

THE DISTRICT SCHOOL BOARD  
OF HERNANDO COUNTY, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023



**HERNANDO**  
**SCHOOL DISTRICT**

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**SCHOOL DISTRICT**

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF

THE DISTRICT SCHOOL BOARD  
OF HERNANDO COUNTY, FLORIDA

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023



PREPARED BY:  
FINANCE DEPARTMENT



**HERNANDO**  
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**DISTRICT SCHOOL BOARD OF  
HERNANDO COUNTY, FLORIDA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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# INTRODUCTORY SECTION





**HERNANDO**  
**SCHOOL DISTRICT**

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Learn it. Love it. Live it.

**The School District of Hernando County, Florida**

Office of the Superintendent

919 N. Broad Street

Brooksville, FL 34601

Phone: (352) 797-7000

Fax: (352) 797-7010



Learn it. Love it. Live it.

Superintendent: John Stratton

Board Chairperson: Linda K. Prescott

Vice Chairperson: Susan Duval

Board Members:

Gus Guadagnino

Mark Johnson

Shannon Rodriguez

December 19, 2023

District School Board of Hernando County

919 North Broad Street

Brooksville, Florida 34601

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

The Annual Comprehensive Financial Report of the District School Board of Hernando County, Florida (District) for the fiscal year ended June 30, 2023, is submitted herewith. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to set forth fairly the financial position and the changes in financial position of the District as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the District's financial affairs have been included. The responsibility for the preparation of the accompanying financial statements and other information contained in this report, based on the above standards, rests with the District's management.

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

The District's financial statements have been independently audited by the Purvis Gray & Company. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ending June 30, 2023, 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, 2023. The independent auditor's report on financial statements is presented as the first component of the financial section of this report.

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

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

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



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

## **PROFILE OF THE DISTRICT**

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

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

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

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

During the 2022-2023 fiscal year, the District had 26 schools, including 10 elementary schools, 4 middle schools, 5 high schools, 3 K-8 schools (Challenger K-8, Explorer K-8, and Winding Waters K-8), 1 alternative school, and 3 charter schools, and served approximately 25,554 prekindergarten through adult students. The projected prekindergarten through grade 12 student enrollment for fiscal year 2022-2023 is 25,805 unweighted full-time equivalent students. The average age of the school buildings within the District is approximately 35.4 years.

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

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

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

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



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

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

### **Economic Conditions**

Hernando County has experienced limited population growth, increasing 6.4 percent or 12,381 since the 2020 census. The County's current population as of December 2023, is 206,896 with anticipated growth estimated to be 217,516 in the year 2030 and 233,499 in the year 2040. The median age is 47.3 years.

The local area economy continues to be affected by the national and State economic downturn. Unemployment rate decreased during 2022-2023 at 3.3 percent for Hernando County and 2.8 percent for the State as of October 2023. The County's rate is reportedly lower than the national average of 3.9 percent during the same period.

The final property tax roll for Hernando County increased approximately \$2.4 billion or 15.9 percent, bringing the tax roll to \$15.48 billion for the 2022-2023 fiscal year.

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

The District recognizes that the continued enhancement of the local economy is of mutual benefit to both the District and the County and that an excellent system of public education is a significant factor in attracting new business and industry to the County. The District remains Hernando County's largest employer, employing 2,937 full-time employees, including 1,422 instructional personnel.

### **Long-Term Financial Planning**

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

### **Relevant Financial Policies**

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

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

## **ACADEMIC ACCOMPLISHMENTS**

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

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

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

The Florida Department of Education provides a grading report of all public schools in the state and for each of the 67 school districts as part of their school accountability report. The District has again received a "B" grade for the 2022-23 fiscal year. Student achievement is measure by the District's graduation and drop-out rates. Graduation Rates are released by the State in late fall each year. According to the annual report of graduation rates, the 2023 graduation rate for Hernando School District is 89%, exceeding the state average of 87.3%.

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

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District School Board of Hernando County for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This was the twenty-first consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

