,661	\$ 5,354,343

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. 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 healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 4,931,896	\$ 5,587,661	\$ 6,349,613

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

The District's annual OPEB expense totaled \$1,649,900 for the fiscal year ended June 30, 2025. At June 30, 2025, the District reported deferred outflows and inflows of resources related to the OPEB Plan liability from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$	\$ 3,547,711
Changes of Assumptions	288,660	3,747,299
District Contributions Subsequent to the Measurement Date	1,649,900	
	<u>\$ 1,938,560</u>	<u>\$ 7,295,010</u>

The deferred outflows of resources related to pensions, totaling \$619,801 resulting from District contributions to the OPEB Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. 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>
2025	(2,625,731)
2026	(2,474,892)
2027	(1,461,405)
2028	(444,322)
2029	(0)
Total	<u>\$ (7,006,350)</u>

Note 14 – Construction and Other Significant Commitments

Construction Contracts. The following is a schedule of major construction contract commitments at June 30, 2025:

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Eastside Elementary School - Renovations	\$ 3,307,651.69	301,014.02	\$ 3,006,637.67
Springstead High School - Renovations	4,113,623.20	1,698,324.61	2,415,298.59
Spring Hill Elementary - Roof Repair/Replacement	662,248.79	534,170.07	128,078.72
D.S. Parrott Middle School - Roof Replacement	2,186,000.29	5,025.00	2,180,975.29
Central High School - Construction Project	9,059,148.31	2,052,601.54	7,006,546.77
Nature Coast High School - Roof Repair/Replacement	1,942,207.70	20,917.29	1,921,290.41
Explorer K8 - Roof Repair/Replacement	2,686,685.95	93,361.30	2,593,324.65
Winding Waters K8 - Renovations/Additions	8,968,800.73	2,660,327.66	6,308,473.07
Safe Schools - Campus Wide Access (Various sites)	780,777.11	594,652.02	186,125.09
Miscellaneous Facility/Maintenance Projects	11,123,042.09	10,806,362.57	316,679.52
	<u>\$44,830,185.86</u>	<u>\$ 18,766,756.08</u>	<u>\$ 26,063,429.78</u>

Encumbrances – Appropriations in governmental funds are encumbered upon issuance of purchase order commitments for goods and services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next fiscal year's appropriations are likewise encumbered. At June 30, 2025, encumbrances totaled \$0 within governmental funds.

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, 2025, the accumulated credits to the District's account are \$5,674,196. During the 2024-2025 fiscal year, the District received \$186,939 in capital credits.

Note 16 - Risk Management Programs

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a participating district of the North East Florida Educational Consortium (the Consortium) under which several district school boards have established a combined limited self-insurance program for property protection, general liability, automobile liability, workers' compensation, money and securities, employee fidelity and faithful performance, boiler and machinery, and other coverage deemed necessary by the members and participants of the Consortium. Section 1001.42(12) (k), Florida Statutes, provides the authority for the District to enter into such a risk management program. The Consortium is self-sustaining through member and participant assessments (premiums), and purchases coverage through commercial companies for claims in excess of specified amounts. Reinsurance from commercial companies provided excess property coverage of up to \$50 million during the 2024-2025 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.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 18 – Change in Reporting Entity During fiscal year 2025, change in classification from major to non-major resulted in adjustments to the beginning fund balance, as follows:

	Reporting Units Affected by Restatements of Beginning Balances	
	Funds	
	Capital Projects - PECO	Nonmajor Governmental
Beginning Balances, as previous reported	\$ 2,965,421	\$ 26,966,506
Change from nonmajor to major fund	(2,965,421)	2,965,421
Beginning Balances, as restated	\$ -	\$ 29,931,927

REQUIRED SUPPLEMENTARY INFORMATION





HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
Federal Direct	\$ 222,836	\$ 229,654	\$ 229,654	\$ -
Federal Through State and Local	1,265,000	1,043,242	1,043,242	-
State	139,682,523	138,926,882	138,926,882	-
Local:	-	-	-	-
Property Taxes Levied for	-	-	-	-
Operational Purposes	88,155,658	88,900,136	88,900,136	-
Miscellaneous	5,462,501	6,587,362	6,587,362	-
Total Revenues	<u>234,788,518</u>	<u>235,687,276</u>	<u>235,687,276</u>	<u>-</u>
Expenditures				
Current:				
Instruction:				
Salaries	97,799,947	96,257,907	96,257,907	-
Employee Benefits	33,152,011	31,552,441	31,552,441	-
Purchased Services	6,243,548	10,920,954	10,920,954	-
Energy Services	-	1,720	1,720	-
Materials and Supplies	9,391,995	7,351,896	7,351,896	-
Capital Outlay	17,592	426,478	426,478	-
Other Expenses	910,740	2,055,871	2,055,871	-
Total Instruction	<u>147,515,833</u>	<u>148,567,267</u>	<u>148,567,267</u>	<u>-</u>
Student Personnel Services:				
Salaries	6,237,932	9,030,476	9,030,476	-
Employee Benefits	2,222,912	2,935,675	2,935,675	-
Purchased Services	53,840	166,458	166,458	-
Energy Services	-	-	-	-
Materials and Supplies	4,931,462	32,629	32,629	-
Capital Outlay	-	4,672	4,672	-
Other Expenses	9,695	16,560	16,560	-
Total Student Personnel Services	<u>13,455,841</u>	<u>12,186,470</u>	<u>12,186,470</u>	<u>-</u>
Instructional Media Services:				
Salaries	1,007,196	1,505,221	1,505,221	-
Employee Benefits	396,731	520,725	520,725	-
Purchased Services	236,081	233,125	233,125	-
Materials and Supplies	11,350	14,565	14,565	-
Capital Outlay	1,700	36,286	36,286	-
Other Expenses	6,500	6,265	6,265	-
Total Instructional Media Services	<u>\$ 1,659,558</u>	<u>\$ 2,316,187</u>	<u>\$ 2,316,187</u>	<u>\$ -</u>

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures				
Current <i>(Continued)</i> :				
Instruction and Curriculum Development				
Services:				
Salaries	\$ 2,189,833	\$ 4,242,428	\$ 4,242,428	\$ -
Employee Benefits	753,979	1,320,343	1,320,343	-
Purchased Services	215,950	225,457	225,457	-
Materials and Supplies	67,100	51,522	51,522	-
Capital Outlay	24,500	4,524	4,524	-
Other Expenses	4,000	21,996	21,996	-
Total Instruction and Curriculum				
Development Services	3,255,362	5,866,270	5,866,270	-
Instructional Staff Training Services:				
Salaries	515,945	608,058	608,058	-
Employee Benefits	179,803	218,470	218,470	-
Purchased Services	38,750	31,465	31,465	-
Materials and Supplies	8,400	5,070	5,070	-
Capital Outlay	-	267	267	-
Other Expenses	3,000	8,736	8,736	-
Total Instructional Staff Training Services	745,898	872,066	872,066	-
Instruction Related Technology:				
Salaries	304,920	680,856	680,856	-
Employee Benefits	157,236	270,087	270,087	-
Purchased Services	-	92,078	92,078	-
Materials and Supplies	-	66	66	-
Capital Outlay	-	945	945	-
Total Instruction Related Technology	462,156	1,044,032	1,044,032	-
Board of Education:				
Salaries	286,294	236,218	236,218	-
Employee Benefits	197,021	175,828	175,828	-
Purchased Services	145,063	372,696	372,696	-
Materials and Supplies	2,190	1,979	1,979	-
Capital Outlay	-	-	-	-
Other Expenses	41,126	26,624	26,624	-
Total Board of Education	671,694	813,345	813,345	-
General Administration:				
Salaries	1,569,801	1,772,337	1,772,337	-
Employee Benefits	478,104	544,722	544,722	-
Purchased Services	192,010	217,741	217,741	-
Materials and Supplies	25,600	19,024	19,024	-
Capital Outlay	-	27,558	27,558	-
Other Expenses	58,725	65,661	65,661	-
Total General Administration	\$ 2,324,240	\$ 2,647,043	\$ 2,647,043	\$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

General Fund				Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures				
Current <i>(Continued)</i> :				
School Administration:				
Salaries	\$ 10,920,733	\$ 12,533,757	\$ 12,533,757	\$ -
Employee Benefits	3,912,790	4,097,199	4,097,199	-
Purchased Services	3,776	157,461	157,461	-
Materials and Supplies	5,800	58,320	58,320	-
Capital Outlay	1,500	79,569	79,569	-
Other Expenses	71,680	16,208	16,208	-
Total School Administration	<u>14,916,279</u>	<u>16,942,514</u>	<u>16,942,514</u>	<u>-</u>
Facility Services - Non-Capitalized:				
Salaries	497,054	649,804	649,804	-
Employee Benefits	147,464	215,957	215,957	-
Purchased Services	10,000	74,212	74,212	-
Materials and Supplies	-	-	-	-
Capital Outlay	3,000	-	-	-
Other Expenses	240,000	253,012	253,012	-
Total Facility Services - Non-Capitalized	<u>897,518</u>	<u>1,192,985</u>	<u>1,192,985</u>	<u>-</u>
Fiscal Services:				
Salaries	697,610	566,289	566,289	-
Employee Benefits	227,862	177,659	177,659	-
Purchased Services	116,931	92,384	92,384	-
Materials and Supplies	210,230	2,432	2,432	-
Capital Outlay	-	369	369	-
Other Expenses	39,570	106,668	106,668	-
Total Fiscal Services	<u>1,292,203</u>	<u>945,801</u>	<u>945,801</u>	<u>-</u>
Food Services				
Salaries	-	435,703	435,703	-
Employee Benefits	-	91,016	91,016	-
Capital Outlay	-	-	-	-
Total Food Services	<u>-</u>	<u>526,719</u>	<u>526,719</u>	<u>-</u>
Central Services:				
Salaries	1,880,324	2,204,749	2,204,749	-
Employee Benefits	695,372	1,251,332	1,251,332	-
Purchased Services	1,198,232	1,183,511	1,183,511	-
Materials and Supplies	132,050	99,407	99,407	-
Capital Outlay	10,100	128,316	128,316	-
Other Expenses	73,515	53,568	53,568	-
Total Central Services	<u>3,989,593</u>	<u>4,920,883</u>	<u>4,920,883</u>	<u>-</u>
Student Transportation Services:				
Salaries	4,586,124	6,632,091	6,632,091	-
Employee Benefits	2,170,915	2,259,167	2,259,167	-
Purchased Services	466,158	429,547	429,547	-
Energy Services	1,206,000	960,843	960,843	-
Materials and Supplies	808,700	709,899	709,899	-
Capital Outlay	242,000	485,709	485,709	-
Other Expenses	360	333,573	333,573	-
Total Student Transportation Services	<u>\$ 9,480,257</u>	<u>\$ 11,810,829</u>	<u>\$ 11,810,829</u>	<u>\$ -</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

General Fund				Variance with Final Budget - Positive (Negative)
Expenditures	Original Budget	Final Budget	Actual	
Current <i>(Concluded)</i> :				
Operation of Plant:				
Salaries	\$ 6,760,956	\$ 8,700,559	\$ 8,700,559	\$ -
Employee Benefits	2,686,052	2,977,297	2,977,297	-
Purchased Services	5,826,750	7,547,186	7,547,186	-
Energy Services	6,019,000	5,870,776	5,870,776	-
Materials and Supplies	593,338	638,632	638,632	-
Capital Outlay	228,300	365,401	365,401	-
Other Expenses	260,200	28,092	28,092	-
Total Operation of Plant	<u>22,374,596</u>	<u>26,127,943</u>	<u>26,127,943</u>	<u>-</u>
Maintenance of Plant:				
Salaries	3,142,063	3,504,531	3,504,531	-
Employee Benefits	1,218,000	1,258,729	1,258,729	-
Purchased Services	1,524,896	1,405,279	1,405,279	-
Energy Services	212,000	149,628	149,628	-
Materials and Supplies	775,050	772,367	772,367	-
Capital Outlay	20,000	110,302	110,302	-
Other Expenses	4,225	3,583	3,583	-
Total Maintenance of Plant	<u>6,896,234</u>	<u>7,204,419</u>	<u>7,204,419</u>	<u>-</u>
Administrative Technology Services:				
Salaries	1,341,093	1,848,643	1,848,643	-
Employee Benefits	484,724	626,323	626,323	-
Purchased Services	524,750	1,441,833	1,441,833	-
Materials and Supplies	45,000	32,578	32,578	-
Capital Outlay	2,667,715	999,566	999,566	-
Other Expenses	1,050	1,227	1,227	-
Total Administrative Technology Services	<u>5,064,332</u>	<u>4,950,170</u>	<u>4,950,170</u>	<u>-</u>
Community Services:				
Purchased Services	19,600	17,983	17,983	-
Materials and Supplies	1,775	162,902	162,902	-
Total Community Services	<u>21,375</u>	<u>180,885</u>	<u>180,885</u>	<u>-</u>
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-		-	-
Total Fixed Capital Outlay	<u>-</u>	<u>1,164,702</u>	<u>1,164,702</u>	<u>-</u>
Total Expenditures	<u>\$ 235,022,969</u>	<u>\$ 250,280,530</u>	<u>\$ 250,280,530</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(234,451)</u>	<u>(14,593,254)</u>	<u>(14,593,254)</u>	<u>-</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Concluded)