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

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

Respectfully submitted,



John Stratton  
Superintendent of Schools

Ray Pinder  
Assistant Superintendent of Business & Support Operations



Joyce McIntyre  
Director of Finance



## **District School Board of Hernando County, Florida**

### **List of Principal Officials**

#### **School Board Members and Superintendent**

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



Mark Johnson  
District 1  
Member Since Nov. 2022



Linda K. Prescott  
District 2  
Member Since Nov. 2016



Shannon Rodriguez  
District 3  
Member Since Nov. 2022



Gus Guadagnino  
District 4  
Member Since Nov 2012



Susan Duval  
District 5  
Member Since Nov. 2014

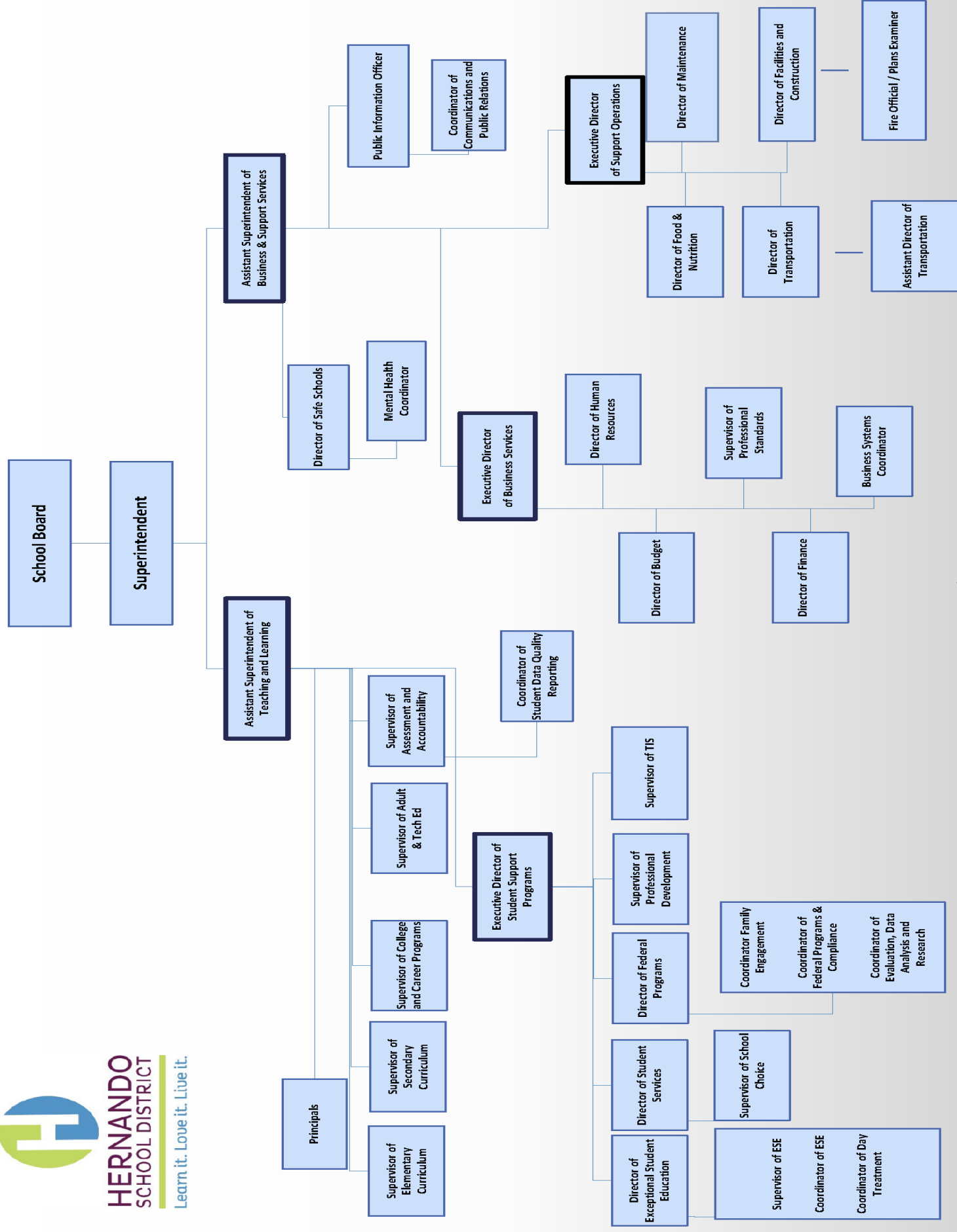


John Stratton  
Superintendent



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**Current Structure** (represents Coordinator level and above)



Bold outer line indicates  
Cabinet member



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, 2022

*Christopher P. Morill*

Executive Director/CEO



**HERNANDO**  
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# FINANCIAL SECTION





**HERNANDO**  
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## 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, 2023, 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, 2023, 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 63.21%, 44.66%, and 70.05%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2023, 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](http://purvisgray.com)

Members of American and Florida Institutes of Certified Public Accountants  
An Independent Member of the BDO Alliance USA

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



December 19, 2023  
Ocala, Florida

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2023**

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, 2023. 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 2022-2023 fiscal year are as follows:

- Total Net Position is \$342,715,406 which represents an 19.88 percent increase from the 2021-2022 fiscal year.
- General revenues totaled \$311,014,712 or 92 percent, of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital gains and contributions total \$28,889,925 or .09 percent, of all revenues.
- Expenses total \$283,065,668 only \$28,889,925 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 \$342,715,406.
- The total combined assigned and unassigned fund balance of the General Fund representing the net fund balance that is spendable and not restricted, totals \$41,692,457, or 19 percent, of total General Fund revenues.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2023**

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

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

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

The government-wide financial statements can be found on pages 13-14 of this report.

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

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

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

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

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2023**

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 18-22 and 55-66.

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

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

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

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

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary Information. Combining and individual fund statements and other schedules can be found on pages 74-79 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following is a summary of the District's net position as of June 30, 2023, compared to net position as of June 30, 2022:

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2023**

**Net Position, End of Year**

	Governmental Activities	
	June 30, 2023	June 30, 2022
Current and Other Assets	\$ 156,405,173	\$ 129,076,849
Capital Assets	416,348,908	392,365,206
Total Assets	<u>572,754,081</u>	<u>521,442,055</u>
Deferred Outflows of Resources	<u>52,026,690</u>	<u>42,026,403</u>
Long-Term Liabilities	262,475,313	197,630,691
Other Liabilities	3,532,378	1,422,736
Total Liabilities	<u>266,007,691</u>	<u>199,053,427</u>
Deferred Inflows of Resources	<u>16,057,674</u>	<u>78,538,594</u>
Net Position:		
Net Investment in Capital Assets	319,451,372	292,583,818
Restricted	104,400,855	38,946,428
Unrestricted	<u>(81,136,821)</u>	<u>(45,653,809)</u>
Total Net Position	<u>\$ 342,715,406</u>	<u>\$ 285,876,437</u>

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

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2023 and June 30, 2022, are as follows:



**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2023**

**Changes in Net Position from Operating Results**

	Governmental Activities	
	June 30, 2023	June 30, 2022
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,396,644	\$ 561,753
Operating Grants and Contributions	17,981,563	17,525,053
Capital Grants and Contributions	9,511,718	2,506,667
General Revenues:		
Property Taxes	100,289,115	81,094,793
Local Sales Tax	19,150,406	16,728,348
Grants and Contributions Not Restricted to Specific Programs	173,718,335	159,590,773
Unrestricted Investment Earnings	4,047,804	173,776
Miscellaneous	13,809,052	10,992,765
Total Revenues	<u>339,904,637</u>	<u>289,173,928</u>
Functions/Program Expenses:		
Instruction	\$ 152,965,493	\$ 130,337,600
Student Personnel Services	12,656,091	9,040,183
Instructional Media Services	1,978,781	1,467,257
Instruction and Curriculum Development Services	8,359,120	3,432,563
Instructional Staff Training Services	2,052,126	1,012,114
Instruction Related Technology	856,719	500,444
Board Related	724,051	504,153
General Administration	2,931,482	2,109,594
School Administration	14,762,989	12,956,441
Facility Services - Non-Capitalized	1,888,596	411,563
Fiscal Services	937,136	5,333,919
Food Services	14,892,762	14,293,656
Central Services	4,577,833	3,913,540
Student Transportation Services	10,198,208	8,742,051
Operation of Plant	21,535,181	17,905,368
Maintenance of Plant	8,778,105	7,215,558
Administrative Technology Services	3,129,258	2,287,312
Community Services	18,909	14,358
Interest on Long-Term Debt	3,127,133	3,170,428
Unallocated Depreciation Expense	16,695,695	14,594,703
Total Functions/Program Expenses	<u>283,065,668</u>	<u>239,242,805</u>
Change in Net Position	<u>56,838,969</u>	<u>49,931,123</u>
Net Position, Beginning	285,876,437	235,945,314
Net Position, Ending	<u><u>\$ 342,715,406</u></u>	<u><u>\$ 285,876,437</u></u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2023**

The total governmental net position increased by \$56,838,969 during the current year, as compared to a net increase of \$49,931,123 in the previous year. Total revenues increased by \$50,730,710 compared to the prior year. District expenses increased by \$43,822,863. Direct instructional expenses, including school administration, increased \$34,884,717. Expenses for interest and unallocated depreciation increased by \$2,057,697.

**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 \$147,244,592, an increase of \$25,690,934 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, 2023 and June 30, 2022.

<u>Fund Balance</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Major Governmental Funds:				
General Fund	\$ 48,154,583	\$ 42,485,604	\$ 5,668,979	13.34%
Local Capital Improvement Fund	18,718,069	13,091,171	5,626,898	42.98%
Other Capital Projects	44,842,744	37,730,288	7,112,456	18.85%
Other Governmental Funds (nonmajor)	35,529,196	28,246,595	7,282,601	25.78%
Total Fund Balance	<u>\$147,244,592</u>	<u>\$ 121,553,658</u>	<u>\$ 25,690,934</u>	<u>21.14%</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 \$24,667,145 while total fund balance was \$48,154,583. 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 11 percent of General Fund revenues, while total assigned and unassigned fund balance represents 19 percent of that same amount.

During the current fiscal year, the total fund balance of the General Fund increased by 5,668,979.

**Capital Projects – Local Capital Improvements Fund.** The fund balance of the Capital Projects Capital Improvements Fund increased by \$5,626,898 to \$18,718,069. This increase was primarily due to a decrease in transfers out for the payment of maintenance and site improvements.

**Capital Projects – Other Fund.** The fund balance of the Capital Projects – Other Fund increased by \$7,112,456 to \$44,842,744. This fund is restricted for educational capital outlay needs, including new construction, renovations and remodeling projects, and debt service payments.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2023**

The following schedule shows the changes in General Fund revenues and transfers in for fiscal years ended June 30, 2023 and June 30, 2022:

General Fund Revenues and Other Financing Sources	June 30, 2023	June 30, 2022	Increase (Decrease)	Percentage Change
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 240,537	\$ 227,294	\$ 13,243	5.83%
Miscellaneous Federal Direct	49,773	223,242	(173,469)	-77.70%
Federal through State Sources:				
Medicaid	628,290	842,553	(214,263)	-25.43%
Other Federal through State Sources	136,242	59,483	76,759	129.04%
State Sources:				
Florida Education Finance Program (FEFP)	105,691,739	102,457,781	3,233,958	3.16%
Categorical Programs	25,538,442	23,732,396	1,806,046	7.61%
Other State Sources	258,944	186,616	72,328	38.76%
Local Sources:				
Ad Valorem Taxes	77,205,187	63,091,303	14,113,884	22.37%
Interest Income	2,105,456	173,776	1,931,680	1111.59%
Other Local Sources	3,300,905	4,826,691	(1,525,786)	-31.61%
Total Revenues	<u>\$ 215,155,514</u>	<u>\$ 195,821,135</u>	<u>\$ 19,334,379</u>	<u>9.87%</u>
Other Financing Sources:				
Transfers In	8,394,043	2,175,054	6,218,989	285.92%
Other Financing Sources	48,913	47,612	1,301	2.73%
Total Revenues and Other Financing Sources	<u>\$ 223,598,470</u>	<u>\$ 198,043,801</u>	<u>\$ 25,554,669</u>	<u>12.90%</u>

During the 2022-2023 fiscal year, Revenues and Other Financing Sources (Uses) increased by \$25,554,669, or 12.90 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, 2023 and June 30, 2022:

General Fund Expenditures by Major Object	June 30, 2023	June 30, 2022	Increase (Decrease)	Percentage Change
Salaries	\$ 130,448,853	\$ 122,125,412	\$ 8,323,441	6.82%
Employee Benefits	40,992,071	37,777,531	3,214,540	8.51%
Purchased Services	19,740,625	14,897,695	4,842,930	32.51%
Energy Services	7,579,159	6,496,986	1,082,173	16.66%
Materials and Supplies	5,731,376	4,157,023	1,574,353	37.87%
Capital Outlay	10,783,481	3,050,689	7,732,792	253.48%
Other Expenditures	1,368,335	1,175,878	192,457	16.37%
Total Expenditures by Major Object	<u>\$ 216,643,900</u>	<u>\$ 189,681,214</u>	<u>\$ 26,962,686</u>	<u>14.21%</u>

General Fund expenditures increased by \$26,962,686 or 14.21 percent. The largest portions of General Fund expenditures are for salaries and employee benefits with \$171,440,924 expended, or 79.13 percent, of total expenditures in the 2022-2023 fiscal year compared to \$159,902,943 or 84.30 percent, in the 2021-2022 fiscal year.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2023**

**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, 2023:

General Fund Revenues and Other Financing Sources	Original Budget	Final Budget	Increase (Decrease)	Percentage Change
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 199,000	\$ 240,537	\$ 41,537	20.87%
Miscellaneous Federal Direct	-	49,772	49,772	100.00%
Federal through State Sources:				
Medicaid	700,000	628,290	(71,710)	-10.24%
Other Federal through State Sources	-	136,242	136,242	100.00%
State Sources:				
Florida Education Finance Program (FEFP)	108,242,954	105,691,739	(2,551,216)	-2.36%
Categorical Programs	25,211,652	25,538,442	326,790	1.30%
Other State Sources	19,000	258,944	239,944	1262.87%
Local Sources:				
Ad Valorem Taxes	74,695,941	77,205,187	2,509,246	3.36%
Interest Income	50,000	2,105,456	2,055,456	4110.91%
Other Local Sources	2,262,587	3,300,905	1,038,318	45.89%
Other Financing Sources:				
Transfers In	2,304,655	8,394,043	6,089,388	264.22%
Other Financing Sources	-	48,913	48,913	100.00%
Total Revenues and Other Financing Sources	<u>\$ 213,685,790</u>	<u>\$ 223,598,470</u>	<u>\$ 9,912,681</u>	<u>4.64%</u>

Final budgeted revenues and other financing sources for the General Fund, when compared to the initial budget, were \$9,912,681 or 4.64 percent higher. Categorical Programs increased \$326,790 more than anticipated during budget planning. In addition, actual collections from Other Local Sources resulted in an increase of \$1,038,318 in actual revenues due in part to receipt of funds related to insurance refunds and profit share revenues.

The following schedule shows the changes in General Fund expenditures by function between the original and final budgets for the fiscal year ended June 30, 2023:

General Fund Expenditures By Function	Original	Final	Increase	
Current:				
Instruction	\$ 132,359,446	125,371,762	\$ (6,987,684)	-5.28%
Pupil Personnel Services	12,554,457	9,754,824	(2,799,633)	-22.30%
Instructional Media Services	1,267,783	1,954,338	686,555	54.15%
Instruction and Curriculum Development	2,828,367	3,440,303	611,936	21.64%
Instructional Staff Training	665,056	688,784	23,728	3.57%
Instruction Related Technology	500,334	718,140	217,806	43.53%
School Board	673,055	724,502	51,447	7.64%
General Administration	2,394,816	2,392,838	(1,978)	-0.08%
School Administration	13,627,874	14,620,112	992,238	7.28%
Facility Services - Non Capitalized	601,680	1,034,213	432,533	71.89%
Fiscal Services	1,000,253	937,720	(62,533)	-6.25%
Food Services	-	314,683	314,683	100.00%
Central Services	3,308,933	4,579,576	1,270,643	38.40%
Pupil Transportation Services	8,324,837	9,795,068	1,470,231	17.66%
Operation of Plant	19,756,166	21,536,787	1,780,621	9.01%
Maintenance of Plant	7,541,721	6,926,985	(614,736)	-8.15%
Administrative Related Technology Services	4,361,503	3,109,443	(1,252,060)	-28.71%
Community Services	15,640	18,844	3,204	20.49%
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	8,724,978	8,724,978	100.00%
Total Expenditures by Function	<u>\$ 211,781,921</u>	<u>\$ 216,643,900</u>	<u>\$ 4,861,979</u>	<u>2.30%</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2023**

The final budgeted expenditures and other financing uses were higher than the original budget by \$4,861,979 or 2.30 percent. Reductions were realized through the District's conservative spending and through savings initiatives that were implemented during the fiscal year.

**CAPITAL ASSETS AND LONG-TERM DEBT**

**Capital Assets.** The District's investment in capital assets for governmental activities as of June 30, 2023, amounts to \$416,348,908 (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 23,983,702 in the District's investment in capital assets (net of accumulated depreciation) for the current fiscal year was 6.11 percent.

**Capital Assets (Net of Depreciation)**

		Governmental Activities	
	June 30, 2023	June 30, 2022	Increase (Decrease)
Land	\$ 10,776,224	\$ 10,646,224	\$ 130,000
Improvements Other Than Buildings	12,843,329	10,995,556	1,847,773
Buildings and Fixed Equipment	344,365,646	340,349,604	4,016,042
Furniture, Fixtures, and Equipment	13,228,408	8,115,690	5,112,718
Motor Vehicles	8,167,843	3,090,939	5,076,904
Construction in Progress	26,967,458	19,167,193	7,800,265
Total Capital Assets	<u>\$ 416,348,908</u>	<u>\$ 392,365,206</u>	<u>\$ 23,983,702</u>

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

**Long-Term Debt.** At the end of the current fiscal year, the District has total long-term debt outstanding of \$90,890,332 (less premiums).