	General Fund			Variance with
	Original	Final	Actual	Final Budget -
	Budget	Budget		Positive
				(Negative)
Other Financing Sources (Uses)				
Transfers In	2,338,416	2,351,310	2,351,310	\$ -
Insurance Loss Recoveries	-	195,341	195,341	-
Transfers (Out)	(1,261,457)	(1,280,520)	(1,280,520)	-
Total Other Financing Sources (Uses)	1,076,959	1,266,131	1,266,131	-
Net Change in Fund Balances	1,076,959	(13,327,123)	(13,327,123)	-
Fund Balances, July 1, 2024	48,504,929	48,504,929	48,504,929	-
Fund Balances, June 30, 2025	\$ 49,581,888	\$ 35,177,806	\$ 35,177,806	\$ -

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAM FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Special Revenue Fund - Other Federal Program Funds			
	Original Budget	Final Budget	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental:			
Federal Through State and Local	\$ 22,051,290	\$ 16,042,233	\$ 16,042,233
Total Revenues	<u>22,051,290</u>	<u>16,042,233</u>	<u>16,042,233</u>
Expenditures			
Current:			
Instruction:			
Salaries	5,097,536	3,747,652	3,747,652
Employee Benefits	2,684,345	1,490,176	1,490,176
Purchased Services	1,661,981	904,241	904,241
Materials and Supplies	928,262	606,782	606,782
Capital Outlay	950,293	633,865	633,865
Other Expenses	83,843	118,193	118,193
Total Instruction	<u>11,406,259</u>	<u>7,500,909</u>	<u>7,500,909</u>
Student Support Services:			
Salaries	2,089,770	1,828,837	1,828,837
Employee Benefits	861,345	656,120	656,120
Purchased Services	131,290	26,245	26,245
Materials and Supplies	141,428	112,211	112,211
Capital Outlay	26,485	10,025	10,025
Other Expenses	31,695	34,259	34,259
Total Student Personnel Services	<u>3,282,013</u>	<u>2,667,697</u>	<u>2,667,697</u>
Instruction and Curriculum			
Development Services:			
Salaries	2,741,062	2,442,514	2,442,514
Employee Benefits	1,270,181	808,888	808,888
Purchased Services	100,390	66,821	66,821
Materials and Supplies	48,870	44,977	44,977
Capital Outlay	4,500	6,529	6,529
Other Expenses	16,000	2,624	2,624
Total Instruction and Curriculum			
Development Services	<u>4,181,004</u>	<u>3,372,353</u>	<u>3,372,353</u>
Instructional Staff Training Services:			
Salaries	653,998	556,936	556,936
Employee Benefits	203,930	143,264	143,264
Purchased Services	537,445	604,981	604,981
Materials and Supplies	83,040	43,482	43,482
Capital Outlay	2,000	1,685	1,685
Other Expenses	241,969	65,305	65,305
Total Instructional Staff Training Services	<u>\$ 1,722,383</u>	<u>\$ 1,415,653</u>	<u>\$ 1,415,653</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAM FUNDS
(Concluded)

	Special Revenue Fund - Other Federal Program Funds			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures				
Current <i>(Concluded)</i> :				
Instruction Related Technology:				
Salaries	\$ 224,504	\$ 208,152	\$ 208,152	\$ -
Employee Benefits	150,325	89,817	89,817	-
Total Instruction Related Technology	<u>374,829</u>	<u>297,969</u>	<u>297,969</u>	<u>-</u>
General Administration:				
Other Expenses	1,009,184	745,226	745,226	-
Total General Administration	<u>1,009,184</u>	<u>745,226</u>	<u>745,226</u>	<u>-</u>
Student Transportation Services:				
Salaries	20,625	11,260	11,260	-
Employee Benefits	4,866	2,395	2,395	-
Purchased Services	23,000	19,250	19,250	-
Energy Services	17,655	7,697	7,697	-
Capital Outlay	-	-	-	-
Other Expenses	500	-	-	-
Total Student Transportation Services	<u>66,646</u>	<u>40,602</u>	<u>40,602</u>	<u>-</u>
Operation of Plant:				
Salaries	3,500	-	-	-
Employee Benefits	789	-	-	-
Energy Services	1,000	-	-	-
Total Operation of Plant	<u>5,289</u>	<u>-</u>	<u>-</u>	<u>-</u>
Maintenance of Plant				
Materials and Supplies	3,683	1,824	1,824	-
Total Maintenance of Plant	<u>3,683</u>	<u>1,824</u>	<u>1,824</u>	<u>-</u>
Total Expenditures	<u>22,051,290</u>	<u>16,042,233</u>	<u>16,042,233</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances, July 1, 2024	-	-	-	-
Fund Balances, June 30, 2025	<u>\$ -</u>	<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 FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Special Revenue Fund - Federal Education Stabilization Funds			
	Original Budget	Final Budget	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental:			
Federal Through State and Local	\$ -	\$ 4,684,325	\$ 4,684,325
Total Revenues	-	4,684,325	-
Expenditures			
Current:			
Instruction:			
Salaries	-	201,443	201,443
Employee Benefits	-	57,058	57,058
Purchased Services	-	531,181	531,181
Materials and Supplies	-	506,855	506,855
Capital Outlay	-	131,378	131,378
Other Expenses	-	91,316	91,316
Total Instruction	-	1,519,231	-
Student Support Services:			
Salaries	-	7,851	7,851
Employee Benefits	-	2,710	2,710
Purchased Services	-	29,577	29,577
Total Student Personnel Services	-	40,138	-
Instruction and Curriculum Development Services:			
Salaries	-	403,510	403,510
Employee Benefits	-	137,230	137,230
Purchased Services	-	7,516	7,516
Total Instruction and Curriculum Development Services	-	548,256	-
Instructional Staff Training Services:			
Salaries	-	13,457	13,457
Employee Benefits	-	1,316	1,316
Purchased Services	-	123,400	123,400
Materials and Supplies	-	41,066	41,066
Total Instructional Staff Training Services	-	179,239	-
General Administration:			
Other Expenses	-	6,315	6,315
Total General Administration	-	6,315	-
School Administration:			
Purchased Services	-	21,384	21,384
Total School Administration	\$ -	\$ 21,384	\$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - FEDERAL EDUCATION STABILIZATION FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Concluded)

Special Revenue Fund - Federal Education Stabilization Funds			
	Original Budget	Final Budget	Variance with Final Budget - Positive (Negative)
Fixed Capital Outlay:			
Purchased Services	\$ -	\$ 23,615	\$ 23,615
Other Capital Outlay	-	1,983,807	1,983,807
Total Fixed Capital Outlay	-	2,007,422	2,007,422
Student Transportation Services:			
Salaries	-	36,790	36,790
Employee Benefits	-	5,700	5,700
Purchased Services	-	49,187	49,187
Energy Services	-	1,705	1,705
Total Student Transportation Services	-	93,382	93,382
Operation of Plant:			
Salaries	-	53,790	53,790
Employee Benefits	-	11,685	11,685
Total Operation of Plant	-	65,475	65,475
Maintenance of Plant:			
Purchased Services	-	139,558	139,558
Energy Services	-	63,925	63,925
Total Maintenance of Plant	-	203,483	203,483
Total Expenditures	-	4,684,325	4,684,325
Net Change in Fund Balances	-	-	-
Fund Balances, July 1, 2024	-	-	-
Fund Balances, June 30, 2025	\$ -	\$ -	\$ -

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, 2025

	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	\$ -	\$ -	\$ -	\$ -
Other Local Revenue	28,367,952	29,642,458	29,642,458	-
Total Revenues	<u>28,367,952</u>	<u>29,642,458</u>	<u>29,642,458</u>	<u>-</u>
Expenditures				
Current:				
Fixed Capital Outlay:				
Facilities Acquisition & Construction	2,059,620	4,169,113	4,169,113	-
Other Capital Outlay	-	-	-	-
Total Fixed Capital Outlay	<u>2,059,620</u>	<u>4,169,113</u>	<u>4,169,113</u>	<u>-</u>
Total Expenditures	<u>2,059,620</u>	<u>4,169,113</u>	<u>4,169,113</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>26,308,332</u>	<u>25,473,345</u>	<u>25,473,345</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers (Out)	10,763,366	10,748,192	10,748,192	-
Total Other Financing Sources (Uses)	<u>10,763,366</u>	<u>10,748,192</u>	<u>10,748,192</u>	<u>-</u>
Net Change in Fund Balances	15,544,966	14,725,153	14,725,153	-
Fund Balances, July 1, 2024	<u>29,391,987</u>	<u>29,391,987</u>	<u>29,391,987</u>	<u>-</u>
Fund Balances, June 30, 2025	<u>\$ 44,936,953</u>	<u>\$ 44,117,140</u>	<u>\$ 44,117,140</u>	<u>\$ -</u>

CAPITAL PROJECTS FUND - OTHER CAPITAL PROJECTS
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND - OTHER CAPITAL PROJECTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Capital Projects Fund - Other Capital Projects			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
State	\$ -	\$ -	\$ -	\$ -
Local:				
Other Local Revenue	25,620,104	30,734,895	30,734,895	-
Total Revenues	<u>25,620,104</u>	<u>30,734,895</u>	<u>30,734,895</u>	<u>-</u>
Expenditures				
Current:				
Fixed Capital Outlay:				
Facilities Acquisition & Construction	26,789,604	26,634,145	26,634,145	-
Other Capital Outlay	-	-	-	-
Total Fixed Capital Outlay	<u>26,789,604</u>	<u>26,634,145</u>	<u>26,634,145</u>	<u>-</u>
Total Expenditures	<u>26,789,604</u>	<u>26,634,145</u>	<u>26,634,145</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,169,500)</u>	<u>4,100,750</u>	<u>4,100,750</u>	<u>-</u>
Net Change in Fund Balances	<u>(1,169,500)</u>	<u>4,100,750</u>	<u>4,100,750</u>	<u>-</u>
Fund Balances, July 1, 2024	<u>52,736,166</u>	<u>52,736,166</u>	<u>52,736,166</u>	<u>-</u>
Fund Balances, June 30, 2025	<u>\$ 51,566,666</u>	<u>\$ 56,836,916</u>	<u>\$ 56,836,916</u>	<u>\$ -</u>

**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**

	2025	2024	2023	2022	2021	2020	2019	2018
Service Cost	\$ 631,093	\$ 619,801	\$ 898,978	\$ 1,065,964	\$ 1,033,551	\$ 945,389	\$ 1,029,637	\$ 1,062,870
Interest on the Total OPEB Plan Liability	318,791	286,353	268,917	344,238	498,844	494,953	500,632	403,753
Difference Between Expected and Actual Experience	(3,905,700)	(84,126)	(345,243)	(60,297)	(1,637,673)	(55,582)	(2,975,368)	(60,978)
Changes of Assumptions	(125,818)	(38,726)	(5,010,374)	(4,262,709)	1,663,956	324,301	443,230	(456,379)
Benefits Payments	<u>(128,277)</u>	<u>(148,289)</u>	<u>(198,090)</u>	<u>(229,121)</u>	<u>(240,058)</u>	<u>(251,350)</u>	<u>(291,175)</u>	<u>(309,654)</u>
Net Change in Total OPEB Plan Liability	(3,209,911)	\$ 635,013	(4,385,812)	(3,141,925)	1,318,620	1,457,711	(1,293,044)	639,612
Total OPEB Plan Liability, Beginning of the Year	<u>8,797,572</u>	<u>\$ 8,162,559</u>	<u>12,548,371</u>	<u>15,690,296</u>	<u>14,371,676</u>	<u>12,913,965</u>	<u>14,207,009</u>	<u>13,567,397</u>
Total OPEB Plan Liability, End of Year	<u>5,587,661</u>	<u>8,797,572</u>	<u>8,162,559</u>	<u>12,548,371</u>	<u>15,690,296</u>	<u>14,371,676</u>	<u>12,913,965</u>	<u>14,207,009</u>
Covered-Employee Payroll	<u>\$ 122,713,622</u>	<u>\$ 117,873,547</u>	<u>\$ 117,873,547</u>	<u>\$ 100,869,474</u>	<u>\$ 123,454,630</u>	<u>\$ 105,631,388</u>	<u>\$ 105,631,388</u>	<u>\$ 109,705,009</u>
Total OPEB Plan Liability as a Percentage of Covered-Employee Payroll	4.55%	7.46%	6.92%	12.44%	12.71%	13.61%	12.23%	12.95%