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 \$6,166,953 of principal payments on long-term debt as follows:

State School Bonds	\$ 180,000
Other Debt Service:	
District Revenue Bonds	90,000
District Bonds	1,149,518
Certificates of Participation	4,747,435
Total Principal Payments	<u>\$ 6,166,953</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2023**

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 2023, the unemployment rate for Hernando County is currently 3.3 percent, which is a decrease from the rate of 5.1 percent a year ago. This compares to the State's average unemployment rate of 2.7 percent. These factors were considered in preparing the District budget for the 2023-2024 fiscal year.

During the current fiscal year, the fund balance in the General Fund increased by \$5,668,979 to \$48,154,583. Included in this total, the District has inventories and prepaid of \$1,104,803 that are classified as non-spendable, \$5,156,900 in State categorical funds reported as restricted, and \$200,423 in Workforce Development. Assigned fund balance includes \$15,079,945, for FTE shortfall and \$1,945,367 for health insurance rebates and profit sharing, which will be held in fund balance until appropriated. It is anticipated that the fund balance at June 30, 2024, will be in excess of 3 percent of General Fund revenues.

**REQUESTS FOR INFORMATION**

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

# Basic Financial Statements





**HERNANDO**  
**SCHOOL DISTRICT**

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Learn it. Love it. Live it.



**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<b>Primary Government Governmental Activities</b>	<b>Discretely Presented Component Units</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 51,817,534	\$ 1,517,525
Investments	90,932,157	-
Accounts Receivable	132,051	78,253
Due from Other Agencies	6,791,206	47,235
Inventories	1,151,280	426,117
Prepaid Items	-	19,608
Bond Insurance	320,689	-
Take Stock in Children Contract Value	-	411,525
Capital Credits Receivable	5,260,256	-
Capital Assets:		
Non-Depreciable Capital Assets	37,743,682	-
Depreciable Capital Assets, Net	378,605,226	1,801,070
<b>Total Assets</b>	<b>572,754,081</b>	<b>4,301,333</b>
<b>Deferred Outflows of Resources</b>		
OPEB Related	1,922,320	-
Pensions Related	50,104,370	-
<b>Total Deferred Outflows of Resources</b>	<b>52,026,690</b>	<b>-</b>
<b>Liabilities</b>		
Due to Other Agencies	618,078	46,284
Accounts Payable	2,914,300	46,448
Long-Term Liabilities:		
Due Within One Year	9,377,459	194,390
Due in More Than One Year	253,097,854	1,225,208
<b>Total Liabilities</b>	<b>266,007,691</b>	<b>1,512,330</b>
<b>Deferred Inflows of Resources</b>		
Deferred Revenue	47,258	90,671
Gain on Refunding	502,934	-
OPEB Related	8,603,660	-
Pensions Related	6,903,822	-
<b>Total Deferred Inflows of Resources</b>	<b>16,057,674</b>	<b>90,671</b>
<b>Net Position</b>		
Net Investment in Capital Assets	319,451,372	381,472
Restricted for:		
State Required Carryover Programs	5,357,323	-
Food Service	11,568,855	-
Debt Service	8,948,882	-
Capital Projects	76,179,241	-
Internal Accounts	2,346,554	1,469,029
Unrestricted	(81,136,821)	847,831
<b>Total Net Position</b>	<b>\$ 342,715,406</b>	<b>\$ 2,698,332</b>

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

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Charges for Services</b>
<b>Primary Government:</b>		
<b>Governmental Activities:</b>		
Instruction	\$ 152,965,493	\$ 771,661
Student Personnel Services	12,656,091	-
Instructional Media Services	1,978,781	-
Instruction and Curriculum Development Services	8,359,120	-
Instructional Staff Training Services	2,052,126	-
Instruction Related Technology	856,719	-
Board Related	724,051	-
General Administration	2,931,482	-
School Administration	14,762,989	-
Facility Services - Non-Capitalized	1,888,596	-
Fiscal Services	937,136	-
Food Services	14,892,762	517,800
Central Services	4,577,833	-
Student Transportation Services	10,198,208	107,183
Operation of Plant	21,535,181	-
Maintenance of Plant	8,778,105	-
Administrative Technology Services	3,129,258	-
Community Services	18,909	-
Interest on Long-Term Debt	3,127,133	-
Unallocated Depreciation Expense *	16,695,695	-
<b>Total Primary Government</b>	<b>283,065,668</b>	<b>1,396,644</b>
<b>Component Units</b>		
Educational Foundation/Charter Schools	\$ 5,522,600	\$ 391,097

**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, 2022**

**Net Position, June 30, 2023**

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

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

Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units
\$ -	\$ -	\$ (152,193,832)	\$ -
-	-	(12,656,091)	-
-	-	(1,978,781)	-
-	-	(8,359,120)	-
-	-	(2,052,126)	-
-	-	(856,719)	-
-	-	(724,051)	-
-	-	(2,931,482)	-
-	-	(14,762,989)	-
-	9,156,644	7,268,048	-
-	-	(937,136)	-
17,981,563	-	3,606,601	-
-	-	(4,577,833)	-
-	-	(10,091,025)	-
-	-	(21,535,181)	-
-	138,840	(8,639,265)	-
-	-	(3,129,258)	-
-	-	(18,909)	-
-	216,234	(2,910,899)	-
-	-	(16,695,695)	-
17,981,563	9,511,718	(254,175,743)	-
<u>\$ 2,193,866</u>	<u>\$ 108,301</u>	<u>-</u>	<u>(2,829,336)</u>
		77,205,187	-
		23,083,928	-
		19,150,406	-
		173,718,335	3,239,847
		4,047,804	-
		13,809,052	-
		<u>311,014,712</u>	<u>3,239,847</u>
		56,838,969	410,511
		<u>\$ 285,876,437</u>	<u>\$ 2,287,821</u>
		<u>\$ 342,715,406</u>	<u>\$ 2,698,332</u>