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the FRS Net Pension Liability	0.2499557931391%	0.25535083700000%	0.267728760900000%	0.257313620728500%	0.235169321710000%	0.234747419260000%	0.239307727258600%	0.236737893439716%	0.243941041000827%	0.275441373781394%
District's Proportionate Share of the FRS Net Pension Liability	<u>\$ 96,694,656</u>	<u>\$ 101,749,227</u>	<u>\$ 99,616,614</u>	<u>\$ 19,437,120</u>	<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>
District's Covered Payroll	<u>\$ 150,053,467</u>	<u>\$ 139,777,660</u>	<u>\$ 131,101,857</u>	<u>\$ 123,545,630</u>	<u>\$ 121,544,716</u>	<u>\$ 115,040,283</u>	<u>\$ 113,049,763</u>	<u>\$ 109,437,312</u>	<u>\$ 109,705,301</u>	<u>\$ 97,642,573</u>
District's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	64.44%	72.79%	75.98%	15.73%	83.86%	70.27%	63.76%	63.99%	56.15%	36.44%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.70%	82.38%	89.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

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

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

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required										
FRS Contribution	\$ 12,874,872	\$ 14,154,080	\$ 10,260,406	\$ 9,154,546	\$ 6,355,456	\$ 7,813,634	\$ 7,278,864	\$ 6,213,024	\$ 5,740,861	\$ 5,588,867
FRS Contributions in Relation to the Contractually Required										
Contribution	<u>(12,874,872)</u>	<u>(14,154,080)</u>	<u>(10,260,406)</u>	<u>(9,154,546)</u>	<u>(6,355,456)</u>	<u>(7,813,634)</u>	<u>(7,278,864)</u>	<u>(6,213,024)</u>	<u>(5,740,861)</u>	<u>(5,588,867)</u>
FRS Contribution Deficiency (Excess)	<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>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
District's Covered Payroll	<u>\$ 110,049,962</u>	<u>\$ 150,053,467</u>	<u>\$ 139,777,660</u>	<u>\$ 131,101,857</u>	<u>\$ 123,545,630</u>	<u>\$ 121,544,716</u>	<u>\$ 115,040,283</u>	<u>\$ 113,049,763</u>	<u>\$ 109,508,812</u>	<u>\$ 109,705,301</u>
FRS Contributions as a										
Percentage of Covered Payroll	11.70%	9.43%	7.34%	6.98%	5.14%	6.43%	6.33%	5.50%	5.24%	5.09%

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

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the HIS Net Pension Liability	0.354505169970%	0.352539584000%	0.359729470200%	0.348976780090%	0.350072433960%	0.343815279200%	0.346088818041%	0.343544358509%	0.355329704330%	0.373508027713%
District's Proportionate Share of the HIS Net Pension Liability	<u>\$ 53,179,238</u>	<u>\$ 55,987,988</u>	<u>\$ 38,101,097</u>	<u>\$ 42,807,248</u>	<u>\$ 42,743,274</u>	<u>\$ 38,473,545</u>	<u>\$ 36,630,429</u>	<u>\$ 36,733,348</u>	<u>\$ 41,412,206</u>	<u>\$ 38,091,943</u>
District's Covered Payroll	<u>\$ 150,053,467</u>	<u>\$ 139,777,660</u>	<u>\$ 131,101,857</u>	<u>\$ 123,545,630</u>	<u>\$ 121,544,716</u>	<u>\$ 115,040,283</u>	<u>\$ 113,049,763</u>	<u>\$ 113,049,763</u>	<u>\$ 109,705,301</u>	<u>\$ 113,452,195</u>
District's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	35.44%	40.06%	29.06%	34.65%	35.17%	33.44%	32.40%	32.49%	37.75%	33.58%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required										
HIS Contribution	\$ 2,730,092	\$ 3,001,345	\$ 2,649,004	\$ 2,363,496	\$ 1,640,835	\$ 2,017,303	\$ 1,909,374	\$ 1,663,487	\$ 1,626,251	\$ 1,583,194
HIS Contributions in Relation to the Contractually Required Contribution	<u>(2,730,092)</u>	<u>(3,001,345)</u>	<u>(2,649,004)</u>	<u>(2,363,496)</u>	<u>(1,640,835)</u>	<u>(2,017,303)</u>	<u>(1,909,374)</u>	<u>(1,663,487)</u>	<u>(1,626,251)</u>	<u>(1,583,194)</u>
HIS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 110,049,962</u>	<u>\$ 150,053,467</u>	<u>\$ 139,777,660</u>	<u>\$ 131,101,857</u>	<u>\$ 123,545,630</u>	<u>\$ 121,544,716</u>	<u>\$ 115,040,283</u>	<u>\$ 113,049,763</u>	<u>\$ 109,508,812</u>	<u>\$ 109,705,301</u>
HIS Contributions as a Percentage of Covered Payroll	2.48%	2.00%	1.90%	1.80%	1.33%	1.66%	1.66%	1.47%	1.49%	1.44%

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

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

1. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

The Board follows procedures established by State Statutes and State Board of Education (SBE) 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 State law and SBE rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student transportation 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.

2. SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75 to pay related benefits.

Changes of Assumptions. The discount rate was changed from 3.65 percent to 3.93 percent.

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

Changes of Assumptions. In 2024, the municipal bond rate used to determine total pension Liability was increased from 3.65 percent to 3.93 percent.



(THIS PAGE LEFT INTENTIONALLY BLANK)

OTHER SUPPLEMENTARY INFORMATION





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
JUNE 30, 2025

	Speical Revenue Fund		Debt Service Funds		
	Food Service 410	Other Misc.Federal 490	SBE/COBI Bonds 210	Special Act Bonds 220	Other Debt Service Bonds 290
Assets					
Cash and Cash Equivalents	\$ 3,305,846	\$ 2,695,274	\$ -	\$ 259,990	\$ 5,388,577
Investments	8,124,549	-	11,077	75,804	2,116,773
Accounts Receivable	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Inventory	239,163	-	-	-	-
Due from Other Agencies	195,363	-	-	-	22,285
Total Assets	11,864,921	2,695,274	11,077	335,794	7,527,635
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	24,208	-	-	-	-
Deferred Revenue	65,244	-	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	89,452	-	-	-	-
Fund Balances					
Non-Spendable:					
Inventory	239,164	-	-	-	-
Total Non-Spendable Fund Balance	239,164	-	-	-	-
Restricted for:					
Debt Service	-	-	11,077	335,794	7,527,635
Capital Projects	-	-	-	-	-
Food Service	11,536,305	-	-	-	-
Internal Accounts	-	2,695,274	-	-	-
Total Restricted Fund Balance	11,536,305	2,695,274	11,077	335,794	7,527,635
Total Fund Balances	11,775,469	2,695,274	11,077	335,794	7,527,635
Total Liabilities and Fund Balances	\$ 11,864,921	\$ 2,695,274	\$ 11,077	\$ 335,794	\$ 7,527,635

Capital Projects Funds		
Capital Projects- Public Education Capital Outlay Fund	Capital Outlay and Debt Service 360	Total Non-Major Governmental Funds
\$ -	\$ 4,313,384	\$ 15,963,071
-	4,064	10,332,267
-	-	-
-	-	-
-	-	239,163
-	958,111	1,175,759
	5,275,559	27,710,260
-	-	24,208
-	-	65,244
-	-	-
-	-	89,452
-	-	239,164
-	-	239,164
-	-	7,874,506
-	5,275,559	5,275,559
-	-	11,536,305
-	-	2,695,274
-	5,275,559	27,381,644
-	5,275,559	27,620,808
\$ -	\$ 5,275,559	\$ 27,710,260

**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, 2025**

	Special Revenue		Debt Service Funds		
	Food Service 410	Misc Special Revenue 490	SBE/COBI Bonds 210	Special Act Bonds 220	Other Debt Service Bonds 290
Revenues					
Intergovernmental:					
Federal Through State and Local	\$ 17,772,927	\$ -	\$ -	\$ -	
State	181,513	-	130,083	209,750	-
Local:					
Charges for Service - Food Service	522,105	-	-	-	
Other Local Revenue	-	7,396,142	-	2,923	246,898
Total Revenues	<u>18,476,545</u>	<u>7,396,142</u>	<u>130,083</u>	<u>212,673</u>	<u>246,898</u>
Expenditures					
Current:					
Instruction		7,328,672	-	-	-
Facility Services - Non-Capitalized		-	-	-	-
Fiscal Services			-	-	-
Food Services	17,543,516	-	-	-	-
Fixed Capital Outlay:					
Facilities Acquisition and Construction	1,650,533				
Debt Service:					
Principal		-	107,000	95,000	6,765,882
Interest and Fiscal Charges		-	25,750	109,150	3,149,524
Dues and Fees		-	19	3,500	3,851
Total Expenditures	<u>19,194,049</u>	<u>7,328,672</u>	<u>132,769</u>	<u>207,650</u>	<u>9,919,257</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(717,504)</u>	<u>67,470</u>	<u>(2,686)</u>	<u>5,023</u>	<u>(9,672,359)</u>
Other Financing Sources (Uses)					
Transfers In	24,064	-	-	-	9,906,232
Transfers (Out)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>24,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,906,232</u>
Net Change in Fund Balances	<u>(693,440)</u>	<u>67,470</u>	<u>(2,686)</u>	<u>5,023</u>	<u>233,873</u>
Fund Balances, July 1, 2024	<u>12,468,909</u>	<u>2,627,804</u>	<u>13,763</u>	<u>330,771</u>	<u>7,293,762</u>
Change within Financial Reporting Entity (Major to Non-Major)	-	-	-	-	-
Fund Balances, June 30, 2025	<u>\$ 11,775,469</u>	<u>\$ 2,695,274</u>	<u>\$ 11,077</u>	<u>\$ 335,794</u>	<u>\$ 7,527,635</u>

Capital Projects Funds		
Capital Projects- Public Education Capital Outlay Fund	Capital Outlay and Debt Service 360	Total Non-Major Governmental Funds
	\$ -	\$ 17,772,927
252,894	1,050,388	1,824,628
	-	522,105
	-	7,645,963
252,894	1,050,388	27,765,623
	-	7,328,672
-	-	-
	-	-
	-	17,543,516
	-	-
2,965,421	-	4,615,954
	-	-
	-	6,967,882
	-	3,284,424
	6,326	13,696
2,965,421	6,326	39,754,144
(2,712,527)	1,044,062	(11,988,521)
	-	9,930,296
(252,894)	-	(252,894)
(252,894)	-	9,677,402
(2,965,421)	1,044,062	(2,311,119)
-	4,231,497	26,966,506
2,965,421	-	\$ 2,965,421
\$ -	\$ 5,275,559	\$ 27,620,808

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, 2025

	Special Revenue Fund - Food Service			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Through State	\$ 18,185,756	\$ 17,772,927	\$ 17,772,927	\$ -
State	193,500	181,513	181,513	-
Local	420,500	522,105	522,105	-
Total Revenues	<u>18,799,756</u>	<u>18,476,545</u>	<u>18,476,545</u>	<u>-</u>
Expenditures				
Salaries	4,646,887	5,012,037	5,012,037	-
Employee Benefits	1,961,288	2,067,417	2,067,417	-
Purchased Services	613,300	423,084	423,084	-
Energy Services	314,500	500,758	500,758	-
Materials and Supplies	10,523,500	9,016,130	9,016,130	-
Capital Outlay	330,000	1,701,832	1,701,832	-
Other	255,000	472,791	472,791	-
Total Expenditures	<u>18,644,475</u>	<u>19,194,049</u>	<u>19,194,049</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>155,281</u>	<u>(717,504)</u>	<u>(717,504)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In	-	24,064	24,064	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>24,064</u>	<u>24,064</u>	<u>-</u>
Net Change in Fund Balances	155,281	(693,440)	(693,440)	-
Fund Balances, July 1, 2024	<u>12,468,909</u>	<u>12,468,909</u>	<u>12,468,909</u>	<u>-</u>
Fund Balances, June 30, 2025	<u>\$ 12,624,190</u>	<u>\$ 11,775,469</u>	<u>\$ 11,775,469</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, 2025**