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

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	General Fund	Special Revenue - Other Federal Programs	Special Revenue - Federal Education Stabilization Fund
<b>Revenues</b>			
Intergovernmental:			
Federal Direct	\$ 290,309	\$ -	\$ -
Federal Through State and Local	764,532	15,098,972	26,204,148
State	131,489,125	-	-
Local:			
Property Taxes Levied for Operational Purposes	77,205,187	-	-
Property Taxes Levied for Capital Projects	-	-	-
Local Sales Taxes	-	-	-
Impact Fees	-	-	-
Charges for Service - Food Services	-	-	-
Other	5,406,361	-	-
<b>Total Revenues</b>	<u>215,155,514</u>	<u>15,098,972</u>	<u>26,204,148</u>
<b>Expenditures</b>			
Current:			
Instruction	125,371,762	7,556,716	14,538,321
Student Personnel Services	9,754,824	2,371,012	538,133
Instructional Media Services	1,954,338	7,475	18,200
Instruction and Curriculum Development Services	3,440,303	3,005,532	1,918,489
Instructional Staff Training Services	688,784	1,316,350	48,270
Instruction Related Technology	718,140	139,113	-
Board of Education	724,502	-	-
General Administration	2,392,838	447,461	81,730
School Administration	14,620,112	47,500	104,566
Facility Services - Non-Capitalized	1,034,213	-	30,146
Fiscal Services	937,720	-	-
Food Services	314,683	-	-
Central Services	4,579,576	-	-
Student Transportation Services	9,795,068	31,029	375,233
Operation of Plant	21,536,787	-	7,572
Maintenance of Plant	6,926,985	337	1,847,248
Administrative Technology Services	3,109,443	-	20,127
Community Services	18,844	-	-
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Dues and Fees	-	-	-
Capital Outlay:			
Facilities Acquisition and Construction	8,724,978	176,447	6,676,113
<b>Total Expenditures</b>	<u>216,643,900</u>	<u>15,098,972</u>	<u>26,204,148</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,488,386)</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	8,394,043	-	-
Insurance Loss Recoveries	48,913	-	-
Transfers (Out)	(1,285,591)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>7,157,365</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	5,668,979	-	-
<b>Fund Balances, July 1, 2022</b>	42,485,604	-	-
<b>Fund Balances, June 30, 2023</b>	<u><u>\$ 48,154,583</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

(Continued)

Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 290,309
-	-	17,171,986	59,239,638
-	62,319	9,977,959	141,529,403
-	-	-	77,205,187
22,405,211	-	-	22,405,211
-	19,150,406	-	19,150,406
-	5,553,709	-	5,553,709
-	-	517,800	517,800
1,225,985	1,196,627	5,929,509	13,758,482
23,631,196	25,963,061	33,597,254	339,650,145
-	-	5,593,985	153,060,784
-	-	-	12,663,969
-	-	-	1,980,013
-	-	-	8,364,324
-	-	-	2,053,404
-	-	-	857,253
-	-	-	724,502
-	-	-	2,922,029
-	-	-	14,772,178
1,284,691	77,919	-	2,426,969
-	-	-	937,720
-	-	14,580,377	14,895,060
-	-	-	4,579,576
-	-	-	10,201,330
-	-	-	21,544,359
-	-	-	8,774,570
-	-	-	3,129,570
-	-	-	18,844
-	-	6,166,953	6,166,953
-	-	3,754,757	3,754,757
-	-	11,271	11,271
4,687,341	18,772,686	1,131,124	40,168,689
5,972,032	18,850,605	31,238,467	314,008,124
17,659,164	7,112,456	2,358,787	25,642,021
-	-	9,531,167	17,925,210
-	-	-	48,913
(12,032,266)	-	(4,607,353)	(17,925,210)
(12,032,266)	-	4,923,814	48,913
5,626,898	7,112,456	7,282,601	25,690,934
13,091,171	37,730,288	28,246,595	121,553,658
-	-	-	-
\$ 18,718,069	\$ 44,842,744	\$ 35,529,196	\$ 147,244,592

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



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**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

**Total Fund Balances - Governmental Funds** **\$ 147,244,592**

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	\$ 37,743,682	
Depreciable Capital Assets, Net	<u>378,605,226</u>	416,348,908

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.		5,260,256
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Deferred outflows/inflows of resources for pensions are not available in the current period and, therefore, are not reported in the governmental funds. At fiscal year-end, these are the deferred outflows/inflows of resources for pensions:

Deferred Outflows of Resources	50,104,370	
Deferred Inflows of Resources	<u>(6,903,822)</u>	43,200,548

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	1,922,320	
Deferred Inflows of Resources	<u>(8,603,660)</u>	(6,681,340)

Bond Insurance for 2016 COPS Refunding Debt		320,689
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Gain on Refunding of the 2005 COPS		(502,934)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Bonds Payable	(9,065,308)	
Certificates of Participation Payable	(89,699,838)	
Other Postemployment Benefits Payable	(8,162,559)	
Net Pension Liability	(137,717,711)	
Compensated Absences Payable	<u>(17,829,897)</u>	<u>(262,475,313)</u>

<b>Total Net Position - Governmental Activities</b>		<b>\$ <u>342,715,406</u></b>
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The accompanying notes to financial statements are an integral part of this statement.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	General Fund	Special Revenue - Other Federal Programs	Special Revenue - Federal Education Stabilization Fund
<b>Revenues</b>			
Intergovernmental:			
Federal Direct	\$ 290,309	\$ -	\$ -
Federal Through State and Local	764,532	15,098,972	26,204,148
State	131,489,125	-	-
Local:			
Property Taxes Levied for Operational Purposes	77,205,187	-	-
Property Taxes Levied for Capital Projects	-	-	-
Local Sales Taxes	-	-	-
Impact Fees	-	-	-
Charges for Service - Food Services	-	-	-
Other	5,406,361	-	-
<b>Total Revenues</b>	<u>215,155,514</u>	<u>15,098,972</u>	<u>26,204,148</u>
<b>Expenditures</b>			
Current:			
Instruction	125,371,762	7,556,716	14,538,321
Student Personnel Services	9,754,824	2,371,012	538,133
Instructional Media Services	1,954,338	7,475	18,200
Instruction and Curriculum Development Services	3,440,303	3,005,532	1,918,489
Instructional Staff Training Services	688,784	1,316,350	48,270
Instruction Related Technology	718,140	139,113	-
Board of Education	724,502	-	-
General Administration	2,392,838	447,461	81,730
School Administration	14,620,112	47,500	104,566
Facility Services - Non-Capitalized	1,034,213	-	30,146
Fiscal Services	937,720	-	-
Food Services	314,683	-	-
Central Services	4,579,576	-	-
Student Transportation Services	9,795,068	31,029	375,233
Operation of Plant	21,536,787	-	7,572
Maintenance of Plant	6,926,985	337	1,847,248
Administrative Technology Services	3,109,443	-	20,127
Community Services	18,844	-	-
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Dues and Fees	-	-	-
Capital Outlay:			
Facilities Acquisition and Construction	8,724,978	176,447	6,676,113
<b>Total Expenditures</b>	<u>216,643,900</u>	<u>15,098,972</u>	<u>26,204,148</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,488,386)</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	8,394,043	-	-
Insurance Loss Recoveries	48,913	-	-
Transfers (Out)	(1,285,591)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>7,157,365</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	5,668,979	-	-
<b>Fund Balances, July 1, 2022</b>	42,485,604	-	-
<b>Fund Balances, June 30, 2023</b>	<u>\$ 48,154,583</u>	<u>\$ -</u>	<u>\$ -</u>

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



(Continued)

Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 290,309
-	62,319	17,171,986	59,239,638
-	-	9,977,959	141,529,403
-	-	-	77,205,187
22,405,211	-	-	22,405,211
-	19,150,406	-	19,150,406
-	5,553,709	-	5,553,709
-	-	517,800	517,800
1,225,985	1,196,627	5,929,509	13,758,482
23,631,196	25,963,061	33,597,254	339,650,145
		5,593,985	153,060,784
			12,663,969
			1,980,013
			8,364,324
			2,053,404
			857,253
			724,502
			2,922,029
1,284,691	77,919		14,772,178
			2,426,969
		-	937,720
		14,580,377	14,895,060
			4,579,576
			10,201,330
			21,544,359
			8,774,570
			3,129,570
			18,844
-	-	6,166,953	6,166,953
-	-	3,754,757	3,754,757
-	-	11,271	11,271
4,687,341	18,772,686	1,131,124	40,168,689
5,972,032	18,850,605	31,238,467	314,008,124
17,659,164	7,112,456	2,358,787	25,642,021
-	-	9,531,167	17,925,210
-	-	-	48,913
(12,032,266)	-	(4,607,353)	(17,925,210)
(12,032,266)	-	4,923,814	48,913
5,626,898	7,112,456	7,282,601	25,690,934
13,091,171	37,730,288	28,246,595	121,553,658
			-
\$ 18,718,069	\$ 44,842,744	\$ 35,529,196	\$ 147,244,592

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

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

<b>Net Change in Fund Balances - Governmental Funds</b>	<b>\$</b>	<b>25,690,934</b>
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	\$ 20,052,827	
Capital Outlay - Other Capital Outlay - Governmental Funds	20,652,887	
(Less Depreciation Expense)	<u>(16,722,012)</u>	23,983,702
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		6,166,953
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	8,488,419	
(Less Current Year)	<u>(7,874,814)</u>	613,605
Bond Insurance for the 2016 COPS Refunding Debt Amortization:		
Prior Year	(345,358)	
(Less Current Year)	<u>320,689</u>	(24,669)
Gain on Refunding of the 2005 COPS - Amortization:		
Prior Year	541,622	
(Less Current Year)	<u>(502,934)</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.		
		(323,505)
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	5,260,256	
(Less Prior Year Accruals)	<u>(5,054,676)</u>	
Net Increase in Capital Credits Receivable		205,580
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.		
		(537,649)
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.		
		<u>1,025,330</u>
<b>Change in Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>56,838,969</u></b>

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

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2023**

	<b>Private-Purpose Trust Fund</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ -
Investments	-
<b>Total Assets</b>	<b>-</b>
<b>Net Position</b>	
Held in Trust for Scholarships and Other Purposes	\$ -