	Special Revenue Fund - Internal Accounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
Local	\$ 6,767,073	\$ 7,396,142	\$ 7,396,142	\$ -
Total Revenues	<u>6,767,073</u>	<u>7,396,142</u>	<u>7,396,142</u>	<u>-</u>
Expenditures				
Current:				
Fiscal Services:				
Supplies	6,750,365	7,328,672	7,328,672	-
Total Fiscal Services	<u>6,750,365</u>	<u>7,328,672</u>	<u>7,328,672</u>	<u>-</u>
Total Expenditures	<u>6,750,365</u>	<u>7,328,672</u>	<u>7,328,672</u>	<u>-</u>
Net Change in Fund Balances	16,708	67,470	67,470	-
Fund Balances, July 1, 2024	<u>2,627,804</u>	<u>2,627,804</u>	<u>2,627,804</u>	<u>-</u>
Fund Balances, June 30, 2025	<u>\$ 2,644,512</u>	<u>\$ 2,695,274</u>	<u>\$ 2,695,274</u>	<u>\$ -</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUNDS - SBE/COBI BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Debt Service Funds - SBE/COBI Bonds			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
State	\$ 131,450	\$ 130,083	\$ 130,083	\$ -
Total Revenues	<u>131,450</u>	<u>130,083</u>	<u>130,083</u>	<u>-</u>
Expenditures				
Debt Service:				
Principal	107,000	107,000	107,000	-
Interest and Fiscal Charges	23,950	25,750	25,750	-
Dues and Fees	500	19	19	-
Total Expenditures	<u>131,450</u>	<u>132,769</u>	<u>132,769</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(2,686)</u>	<u>(2,686)</u>	<u>-</u>
Other Financing Sources (Uses)				
Refunding Bonds Issued	-	-	-	-
Premium on Refunding Bonds	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(2,686)	(2,686)	-
Fund Balances, July 1, 2024	<u>13,763</u>	<u>13,763</u>	<u>13,763</u>	<u>-</u>
Fund Balances, June 30, 2025	<u>\$ 13,763</u>	<u>\$ 11,077</u>	<u>\$ 11,077</u>	<u>\$ -</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUNDS - SPECIAL ACT BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Debt Service Funds - Special Act Bonds			Variance with
	Original	Final		Final Budget -
	Budget	Budget	Actual	Positive
				(Negative)
Revenues				
Intergovernmental:				
State	\$ 207,650	\$ 209,750	\$ 209,750	\$ -
Local	-	2,923	2,923	
Total Revenues	<u>207,650</u>	<u>212,673</u>	<u>212,673</u>	<u>-</u>
Expenditures				
Debt Service:				
Principal	95,000	95,000	95,000	-
Interest and Fiscal Charges	109,150	109,150	109,150	-
Dues and Fees	3,500	3,500	3,500	-
Total Expenditures	<u>207,650</u>	<u>207,650</u>	<u>207,650</u>	<u>-</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>-</u>	<u>5,023</u>	<u>5,023</u>	<u>-</u>
Other Financing Sources (Uses)				
Refunding Bonds Issued	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	5,023	5,023	-
Fund Balances, July 1, 2024	<u>330,771</u>	<u>330,771</u>	<u>330,771</u>	<u>-</u>
Fund Balances, June 30, 2025	<u>\$ 330,771</u>	<u>\$ 335,794</u>	<u>\$ 335,794</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, 2025

	Debt Service Fund - Other Debt Service			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Local:				
Other Local Revenue	\$ -	\$ 246,898	\$ 246,898	\$ -
Total Revenues	<u>\$ -</u>	<u>\$ 246,898</u>	<u>\$ 246,898</u>	<u>\$ -</u>
Expenditures				
Debt Service:				
Principal	6,765,882	6,765,882	6,765,882	\$ -
Interest and Fiscal Charges	3,149,525	3,149,524	3,149,524	\$ -
Dues and Fees	11,000	3,851	3,851	\$ -
Total Expenditures	<u>9,926,407</u>	<u>9,919,257</u>	<u>9,919,257</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,926,407)</u>	<u>(9,672,359)</u>	<u>(9,672,359)</u>	<u>\$ -</u>
Other Financing Sources (Uses)				
Proceeds From Bond Issuance	-	-	-	\$ -
Transfers In	9,926,407	9,906,232	9,906,232	\$ -
Transfers Out	-	-	-	
Total Other Financing Sources (Uses)	<u>9,926,407</u>	<u>9,906,232</u>	<u>9,906,232</u>	<u>\$ -</u>
Net Change in Fund Balances	-	233,873	233,873	\$ -
Fund Balances, July 1, 2024	<u>7,293,762</u>	<u>7,293,762</u>	<u>7,293,762</u>	<u>\$ -</u>
Fund Balances, June 30, 2025	<u><u>\$ 7,293,762</u></u>	<u><u>\$ 7,527,635</u></u>	<u><u>\$ 7,527,635</u></u>	<u><u>\$ -</u></u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUNDS - PUBLIC EDUCATION CAPITAL OUTLAY (PECO)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Capital Projects Funds - Public Education Capital Outlay (PECO)			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Through State	\$ 240,000	\$ 252,894	\$ 252,894	\$ -
Total Revenues	<u>240,000</u>	<u>252,894</u>	<u>252,894</u>	<u>-</u>
Expenditures				
Current:				
Facility Services - Non-Capitalized:				
Remodeling and Renovations	-	2,965,421	2,965,421	-
Total Expenditures	<u>-</u>	<u>2,965,421</u>	<u>2,965,421</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>240,000</u>	<u>(2,712,527)</u>	<u>(2,712,527)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers (Out)		(252,894)	(252,894)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(252,894)</u>	<u>(252,894)</u>	<u>-</u>
Net Change in Fund Balances	240,000	(2,965,421)	(2,965,421)	-
Fund Balances, July 1, 2024	<u>2,965,421</u>	<u>2,965,421</u>	<u>2,965,421</u>	<u>-</u>
Fund Balances, June 30, 2025	<u>\$ 3,205,421</u>	<u>\$ (0)</u>	<u>\$ (0)</u>	<u>\$ -</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUNDS - CAPITAL OUTLAY AND DEBT SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Capital Projects Funds - Capital Outlay and Debt Service			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
State	\$ -	\$ 961,842	\$ 961,842	\$ -
Local:				
Other Local Revenue	-	88,546	88,546	-
Total Revenues	-	1,050,388	1,050,388	-
Expenditures				
Current:				
Debt Service:				
Dues and Fees	-	6,326	6,326	-
Total Expenditures	-	6,326	6,326	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,044,062	1,044,062	-
Net Change in Fund Balances	-	1,044,062	1,044,062	-
Fund Balances, July 1, 2024	4,231,497	4,231,497	4,231,497	-
Fund Balances, June 30, 2025	\$ 4,231,497	\$ 5,275,559	\$ 5,275,559	\$ -

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.

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.

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 Hernando County School District (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 - DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2025

	BEST Academy (Charter School)	Gulf Coast Elementary (Charter School)	Gulf Coast Academy Science and Technology, Inc. (Charter School)
Assets			
Cash and Cash Equivalents	\$ 134,773	\$ 355,916	\$ 418,106
Accounts Receivable	-	-	-
Due From Other Agencies	-	74,952	64,483
Inventory	-	-	-
Prepaid Items	-	16,800	-
Take Stock in Children Contract Value	-	-	-
Asset Held for Sale	-	-	-
Capital Assets:			
Leased Assets, Net	138,058	750,857	1,125,918
Improvements Other than Buildings	-	28,393	-
Furniture, Fixtures, and Equipment, Net	19,518	42,173	55,075
Motor Vehicles, Net	-	74,389	7,994
Accumulated Depreciation	-	-	-
CIP - Air Gun Range commitment	-	-	-
Other Assets	-	-	-
Total Assets	<u>292,349</u>	<u>1,343,480</u>	<u>1,671,576</u>
Liabilities			
Salaries and Benefits Payable	-	14,317	8,901
Accounts Payable	5,981	11,771	44,985
Due to other agencies	-	-	-
Long-Term Liabilities:			
Due Within One Year:			
Note Payable	-	-	4,215
Obligations Under Leases	-	-	-
Lease Purchase Agreements Payable	43,294	48,673	84,750
Due in More than One Year:			
Note Payable	-	-	-
Obligations Under Leases	-	-	-
Lease Purchase Agreements Payable	94,765	702,185	1,041,167
Total Liabilities	<u>144,040</u>	<u>776,946</u>	<u>1,184,018</u>
Deferred Revenue	<u>2,620</u>	<u>-</u>	<u>-</u>
Net Position			
Net Investment in Capital Assets	19,517	144,954	58,855
Restricted for:			
Other Purposes	-	-	-
Unrestricted	126,172	421,580	428,703
Total Net Position	<u>\$ 145,689</u>	<u>\$ 566,534</u>	<u>\$ 487,558</u>

Hernando County Education Direct Support Organization, Inc. (the Foundation)		Totals 2025
\$	889,585	\$ 1,798,380
	26,766	26,766
	85,441	224,876
	295,688	295,688
	5,932	22,732
	7,660	7,660
	-	-
	-	-
	-	2,014,833
	-	28,393
	-	116,766
	35,660	118,043
	(10,519)	(10,519)
	1,246,590	1,246,590
	447,310	447,310
	3,030,113	6,337,518
	5,227	28,445
	-	62,737
	-	-
	-	4,215
	-	-
	-	176,717
	-	-
	-	-
	-	1,838,117
	5,227	2,110,231
	-	2,620
	25,141	248,467
	2,838,714	2,838,714
	161,031	1,137,486
\$	3,024,886	\$ 4,224,667

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
COMBINING SCHEDULE OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Charter Schools				
Governmental Activities:				
Instruction	\$ 2,735,801	\$ 407,190	\$ 30,262	\$ -
Instructional Staff Training Services	560	-	-	-
Instructional Media	1,038	-	-	-
Board	120,091	-	-	-
General Administration	112,853	-	-	-
School Administration	1,126,227	-	-	-
Facilities Acquisition & Construction	2,870	-	-	65,691
Fiscal Services	15,203	-	-	-
Food Services	-	-	-	-
Student Transportation Services	107,524	-	-	-
Operation of Plant	140,228	-	10,628	-
Community Services	50,759	48,314	-	-
Interest on Long-Term Debt	156,350	-	-	-
Unallocated Depreciation	262,288	-	-	-
Total Charter Schools	4,831,792	455,504	40,890	65,691
Hernando Education Foundation	1,663,106	-	2,209,643	43,400
Total Component Units	\$ 6,494,898	\$ 455,504	\$ 2,250,533	\$ 109,091

General Revenues:

Grants and Contributions Not Restricted to
Specific Programs
Other

Total General Revenues

Change in Net Position

Net Position, July 1, 2024

Net Position, June 30, 2025

Total Charter Schools	Hernando Education Foundation	Total Component Units
\$ (2,298,349)	\$ -	\$ (2,298,349)
(560)	-	(560)
(1,038)	-	(1,038)
(120,091)	-	(120,091)
(112,853)	-	(112,853)
(1,126,227)	-	(1,126,227)
62,821	-	62,821
(15,203)	-	(15,203)
-	-	-
(107,524)	-	(107,524)
(129,600)	-	(129,600)
(2,445)	-	(2,445)
(156,350)	-	(156,350)
(262,288)	-	(262,288)
(4,269,707)	-	(4,269,707)
-	589,937	589,937
(4,269,707)	589,937	(3,679,770)
4,171,571	773,116	4,944,687
-	-	-
4,171,571	773,116	4,944,687
(98,136)	1,363,053	1,264,917
1,297,917	1,661,833	2,959,750
\$ 1,199,781	\$ 3,024,886	\$ 4,224,667



(THIS PAGE LEFT INTENTIONALLY BLANK)

STATISTICAL SECTION





HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

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

This part of the District School Board of Hernando County, Florida's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the 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>	88
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>	98
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>	104
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>	111
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>	113

TABLE 1

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

	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
Primary Government:			
Governmental Activities:			
Net Investment in Capital Assets	\$ 243,008,106	\$ 249,506,834	\$ 255,798,875
Restricted	36,222,596	41,168,493	32,481,524
Unrestricted	(78,168,863)	(79,918,029)	(75,064,735)
Total Governmental Activities Net Position	<u>201,061,839</u>	<u>210,757,298</u>	<u>213,215,664</u>
Total Primary Government Net Position	<u><u>\$ 201,061,839</u></u>	<u><u>\$ 210,757,298</u></u>	<u><u>\$ 213,215,664</u></u>

(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

Source: District records

Table 1 (Continued)

	Fiscal Year Ending					
<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>
\$ 268,410,915	\$ 277,874,189	\$ 281,484,392	\$ 286,623,238	\$ 319,451,372	\$ 357,131,382	\$ 385,528,478
35,433,091	38,946,428	56,297,775	38,946,428	104,400,855	118,128,420	138,780,203
(77,641,488)	(90,465,475)	(101,836,853)	(39,510,225)	(81,136,821)	(105,114,281)	(119,440,408)
<u>226,202,518</u>	<u>226,355,142</u>	<u>235,945,314</u>	<u>286,059,441</u>	<u>342,715,406</u>	<u>370,145,521</u>	<u>404,868,273</u>
<u>\$ 226,202,518</u>	<u>\$ 226,355,142</u>	<u>\$ 235,945,314</u>	<u>\$ 286,059,441</u>	<u>\$ 342,715,406</u>	<u>\$ 370,145,521</u>	<u>\$ 404,868,273</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)

	June 30, 2016	June 30, 2017	June 30, 2018
Expenses			
Governmental Activities:			
Instruction	\$ 105,595,214	\$ 108,581,464	\$ 112,178,899
Student Personnel Services	8,570,746	8,978,591	9,475,910
Instructional Media Services	1,832,370	1,580,760	1,670,186
Instruction and Curriculum Development Services	4,345,473	4,606,251	4,984,827
Instructional Staff Training Services	2,992,562	3,366,519	3,187,021
Instruction Related Technology	740,282	634,787	615,107
Board	501,111	485,796	702,006
General Administration	1,297,242	1,646,718	1,385,010
School Administration	11,166,980	11,297,615	11,885,259
Facility Services - Non-Capitalized	2,470,261	2,188,737	6,876,093
Fiscal Services	778,107	854,703	859,712
Food Services	10,358,424	11,602,638	12,811,088
Central Services	1,381,116	1,841,843	2,076,296
Student Transportation Services	6,980,040	7,033,814	7,522,704
Operation of Plant	14,482,370	14,972,754	16,363,264
Maintenance of Plant	5,201,852	5,374,764	5,412,786
Administrative Technology Services	2,580,640	2,734,734	2,889,131
Community Services	6,104	1,452	983
Unallocated Interest on Long-Term Debt	6,102,038	4,042,505	3,781,555
Unallocated Deprecation	12,090,214	11,339,724	12,024,965
Total Governmental Activities Expenses	199,473,146	203,166,169	216,702,802
Program Revenues			
Governmental Activities:			
Charges for Services			
Food Service	1,858,156	1,796,468	1,394,814
Transportation	152,003	150,590	167,416
Instruction	84,512	87,244	107,632
Operating Grants and Contributions	9,842,901	9,731,565	11,623,384
Capital Grants and Contributions	1,549,777	1,536,802	3,131,121
Total Governmental Activities Program Revenues	13,487,349	13,302,669	16,424,367
Net Expenses Governmental Activities	(185,985,797)	(189,863,500)	(200,278,435)
Total Primary Government Net Expenses	(185,985,797)	(189,863,500)	(200,278,435)
General Revenues and Other Changes in Net Assets			
Governmental Activities:			
Property Taxes			
Levied for Operational Purposes	46,435,418	44,718,926	45,514,011
Levied for Capital Projects	12,229,002	12,489,651	13,334,037
Local Sales Tax	4,955,233	10,391,995	11,353,186
Grants and Contributions not restricted to specific programs	120,575,310	127,269,757	130,386,623
Unrestricted Investment Earnings	276,542	305,927	431,310
Miscellaneous	4,708,050	4,382,703	4,041,105
Total Governmental Activities	189,179,555	199,558,959	205,060,272
Total Primary Government General Revenues and Other Changes in Net Position	189,179,555	199,558,959	205,060,272
Change in Net Position			
Governmental Activities	3,193,758	9,695,459	4,781,837
Total Primary Government	<u>\$ 3,193,758</u>	<u>\$ 9,695,459</u>	<u>\$ 4,781,837</u>

Source: District records

TABLE 2 (Continued)

Fiscal Year Ending						
June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
\$ 116,734,406	\$ 122,952,772	\$ 129,183,841	\$ 130,337,600	\$ 152,965,493	\$ 169,682,034	\$ 163,524,838
9,629,463	10,305,339	10,743,255	9,040,183	12,656,091	14,750,491	14,768,656
1,406,550	1,499,407	1,354,828	1,467,257	1,978,781	2,251,330	2,296,647
5,487,994	5,909,931	5,844,572	3,432,563	8,359,120	9,497,832	9,704,317
3,238,748	3,158,097	4,043,552	1,012,114	2,052,126	2,364,542	2,446,147
708,413	599,914	566,717	500,444	856,719	1,169,597	1,330,679
569,835	549,206	555,285	504,153	724,051	1,077,590	806,484
1,136,961	2,135,155	2,242,723	2,109,594	2,931,482	4,500,329	3,383,610
12,578,189	12,665,115	12,927,212	12,956,441	14,762,989	17,835,073	16,820,790
541,797	1,115,028	781,908	411,563	1,888,596	4,699,925	4,109,965
857,653	1,008,056	2,228,554	5,333,919	937,136	1,163,280	937,821
12,700,237	13,692,564	14,812,812	14,293,656	14,892,762	18,419,936	17,925,985
2,127,534	2,555,810	2,709,875	3,913,540	4,577,833	4,626,260	4,880,671
8,227,042	8,070,432	7,855,689	8,742,051	10,198,208	11,728,762	11,847,836
16,987,276	18,265,529	19,049,816	17,905,368	21,535,181	25,920,175	21,212,589
5,885,546	7,227,468	6,539,336	7,215,558	8,778,105	8,450,007	7,294,407
2,939,278	4,592,787	3,115,093	2,287,312	3,129,258	3,987,751	4,910,339
1,420	10,358	11,424	14,358	18,909	20,245	179,356
3,606,715	3,391,682	3,315,159	3,170,428	3,127,133	2,955,043	2,661,456
12,888,627	13,334,789	14,169,364	14,594,703	16,695,695	18,245,254	19,631,143
218,253,684	233,039,439	242,051,015	239,242,805	283,065,668	323,345,456	310,673,736
709,880	355,162	83,477	347,192	517,800	481,587	522,105
148,583	84,271	48,475	111,047	107,183	131,646	124,846
151,301	118,511	496,167	103,514	771,661	480,297	46,776
14,072,478	12,519,029	13,037,352	17,525,053	17,981,563	17,655,934	17,954,440
1,624,966	948,688	1,195,883	2,506,667	9,511,718	3,043,134	1,107,919
16,707,208	14,025,661	14,861,354	20,593,473	28,889,925	21,792,598	19,756,086
(201,546,476)	(219,013,778)	(227,189,661)	(218,649,332)	(254,175,743)	(301,552,858)	(290,917,650)
(201,546,476)	(219,013,778)	(227,189,661)	(218,649,332)	(254,175,743)	(301,552,858)	(290,917,650)
45,800,900	47,671,751	48,974,618	63,091,303	77,205,187	83,826,470	88,900,136
14,191,789	15,329,228	16,643,434	18,003,490	23,083,928	26,034,083	27,982,330
11,015,453	11,578,748	13,157,697	16,754,625	19,150,406	18,599,588	19,208,526
135,980,854	136,360,977	150,721,592	159,590,773	173,718,335	176,632,470	160,244,360
1,098,468	328,709	78,700	173,776	4,047,804	7,187,827	6,871,424
6,445,866	7,896,989	5,278,081	11,149,492	13,809,052	17,172,115	21,961,519
214,533,330	219,166,402	234,854,122	268,763,459	311,014,712	329,452,553	325,168,295
214,533,330	219,166,402	234,854,122	268,763,459	311,014,712	329,452,553	325,168,295
12,986,854	152,624	7,664,461	50,114,127	56,838,969	27,899,695	34,250,645
\$ 12,986,854	\$ 152,624	\$ 7,664,461	\$ 50,114,127	\$ 56,838,969	\$ 27,899,695	\$ 34,250,645

Table 3

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

	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Property Taxes:				
Levied for Operational Purposes	\$ 46,435,418	\$ 44,718,926	\$ 45,514,011	\$ 45,800,900
Levied for Capital Projects	12,229,002	12,489,651	13,334,037	14,191,789
Local Sales Taxes (1)	4,955,233	10,391,995	11,353,186	11,015,453
Total	\$ 63,619,653	\$ 67,600,572	\$ 70,201,234	\$ 71,008,142

(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, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
\$ 47,671,751	\$ 48,974,618	\$ 68,091,303	\$ 77,205,187	\$ 83,826,470	\$ 88,900,136
15,329,228	16,643,434	18,003,490	23,083,928	26,034,083	27,982,330
11,578,748	13,157,697	16,754,625	19,150,406	18,599,588	19,208,526
<u>\$ 74,579,727</u>	<u>\$ 78,775,749</u>	<u>\$ 102,849,418</u>	<u>\$ 119,439,521</u>	<u>\$ 128,460,141</u>	<u>\$ 136,090,992</u>

TABLE 4

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

	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
General Fund				
Fund Balances:				
Non-Spendable	\$ 1,570,675	\$ 1,343,934	\$ 1,465,072	\$ 1,342,406
Spendable:				
Restricted	966,179	659,550	553,807	1,173,775
Assigned	923,563	4,208,679	5,220,275	4,935,020
Unassigned (2)	<u>6,575,155</u>	<u>13,288,610</u>	<u>18,369,962</u>	<u>22,945,943</u>
Total General Fund	<u>\$ 10,035,572</u>	<u>\$ 19,500,773</u>	<u>\$ 25,609,116</u>	<u>\$ 30,397,144</u>
 All Other Governmental Funds				
Fund Balances:				
Non-Spendable	\$ 132,059	\$ 141,688	\$ 119,702	\$ 80,796
Spendable:				
Restricted	36,379,446	26,286,195	27,870,166	34,259,316
Assigned	-	7,902,438	4,091,654	-
Unassigned (2)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 36,511,505</u>	<u>\$ 34,330,321</u>	<u>\$ 32,081,522</u>	<u>\$ 34,340,112</u>
 Total Combined All Governmental funds	<u>\$ 46,547,077</u>	<u>\$ 53,831,094</u>	<u>\$ 57,690,638</u>	<u>\$ 64,737,256</u>

Source: District records

TABLE 4 (Continued)

Fiscal Year Ending					
June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
\$ 1,451,517	\$ 1,220,315	\$ 1,293,614	\$ 1,104,803	\$ 1,373,604	\$ 1,376,280
1,043,221	1,970,831	5,148,267	5,357,323	6,281,565	10,444,504
14,719,921	13,849,562	17,562,507	17,025,312	26,016,726	9,903,086
12,745,823	17,337,550	18,543,759	24,667,145	14,360,927	13,453,936
<u>\$ 29,960,482</u>	<u>\$ 34,378,258</u>	<u>\$ 42,548,147</u>	<u>\$ 48,154,583</u>	<u>\$ 48,032,822</u>	<u>\$ 35,177,806</u>
\$ 377,058	\$ 227,849	\$ 181,367	\$ 46,474	\$ 213,225	\$ 239,164
37,383,820	54,099,095	78,912,964	99,043,535	111,846,855	128,335,700
4,716,605	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 42,477,483</u>	<u>\$ 54,326,944</u>	<u>\$ 79,094,331</u>	<u>\$ 99,090,009</u>	<u>\$ 112,060,080</u>	<u>\$ 128,574,864</u>
<u>\$ 72,437,965</u>	<u>\$ 88,705,202</u>	<u>\$ 121,642,478</u>	<u>\$ 147,244,592</u>	<u>\$ 160,092,902</u>	<u>\$ 163,752,670</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)

	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Revenues				
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 212,975	\$ 204,649	\$ 199,442	\$ 204,705
Miscellaneous Federal Direct	-	5,527	4,705	61,743
Total Federal Direct	212,975	210,176	204,147	266,448
Federal Through State and Local Sources:				
Food Service	8,925,859	8,805,504	10,707,799	13,046,405
Donated Foods and Cash in Lieu of	780,408	794,049	787,894	892,106
Other Federal Through State and Local Grants	12,497,218	13,393,272	14,539,840	15,239,374
Total Federal Through State and Local Sources	22,203,485	22,992,825	26,035,533	29,177,885
State Sources:				
Florida Education Finance Program (FEFP)	82,146,741	87,411,334	88,568,231	93,120,031
Other Categoricals	1,251,270	388,271	814,639	565,063
Class Size Reduction	23,405,339	23,665,654	23,526,247	23,919,919
District Discretionary Lottery Funds	74,859	363,643	38,604	75,470
Motor Vehicle License Tax (Capital Outlay and Debt Service)	871,031	891,311	891,291	905,266
Gross Receipts Tax (Public Education Capital Outlay)	678,746	645,305	435,038	440,908
Food Services	136,634	132,012	127,689	133,967
Other State Sources and State Grants	1,265,011	1,837,593	3,019,837	3,979,185
Total State Sources	109,829,631	115,335,123	117,421,576	123,139,809
Local Sources:				
Ad Valorem Taxes	58,664,420	57,208,577	58,848,048	59,992,688
Food Services Sales	1,853,722	1,796,468	1,394,814	709,880
Sales Taxes	4,955,233	10,391,995	11,353,186	11,015,453
Impact Fees	-	1,631,051	1,748,325	2,427,403
Investment Income	75,400	304,548	431,310	1,098,465
Local Grants and Other Local Sources	4,583,457	2,728,271	3,705,566	3,090,070
Total Local Sources	70,132,232	74,060,910	77,481,249	78,333,959
Total Revenues	202,378,323	212,599,034	221,142,505	230,918,101
Expenditures				
Current:				
Instruction	106,537,953	105,150,370	108,971,048	112,707,854
Student Personnel Services	8,647,264	8,694,875	9,205,158	9,297,311
Instructional Media	1,848,730	1,530,809	1,622,464	1,358,033
Instruction & Curriculum Development Services	4,384,269	4,460,697	4,841,452	5,298,695
Instructional Staff Training Services	3,019,279	3,260,140	3,095,004	3,127,033
Instruction Related Technology	746,891	614,729	597,531	683,977
Board	505,584	470,445	681,947	550,179
General Administration	1,308,823	1,446,155	1,336,897	1,399,321
School Administration	11,266,677	10,940,618	11,545,666	11,835,587
Facility Services - Non-Capitalized	2,530,237	261,216	6,862,457	522,988
Fiscal Services	785,054	827,696	835,148	828,070
Food Services	10,447,569	11,231,422	12,427,740	12,256,971
Central Services	1,393,002	1,782,914	2,016,197	2,053,324
Student Transportation Services	7,040,108	6,809,430	7,305,505	7,940,862
Operation of Plant	14,607,003	14,496,847	15,892,768	16,398,181
Maintenance of Plant	5,247,754	5,199,010	5,251,839	5,675,832
Administrative Technology Services	2,602,849	2,647,241	2,805,435	2,836,674
Community Services	6,159	1,406	956	1,372
Fixed Capital Outlay:				
Facilities Acquisition & Construction	5,584,160	15,650,703	10,977,330	19,014,189
Other Capital Outlay	875,413	321,446	648,085	-
Debt Service:				
Principal	5,164,115	4,711,753	6,073,736	5,868,985
Interest	3,541,896	4,680,315	4,419,363	4,244,523
Dues and Fees	642,355	153,375	8,791	7,418
Miscellaneous	632	-	-	-
Total Expenditures	198,733,776	205,343,612	217,422,517	223,907,379
Excess (Deficiency) of Revenues Over (Under) Expenditures:	3,644,547	7,255,422	3,719,988	7,010,722
Other Financing Sources (Uses)				
Refunding Note Payable Issued	-	-	-	-
Refunding Bonds Issued	90,645,000	-	-	-
Premium on Refunding Bonds	11,553,598	-	-	-
Insurance Loss Recoveries	59,145	28,595	126,856	35,896
Payments to Refunding Bonds Escrow Agent	(101,091,855)	-	-	-
Transfers In	24,921,175	9,891,305	14,749,455	13,003,285
Transfers Out	(24,921,175)	(9,891,306)	(14,749,455)	(13,003,285)
Total Other Financing Sources (Uses)	1,165,888	28,594	139,556	35,896
Net Change in Fund Balance	4,810,435	7,284,016	3,859,544	7,046,618
Debt Service as a Percentage of Non-Capital Expenditures	4.5%	5.0%	5.1%	4.9%
Beginning Fund Balance	41,736,642	46,547,078	53,831,094	57,690,638
Adjustment to Fund Balance				
Restated Beginning Fund Balance				
Ending Fund Balance	\$ 46,547,077	\$ 53,831,094	\$ 57,690,638	\$ 64,737,256

Source: District records

TABLE 5 (Continued)

		Fiscal Year Ending			
June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
\$ 207,672	\$ 223,901	\$ 227,294	\$ 240,537	\$ 225,017	\$ 228,846
77,228	217,530	223,242	49,773	-	809
284,900	441,431	450,536	290,309	225,017	229,655
11,237,891	12,931,434	15,896,064	17,171,986	16,497,247	17,772,927
1,124,155	1,086,531	1,136,010	1,116,862	975,122	1,043,242
14,451,098	20,454,458	26,785,599	40,950,790	38,656,349	20,726,558
26,813,144	34,472,423	43,817,673	59,239,638	56,128,718	39,542,727
97,631,835	100,134,574	101,742,394	105,546,861	111,196,625	10,223,854
573,537	-	612,537	472,860	838,774	105,359,271
24,039,718	24,305,383	23,264,260	23,861,944	22,721,527	22,688,712
22,391	-	-	-	-	-
936,148	239,682	1,001,454	1,028,091	1,058,584	961,842
-	-	1,664,776	222,298	2,250,636	252,894
156,983	186,330	188,114	188,223	183,565	181,513
1,308,368	2,536,753	1,306,936	10,209,126	2,728,092	1,258,811
124,668,980	127,402,722	129,780,471	141,529,403	140,977,803	140,926,897
62,930,323	65,618,052	81,094,793	99,610,398	109,860,554	116,882,466
372,581	83,477	344,695	517,800	486,303	522,105
11,636,400	13,157,697	16,754,625	19,150,406	18,582,786	19,208,526
2,153,894	3,767,707	6,748,927	5,553,709	5,053,012	9,013,193
905,006	75,493	176,982	3,907,735	7,187,827	6,884,449
4,077,705	7,024,051	9,890,873	9,850,747	12,208,820	11,346,792
82,075,909	89,726,477	115,010,896	138,590,795	153,379,302	163,857,531
233,842,933	252,043,053	289,059,576	339,650,145	350,710,840	344,556,810
115,928,362	119,531,768	130,435,870	153,060,784	155,789,334	164,916,079
9,716,584	10,049,020	11,760,634	12,663,969	13,542,796	14,894,305
1,413,745	1,267,135	3,366,945	1,980,013	2,067,003	2,316,187
5,572,290	5,454,926	3,616,321	8,364,324	8,720,198	9,786,879
2,977,672	3,745,518	3,305,382	2,053,404	2,170,945	2,466,958
565,640	530,295	613,519	857,253	1,073,836	1,342,001
517,829	519,598	531,142	724,502	989,362	813,345
1,879,884	2,098,585	2,664,260	2,922,029	4,123,968	3,398,584
11,941,545	12,096,392	13,650,044	14,772,178	16,374,828	16,963,898
1,051,204	2,125,888	875,864	2,426,969	11,656,859	4,144,740
950,464	4,010,033	5,619,462	937,720	1,068,037	945,801
12,905,046	13,855,274	15,052,429	14,895,060	16,904,815	18,070,235
2,408,961	2,534,836	4,122,027	4,579,576	4,246,376	4,920,883
7,606,933	7,348,871	9,342,974	10,201,330	10,765,235	11,944,813
17,218,820	17,430,751	18,860,015	21,544,359	23,793,725	26,193,418
6,807,784	6,111,917	7,593,551	8,774,570	7,749,139	7,345,801
4,329,162	2,913,586	2,408,255	3,129,570	3,659,609	4,950,170
9,768	10,690	15,122	18,844	18,587	180,885
13,741,576	16,736,877	19,802,867	40,168,689	42,681,741	35,703,506
-	793,440	-	-	-	-
7,483,165	4,736,872	4,866,977	6,166,953	6,697,890	6,967,882
4,083,318	3,942,783	3,798,052	3,754,757	3,582,667	3,284,424
141,364	11,914	12,054	11,271	8,601	13,696
-	-	-	-	-	-
229,251,116	237,856,969	262,313,766	314,008,124	337,685,551	341,564,490
4,591,817	14,186,084	26,745,810	25,642,021	13,025,289	2,992,320
4,674,633	-	5,960,850	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
29,612	21,055	47,612	48,913	292,601	195,341
(902,705)	-	-	-	-	-
13,216,414	9,528,702	10,680,785	17,925,210	14,753,483	12,281,606
(13,216,414)	(9,528,702)	(10,680,785)	(17,925,210)	(14,753,483)	(12,281,606)
3,801,540	21,055	6,008,462	48,913	292,601	195,341
8,393,357	14,207,139	32,754,272	25,690,934	13,317,890	3,187,661
5.4%	3.9%	3.6%	3.6%	3.5%	3.4%
64,737,256	73,130,613	88,705,202	121,459,474	147,247,119	160,565,009
-	1,233,061	-	94,184	(474,060)	-
\$ 73,130,613	\$ 88,570,813	\$ 121,459,474	\$ 147,244,592	\$ 160,092,902	\$ 163,752,670

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 Capital Projects Funds	Total Governmental Activities
	General Fund	Capital Projects Funds		
2024-2025	\$ 88,900,136	\$ 27,982,330	\$ 19,208,526	\$ 136,090,992
2023-2024	83,826,470	26,034,083	18,599,588	128,460,141
2022-2023	77,205,187	22,405,211	19,150,406	118,760,804
2021-2022	63,091,303	18,002,490	16,754,625	97,848,418
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

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

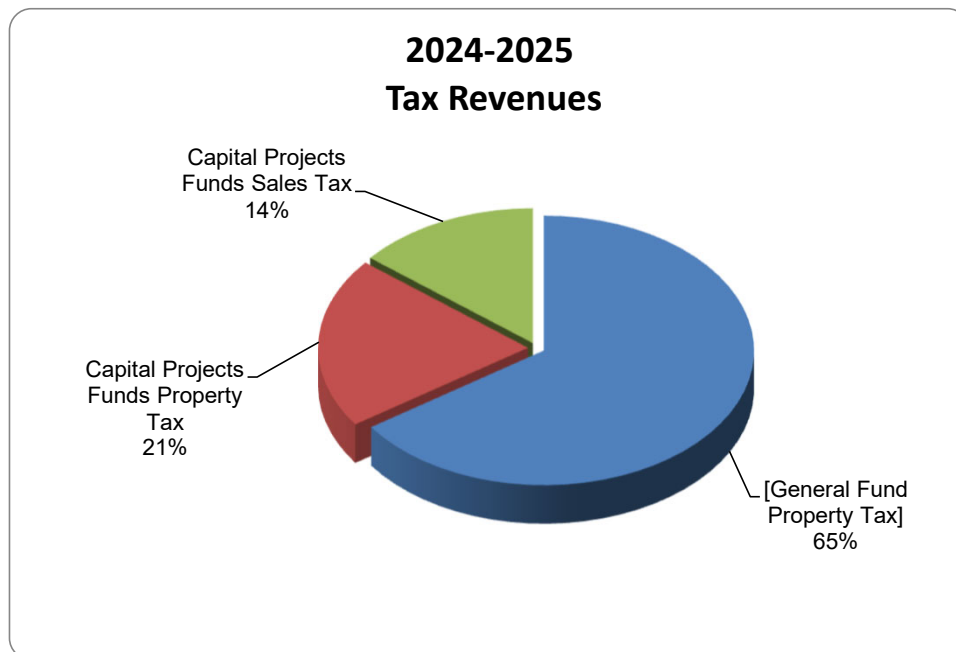


TABLE 7

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		
2024-2025	\$ 30,581,396	\$ 2,125,051	\$ 22,018,526	\$ 2,093,228	\$ 4,121,708	\$ 642,766	\$ 17,896,817	\$ 1,450,462	\$ 11,116	\$ 19,358,396	80.29%	13.8309
2023-2024	28,928,102	2,059,564	20,517,643	2,026,581	3,976,279	639,703	16,541,364	1,386,877	11,184	17,939,426	79.57%	14.1633
2022-2023	24,884,231	1,883,804	17,783,757	1,857,269	3,355,249	617,692	14,428,508	1,239,576	10,937	15,679,022	79.83%	14.6615
2021-2022	17,656,641	1,817,025	14,122,219	1,790,065	2,875,800	608,847	11,246,419	1,181,218	9,948	12,437,585	78.16%	14.7178
2020-2021	16,563,589	1,766,454	13,675,213	1,739,459	3,334,280	612,478	10,340,933	1,126,981	9,594	11,477,508	74.46%	14.6404
2019-2020	16,567,712	1,766,668	12,807,078	1,739,674	3,963,063	612,476	8,844,015	1,127,198	9,594	9,980,807	68.61%	15.1536
2018-2019	13,300,359	1,846,816	11,306,661	1,776,292	2,540,206	601,446	8,766,455	1,174,846	7,926	9,949,227	76.05%	14.3460
2017-2018	12,247,949	1,834,656	10,685,753	1,766,495	2,511,925	600,848	8,173,828	1,165,647	7,483	9,346,958	75.06%	14.6426
2016-2017	11,208,262	1,703,765	10,084,383	1,703,015	2,468,286	596,852	7,616,097	1,106,163	8,326	8,730,586	74.07%	15.0112
2015-2016	10,800,268	1,585,644	9,845,265	1,589,744	2,429,043	600,481	7,416,222	984,263	7,869	8,408,354	73.53%	15.3533

(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

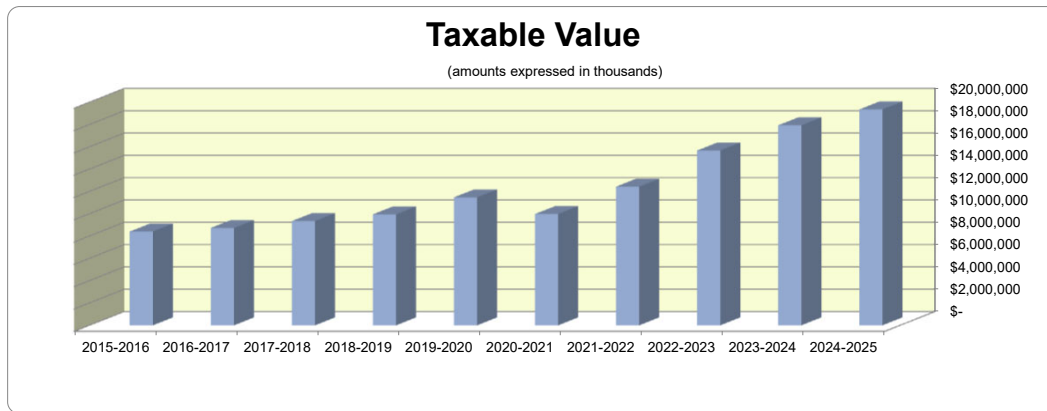


TABLE 8

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

	June 30, 2016	June 30, 2017	June 30, 2018
District Direct Rates			
District School Board:			
Local Required Effort	4.9480	4.6210	4.3710
Discretionary Local	0.7480	0.7480	0.7480
Supplemental Discretionary	0.0000	0.0000	0.0000
Voted Debt Service	0.0000	0.0000	0.0000
Local Capital Improvement	1.5000	1.5000	1.5000
Total District School Board Direct Rates	7.1960	6.8690	6.6190
Overlapping Rates			
Other Hernando County:			
General Fund	6.9912	6.9912	6.8912
Public Health	0.1102	0.1102	0.1102
Road and Bridge	0.7091	0.7091	0.7091
Recreation/Sensitive Lands	0.0000	0.0000	0.0000
Special Ad Valorem Districts	0.7839	0.7839	0.7839
Total Other Hernando County Rates	8.5944	8.5944	8.4944
Southwest Florida Water Management Districts (SWFWMD):			
SWFWMD County-Wide	0.3468	0.3317	0.3131
Hillsborough Basin			
Withlacoochee Basin	0.0000	0.0000	0.0000
Coastal Basin	0.0000	0.0000	0.0000
Total Southwest Florida Water Management Districts	0.3468	0.3317	0.3131
Municipalities:			
City of Brooksville	6.6439	6.6426	6.9763
City of Weeki Wachee	2.7622	2.8478	2.8470
Total Municipalities	9.4061	9.4904	9.8233
Total Overlapping Rates (1)	18.3473	18.4165	18.6308
Base Millage Rate (2)	15.3533	15.0112	14.6426

(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)

June 30, 2019	June 30, 2020	June 30, 2021	Fiscal Year Ending		June 30, 2024	June 30, 2025
			June 30, 2022	June 30, 2023		
4.0920	3.9150	3.6650	3.5290	3.2770	3.0920	3.0230
0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480
0.0000	0.0000	0.0000	1.0000	1.0000	1.0000	1.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
6.3400	6.1630	5.9130	6.7770	6.5250	6.3400	6.2710
6.8912	7.8912	7.6412	7.4412	6.9912	6.6997	6.4497
0.1102	0.1102	0.1102	0.1102	0.1102	0.1102	0.1102
0.7091	0.7091	0.7091	0.8091	0.8091	0.8091	0.8091
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
1.0239	1.0239	1.0239	1.0239	1.0239	1.0239	1.0239
8.7344	9.7344	9.4844	9.3844	8.9344	8.6429	8.3929
0.2955	0.2801	0.2669	0.2535	0.2260	0.2043	0.1909
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.2955	0.2801	0.2669	0.2535	0.2260	0.2043	0.1909
6.2000	6.2000	5.9000	5.9000	5.9000	5.9000	5.9000
2.8421	2.8658					
9.0421	9.0658	5.9000	5.9000	5.9000	5.9000	5.9000
18.0720	19.0803	15.6513	15.5379	15.0604	14.7472	14.4838
14.3460	15.1536	14.6404	15.3910	14.6615	14.1633	13.8309

TABLE 9

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

Taxpayer	2024-2025				2015-2016			
	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	\$ 321,391,774	1	1.66%	Cement Manufacturing	\$ 265,320,802	1	3.59%
Withlacoochee River Electric Co-op	Public Utility	268,466,118	2	1.39%	Public Utility	184,269,969	2	2.50%
Duke Energy (Florida Power Corporation)	Public Utility	126,699,838	3	0.65%	Public Utility	79,703,746	4	1.08%
Wal-Mart Regional Distribution	Retail Sales	102,840,864	4	0.53%				
HCA Healthcare Services of FL, Inc	Health Care	84,587,089	5	0.44%	Hospital/ Health Care	46,493,491	6	0.63%
BW Hibiscus Springs LLC	Apartments	67,726,300	6	0.35%				
Wal-Mart Stores, Inc.	Retail Sales	63,173,221	7	0.33%	Retail Sales	123,510,174	3	1.67%
Florida Gas Transmission Co.	Utilities	48,227,123	8	0.25%	Public Utility	47,086,787	5	0.64%
Oak Hill Hospital	Hospital	43,941,815	9	0.23%				
Wal-Mart Stores East LP	Retail Sales	34,999,941	10	0.18%				
AT&T Florida					Telecommunications	37,474,916	7	0.51%
Bright House Networks					Cable Utility	30,850,311	8	0.42%
Millennium Venture Limited					Senior Care	25,647,503	9	0.35%
MIC SCV LLC					Apartments	22,094,485	10	0.30%

(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
2024-2025	121,396,503	\$ 116,971,929	96.36%	89,463	\$ 117,061,392	96.43%
2023-2024	113,735,966	109,848,171	96.58%	12,382	109,860,553	96.59%
2022-2023	102,305,623	97,345,787	95.15%	2,943,329	100,289,116	98.03%
2021-2022	84,289,516	81,094,793	96.21%	7,410	81,102,203	96.22%
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%

(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)
2024-2025	\$ -	496,115	\$ 77,664,478	\$ 3,263,669	\$ -	\$ -	\$ -	\$ 81,424,262	365	0.74%
2023-2024	-	625,435	83,817,158	3,367,616	-	-	-	87,810,209	401	0.86%
2022-2023	-	787,414	89,699,838	8,277,894	-	-	-	98,765,146	477	1.04%
2021-2022	-	994,393	95,024,953	9,526,359	-	-	-	105,545,705	530	1.15%
2020-2021	-	1,194,371	100,211,610	3,659,456	-	-	-	105,065,437	540	1.31%
2019-2020	-	1,384,348	105,263,162	3,768,403	-	-	-	110,415,913	575	1.51%
2018-2019	-	1,688,760	110,178,385	1,935,000	-	1,002,622	-	114,804,767	610	1.65%
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%

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 17.

TABLE 12

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2025
(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	\$ 7,085,174			100.00%	\$ 7,085,174
Non-Ad Valorem Refunding Bonds, Series 2012	5,887,000			100.00%	5,887,000
Non-Ad Valorem Refunding Bonds, Series 2022	31,285,000			100.00%	31,285,000
Lease Financing	4,907,792			100.00%	4,907,792
SBITA Financing	120,210			100.00%	120,210
Subtotal Overlapping Debt	49,285,176				49,285,176
District School Board of Hernando County:					
State Board of Education Bonds, Series 2014A Refunding	35,000	100.00%	35,000	100.00%	35,000
State Board of Education Bonds, Series 2020A Refunding	494,000	100.00%	494,000	100.00%	494,000
Bonds Payable - Unamortized Premium	96,436	100.00%	96,436	100.00%	96,436
District Bonds - Master Lease	3,643,442	100.00%	3,643,442	100.00%	3,643,442
Certificates of Participation, Series 2016A	76,885,000	100.00%	76,885,000	100.00%	76,885,000
Certificates of Participation - Unamortized Premium	6,932,158	100.00%	6,932,158	100.00%	6,932,158
Capital Improvement Bonds, Series 2020 Refunding	3,135,000	100.00%	3,135,000	100.00%	3,135,000
Capital Improvement Bonds - Unamortized Premium	232,616	100.00%	232,616	100.00%	232,616
Subtotal Direct Debt	91,453,652		91,453,652		91,453,652
Totals	\$ 140,738,828		\$ 91,453,652		\$ 140,738,828

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

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

TABLE 13

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

	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Taxable Value (1)	<u>\$ 8,408,354</u>	<u>\$ 8,730,587</u>	<u>\$ 9,346,958</u>	<u>\$ 9,949,228</u>
Debt Limit - 10% of Taxable Value (2)	<u>840,834</u>	<u>873,058</u>	<u>934,696</u>	<u>994,923</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>\$ 840,834</u>	<u>\$ 873,058</u>	<u>\$ 934,696</u>	<u>\$ 994,923</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, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
<u>\$ 9,980,807</u>	<u>\$ 11,477,508</u>	<u>12,437,585</u>	<u>\$ 15,679,022</u>	<u>\$ 17,939,426</u>	<u>\$ 19,358,396</u>
<u>998,081</u>	<u>1,147,751</u>	<u>1,243,759</u>	<u>1,567,902</u>	<u>1,793,943</u>	<u>1,935,840</u>
\$ -	\$ -	-	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 998,081</u>	<u>\$ 1,147,751</u>	<u>1,243,759</u>	<u>\$ 1,567,902</u>	<u>\$ 1,793,943</u>	<u>\$ 1,935,840</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
2024-2025	222,990	\$ 19,358,396	-	-	-	0.00%	
2023-2024	218,766	17,939,426	-	-	-	0.00%	
2022-2023	206,896	15,679,022	-	-	-	0.00%	
2021-2022	199,207	12,437,585	-	-	-	0.00%	
2020-2021	194,515	11,477,508	-	-	-	0.00%	
2019-2020	192,186	9,980,807	-	-	-	0.00%	
2018-2019	188,358	9,949,228	-	-	-	0.00%	
2017-2018	182,114	9,346,958	-	-	-	0.00%	
2016-2017	182,114	8,730,587	-	-	-	0.00%	
2015-2016	180,777	8,408,354	-	-	-	0.00%	

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

(2) The School District does not have any General Obligation Bonds

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	Taxable Assessed Value	Annual Lease Payment	Millage Levy to Provide 1.00x Coverage (1)
2024-2025	\$ 19,358,396	18,584	9,915	0.534 Mills
2023-2024	17,939,426	17,222	9,911	0.575 Mills
2022-2023	15,679,022	15,052	8,241	0.548 Mills
2021-2022	12,437,585	11,940	8,243	0.690 Mills
2020-2021	11,477,508	11,018	8,680	0.788 Mills
2019-2020	9,980,807	9,582	8,236	0.860 Mills
2018-2019	9,949,228	9,551	8,245	0.863 Mills
2017-2018	9,346,958	8,973	8,241	0.918 Mills
2016-2017	8,730,587	8,381	7,144	0.852 Mills
2015-2016	8,408,354	8,072	5,891	0.730 Mills

(1) Millage rate calculated using 96 percent of the 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 TEN FISCAL YEARS
 (Unaudited)

Fiscal Year	10-Year Sales Tax Revenue (1)	Principal	Interest and Dues & Fees	Annual Debt Service on Sales Tax Revenue Bonds	Sales Tax Revenue Coverage (2)
2024-2025	\$ 19,208,526				
2023-2024	18,599,588				
2022-2023	19,150,405				
2021-2022	16,754,625				
2020-2021	13,157,697				
2019-2020	11,578,748				
2018-2019	11,015,453				
2017-2018	11,353,186				
2016-2017	10,391,995				
2015-2016	4,955,233				

(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)
2024-2025	222,990	\$ 10,965,756	\$ 49,176	23,925	62.1%	92,398	4.0%	47.4	20.4%
2023-2024	218,766	10,192,527	46,591	24,163	65.4%	78,797	3.8%	47.4	20.0%
2022-2023	206,896	9,533,768	46,080	25,805	60.9%	81,263	3.6%	47.3	19.4%
2021-2022	199,207	9,179,459	46,080	25,554	60.2%	77,274	5.1%	48.8	19.1%
2020-2021	194,515	8,050,003	41,385	24,450	58.3%	76,582	8.3%	49.6	18.4%
2019-2020	192,186	7,345,925	38,223	22,398	57.3%	70,615	4.2%	49.4	17.5%
2018-2019	188,358	6,946,266	36,878	23,357	57.0%	71,547	3.2%	47.7	17.5%
2017-2018	185,604	6,711,626	36,161	23,340	65.0%	63,757	4.2%	49.2	17.1%
2016-2017	182,114	6,131,050	33,666	23,950	66.9%	67,842	5.9%	47.7	16.4%
2015-2016	180,777	5,843,436	32,324	23,621	69.3%	67,937	6.2%	47.7	15.5%

Source:

- (1) Hernando County Monthly Demographics Update Summary - through December 2025
- (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 29, 2025
- (4) U.S. Census Bureau - State & County Quickfacts
Bachelor's degree or higher, % of persons 25+ 2015-2019
- (5) Food & Nutrition Data as of 04/30/25 (Free 56.36% Reduced 5.70% =62.06%)

TABLE 18

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

Employer / Type of Business	2024-2025			2023-2024	
	Number of Employees	Rank	% (1)	Number of Employees	Rank
Oak Hill Hospital Healthcare	1,518	1	1.6%	1,518	1
Access Health Care Physicians Healthcare	918	2	1.0%	918	2
TGH North	800	3	0.9%	800	3
Cemex #426	330	4	0.4%	330	4
Go Health	300	5	0.3%	300	5
Total	<u>3,866</u>		<u>9.5%</u>	<u>3,866</u>	

(1) Percentage shown represents the number of employees as a percent of Hernando County's total labor force of 92,398

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

Source: Hernando County ACFR for fiscal years ending September 30, 2024.

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	57	122,456	817	81.9%	6	114
Chocachatti Elementary (Magnet)	1998	27	111,641	737	106.9%	7	256
Deltona Elementary	1989	36	114,971	743	107.4%	6	134
Eastside Elementary	1973	52	93,669	736	103.0%	4	84
John D. Floyd Elementary	1986	39	108,313	696	129.9%	16	451
Moton Elementary	1989	36	95,943	755	85.6%	3	80
Pine Grove Elementary	1988	37	123,523	742	130.6%	12	332
Spring Hill Elementary	1980	45	95,285	588	137.8%	11	291
Suncoast Elementary	1994	31	132,340	876	109.2%	2	66
Westside Elementary	1972	53	85,475	634	85.2%	13	240
Total Elementary School Student Enrollment							
Middle Schools:							
Fox Chapel Middle School	1978	47	123,394	1,143	66.3%	10	198
D. S. Parrott Middle School	1988	37	147,654	1,156	62.8%		
Powell Middle School	1984	41	154,747	1,257	81.8%		
West Hernando Middle School	1993	32	203,818	1,321	52.3%	3	132
Total Middle School Student Enrollment							
Combination Schools:							
Challenger K-8 School of Science and Mathematics (Magnet)	2004	21	241,418	1,741	85.6%	1	44
Explorer K-8	2008	17	277,548	2,076	72.4%		
Winding Waters K-8	2012	13	197,016	1,845	85.0%	5	110
Total Combination School Student Enrollment							
High Schools:							
Central High School	1989	36	247,902	1,671	88.7%	4	100
Hernando High School	1962	63	252,841	1,662	78.9%	5	125
Nature Coast Technical High School (Magnet)	2001	24	255,751	1,441	90.0%		
Springstead High School	1975	50	244,130	1,682	106.8%	21	500
Weeki Wachee High School (Grades 9-12)	2011	14	242,948	1,716	86.0%		
Total High School Student Enrollment							
Specialty Schools:							
Endeavor Academy (formerly STAR Center)	1974	51	19,260	121	104.1%	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:							
Wilton Simpson Technical College	2022	3	18,618	93	N/A	N/A	N/A
Heart Literacy	1986	39	3,782	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 36.4 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								
2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
641	648	674	662	666	646	669	682	669
726	739	736	704	756	786	778	784	788
816	828	808	686	795	829	861	864	798
609	652	663	598	684	732	736	755	758
969	954	945	888	940	945	964	924	904
573	569	551	539	650	672	675	671	646
865	914	948	844	905	982	1,038	970	969
822	924	870	795	924	911	885	821	810
901	891	908	777	841	877	920	974	957
512	557	582	516	542	518	529	512	540
7,434	7,676	7,685	7,009	7,703	7,898	8,055	7,957	7,839
733	772	751	729	830	884	780	822	758
652	661	724	763	824	833	715	740	726
981	1,013	1,082	934	970	1,004	1,057	1,049	1,028
718	689	694	610	720	690	657	668	691
3,084	3,135	3,251	3,036	3,344	3,411	3,209	3,279	3,203
1,477	1,429	1,397	1,369	1,453	1,471	1,458	1,463	1,490
1,656	1,686	1,689	1,503	1,574	1,601	1,564	1,528	1,502
1,301	1,378	1,391	1,277	1,605	1,649	1,653	1,618	1,569
4,434	4,493	4,477	4,149	4,632	4,721	4,675	4,609	4,561
1,312	1,267	1,259	1,173	1,295	1,427	1,448	1,465	1,482
1,209	1,161	1,205	1,221	1,228	1,292	1,267	1,301	1,312
1,327	1,457	1,404	1,325	1,312	1,309	1,361	1,306	1,297
1,722	1,724	1,791	1,678	1,912	1,888	1,899	1,874	1,797
1,343	1,278	1,274	1,196	1,444	1,433	1,435	1,446	1,476
6,913	6,887	6,933	6,593	7,191	7,349	7,410	7,392	7,364
116	125	133	108	106	127	180	155	126
55	49	43	76	212	65	62	48	59
8	2	2	-	2	1		6	3
-	-	-	-	-				
179	176	178	184	320	193	242	209	188
130	119	90	60	75	75	97	89	88
-	-	-	114	123	121	117	113	106
110	-	-	-	-				
124	236	236	236	218	213	217	217	219
364	355	326	410	416	409	431	419	413
22,408	22,722	22,850	21,381	23,606	23,981	24,022	23,865	23,568
28	53	53	24	40	83	109	188	214
96	101	123	73	63	66	124	-	-
124	154	176	97	103	149	233	188	214
22,532	22,876	23,026	21,478	23,709	24,130	24,255	24,053	23,782

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
2024-2025	1,505	106	118	1,398	3,127	13.65
2023-2024	1,508	103	118	1,367	3,096	13.65
2022-2023	1,422	99	109	1,307	2,937	13.95
2021-2022	1,535	95	101	1,251	2,982	16.14
2020-2021	1,630	94	103	1,283	3,110	16.74
2019-2020	1,643	91	104	1,437	3,275	16.67
2018-2019	1,442	82	98	1,253	2,875	15.55
2017-2018	1,452	86	100	1,259	2,897	15.38
2016-2017	1,433	87	92	1,226	2,838	16.52
2015-2016	1,473	87	97	1,192	2,849	16.08

- (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
2024-2025	\$ 50,000	\$ 52,500	\$ 53,500	\$ 54,500
2023-2024	50,000	52,500	53,500	54,500
2022-2023	49,000	51,500	52,500	53,500
2021-2022	47,500	50,000	51,000	52,000
2020-2021	46,120	48,620	49,620	50,620
2019-2020	48,398	50,898	51,898	52,898
2018-2019	46,321	48,821	49,821	50,821
2017-2018	46,729	49,229	50,229	51,229
2016-2017	45,777	48,277	49,277	50,277
2015-2016	45,034	47,534	48,534	49,534

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
2024-2025	\$ 311,494,402	23,925	-7.3%	\$ 13,020	18.7%	1,505	5.8%	15.90
2023-2024	323,345,456	24,163	-5.4%	13,382	41.4%	1,508	-1.8%	16.02
2022-2023	283,065,668	25,805	1.0%	10,969	15.9%	1,422	-7.4%	18.15
2021-2022	241,895,374	25,554	4.5%	9,466	-4.4%	1,535	-5.8%	16.65
2020-2021	242,051,015	24,450	9.2%	9,900	-4.9%	1,630	-0.8%	15.00
2019-2020	233,039,439	22,398	-4.8%	10,404	13.1%	1,643	13.9%	13.63
2018-2019	217,385,088	23,533	0.8%	9,237	-0.5%	1,442	-0.7%	16.32
2017-2018	216,702,802	23,340	-2.5%	9,285	9.5%	1,452	1.3%	16.07
2016-2017	203,166,169	23,950	1.4%	8,483	0.7%	1,433	-2.7%	16.71
2015-2016	199,052,650	23,621	5.2%	8,427	-6.8%	1,473	-2.7%	16.04

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

Source: District records

COMPLIANCE SECTION





HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
COMPLIANCE SECTION

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

Content	Page
Schedule of Expenditures of Federal Awards	118
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>	119
Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	121
Schedule of Findings and Questioned Costs	124
Independent Accountant's Report	126
Management Letter	127

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
Clustered			
Child Nutrition Cluster			
United States Department of Agriculture:			
Florida Department of Agriculture and Consumer Services:			
School Breakfast Program	10.553	21002	\$ 3,886,533
National School Lunch Program	10.555	21001, 21003	\$ 13,298,339
COVID-19 National School Lunch Program	10.555	23020	41,570
Total Child Nutrition Cluster			<u>17,226,443</u>
Student Financial Assistance Cluster			
United States Department of Education:			
Federal Pell Grant Program	84.063	N/A	449,738
Special Education Cluster			
United States Department of Education:			
Florida Department of Education:			
Special Education - Grants to States	84.027	262,263	5,501,643
Special Education - Preschool Grants	84.173	267	148,494
Total Special Education Cluster			<u>5,650,137</u>
Not Clustered			
United States Department of Agriculture			
Florida Department of Health:			
COVID-19- Child and Adult Care Food Program	10.558	A-4575	546,485
Total United States Department of Agriculture			<u>546,485</u>
United States Department of Defense			
Air Force Junior Reserve Officers Training Corps	12 UNK	N/A	90,526
Navy Junior Reserve Officers Training Corps	12 UNK	N/A	138,320
Total United States Department of Defense			<u>228,846</u>
United States Department of Education			
Florida Department of Education:			
COVID-19 Elementary and Secondary School Emergency Relief Fund			
Homeless Children and Youth Fund	84.425W	122	130,334
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425U	121	4,553,991
			<u>4,684,325</u>
Adult Education - Basic Grants to States	84.002	191,193	349,063
Title I Grants to Local Educational Agencies	84.010	212,226	7,912,288
Career and Technical Education - Basic Grants to States	84.048	161	314,411
Education for Homeless Children and Youth	84.196	127	115,819
Charter Schools	84.282A	298	26,012
English Language Acquisition State Grants	84.365	102	100,736
Supporting Effective Instruction State Grants	84.367	224	1,023,149
Student Support and Academic Enrichment Program	84.424	241	550,618
Total United States Department of Education			<u>10,392,096</u>
Total Expenditures of Federal Awards			<u>\$ 39,178,070</u>

The notes below are an integral part of this Schedule.

Notes:

- (1) **Basis of Presentation.** The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Hernando County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position.
- (2) **Summary of Significant Accounting Policies.** Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (3) **Indirect Cost Rate.** The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- (4) **Non-Cash Assistance.** (A) National School Lunch Program - Includes -0- of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Hernando County District School Board (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 19, 2025.

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

Report on Internal Control Over Financial Reporting

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

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

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

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 significant deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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.

Purvis Gray

December 19, 2025
Ocala, Florida

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Hernando County District School Board’s (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2025. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

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

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will

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

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

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

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

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

Purvis Gray

December 19, 2025
Ocala, Florida

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

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

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

Significant deficiency(ies) identified?	No
---	----

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

Federal Awards

Internal control over the major federal program:

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

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

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

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

Identification of the major federal program:

Name of Federal Program or Cluster	AL Numbers:
United States Department of Education	
Florida Department of Education:	
Title I Grants to Local Educational Agencies	84.010

Dollar threshold used to distinguish between type A and type B programs:	\$1,175,342
--	-------------

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

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

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters are reported.

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the Hernando County District School Board's (the District) compliance with the requirements of Section 218.415, Florida Statutes, with regards to the District's investments during the year ended June 30, 2025. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

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

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements during the fiscal year ended June 30, 2025.

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

Purvis Gray

December 19, 2025
Ocala, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa
purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Hernando County District School Board (the District) as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated December 19, 2025. Our report includes a reference to other auditors. Other auditors audited the financial statements of three charter schools included in the aggregate discretely presented component units, as described in our report on the District's financial statements. This letter does not include the results of the other auditors, and such information related to those audits is reported on separately by those auditors.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.800, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for each Major Federal Program and on Report on Internal Control over Compliance Required by the Uniform Guidance, Schedule of Findings and Questioned Costs, and our Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.800, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated December 19, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.804(1)(f)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in our preceding annual financial audit report for the fiscal year ended June 30, 2023 (State of Florida Auditor General audited the 2024 Fiscal Year). All 2023 findings have been addressed.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

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

MANAGEMENT LETTER

Financial Condition and Management

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

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

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

Transparency

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

Additional Matters

Section 10.804(1)(f)4, *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

Purvis Gray

December 19, 2025
Ocala, Florida

**FLORIDA DEPARTMENT OF EDUCATION
AFFIDAVIT ON IMPACT FEES**

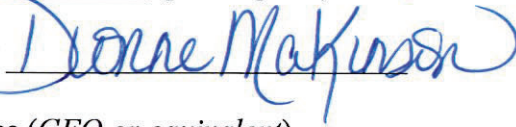
STATE OF FLORIDA

HERNANDO COUNTY SCHOOL DISTRICT

To the best of my knowledge, I hereby declare that all impact fees collected and expended by my school district, or on its behalf for fiscal year 2024-25, were in full compliance with the spending period provision in the local ordinance or resolution, and that funds expended from each impact fee account were used only to acquire, construct or improve specific infrastructure needs.

NAME OF AFFIANT Dionne Makinson (please print)

SIGNATURE OF AFFIANT



TITLE Coordinator of Finance (CFO or equivalent)

Sworn to and subscribed before me this 11 day of September, 2025.



SIGNATURE OF NOTARY PUBLIC, STATE OF FLORIDA

Joyce McIntyre

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

(Check one)

☒ Affiant personally known to notary

Or

☐ Affiant produced identification

Type of Identification Produced: _____





(THIS PAGE LEFT INTENTIONALLY BLANK)



BOARD MISSION

The Hernando County School District collaborates with parents and other community stakeholders to effectively prepare all students for a successful transition into a diverse and changing world.



HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.