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

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Private-Purpose Trust Fund</u>
<b>Additions</b>	
Investment Earnings	\$ 1,603
<b>Total Additions</b>	<u>1,603</u>
<b>Deductions</b>	<u>(50,783)</u>
<b>Change in Net Position</b>	(49,180)
<b>Net Position, July 1, 2022</b>	<u>49,180</u>
<b>Net Position, June 30, 2023</b>	<u><u>-</u></u>

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

**Note 1 - Summary of Significant Accounting Policies**

**Reporting Entity**

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

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

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

■ **Blended Component Unit**

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

■ **Discretely Presented Component Units**

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

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

The charter schools operate under a charter of the sponsoring District. The charter schools are considered to be component units of the District because the District is financially accountable for the charter schools as the District established the charter schools by approval of the charter, which is tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter schools are public schools, and the District is responsible for the operation, control, and supervision of public schools within the District.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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

**Basis of Presentation**

■ **Government-Wide Financial Statements**

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

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

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

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

■ **Fund Financial Statements**

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

The District reports the following major governmental funds:

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

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

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

**Capital Projects – Local Capital Improvement Fund** – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay

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needs, including new construction, renovation and remodeling projects, and debt service payment on certificates of participation.

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

Additionally, the District reports the following fiduciary fund types:

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

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

### **Basis of Accounting**

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

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

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

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

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

Revenues can be classified into two kinds of transactions: (a) exchange and exchange-like transactions, in which each party receives and gives up essentially equal value, and (b) non-

exchange transactions, in which a government gives (or receives) value without directly receiving (or giving) equal value in exchange. Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place.

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

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

### **Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be demand deposits. On June 30, 2023, the carrying amount of the District's bank deposit accounts was \$51,817,534 (Statement of Net Position).

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

### **Investments**

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

#### **■ Fair Value Measurement**

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

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

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

**Level 3 Inputs**—are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

Investments consist of amounts placed in State Board of Administration (SBA) Debt Service accounts for investment of debt service moneys and amounts placed with the SBA for participation in Florida PRIME (formerly known as the Local Government Surplus Funds Trust Fund Investment Pool) investment pool created by Section 218.405, Florida Statutes, and those made locally.



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The investment pools operate under investment guidelines established by Section 215.47, Florida Statutes. Under the fair value hierarchy, SBA Debt Service moneys are considered to be Level 1.

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

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

The District's other investments consist of United States Treasury securities and are reported at fair value. Under the fair value hierarchy, investments in United States Treasury securities are considered to be Level 1.

### **Inventories**

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at average cost, except for transportation and food service inventories which are stated at last invoice, which approximates the first-in, first-out basis. The United States Department of 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 Lives</u>
Buildings and Fixed Equipment	50 years
Improvements Other than Buildings	25 years
Furniture, Fixtures, and Equipment	7 years
Motor Vehicles	10 years

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

### **Pensions**

In the government-wide statement of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS's and the HIS's fiduciary net position have

been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

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

### **Long-Term Liabilities**

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

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

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

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

### **Deferred Outflows/Inflows of Resources**

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

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

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

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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 2022 tax levy on September 7, 2022. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental funds financial statements when taxes are received by the District, except that revenue is accrued for

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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.

**Estimates**

The preparation of financial statements in the conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that can affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**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 \$90,932,157 (Statement of Net Position) consist of amounts placed in a Local Government Surplus Funds Trust Fund, Registered Investment Companies (Money Market Mutual Funds), an Intergovernmental Investment Pool, and U.S. Treasury Bonds.

Section 218.415, Florida Statutes, limits the types of investments that the District can invest in unless specifically authorized in the District's investment policy. The District's formal investment policy allows for the following investments: United States Government Securities, United States Government Agencies, Federal Instrumentalities, Non-Negotiable Interest Bearing Time Certificates of Deposit, Commercial Paper, Bankers Acceptances, Corporate Notes, State and/or

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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, 2023, the District has the following investments and maturities:

<u>Security Type</u>	<u>Value</u>	<u>Weighted Average Duration</u>
External Investment Pools:		
State Board of Administration:		
Florida PRIME	\$ 40,473,960	5.33
Florida PRIME - Debt Service Accounts	16,974	5.33
Florida Palm	<u>50,441,223</u>	<u>5.22</u>
<b>Total</b>	<u>\$ 90,932,157</u>	<u>5.27</u>

The Florida PRIME (the SBA) June 30, 2023, 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, 2023, 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 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, 2023, the investment portfolio had a weighted average measurement of 5.27 years. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

#### Credit Risk

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

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

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.

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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, 2023, \$90,932,157 of the District’s investment securities were individually rated “AAAm” by Standard & Poor’s.

The District’s bank balance of \$51,817,534 was deposited in a qualified public depository, as required by Chapter 280, Florida Statutes.

As of June 30, 2023, the District had the following credit quality:

<u>Security Type</u>	<u>Standard &amp; Poor’s Credit Rating</u>	<u>Portfolio Asset Allocation</u>
State Board of Administration:		
Florida PRIME	AAAm	44.51%
Florida PRIME - Debt Service Accounts	N/A	.02%
External Investment Pool:		
Florida Palm	AAAm	55.47%
<b>Total</b>		<b><u>100%</u></b>

### **Custodial Credit Risk**

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

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

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As of June 30, 2023, the District's investment portfolio was held with a third-party custodian as required by the District's investment policy.

**Concentration of Credit Risk**

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

A maximum of 100% of available funds may be invested in the United States Government Securities, 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, 30% of available funds may be invested in Commercial Paper 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, and 50% of available funds may be invested in Intergovernmental Investment Pools with a 50% limit of individual users.

As of June 30, 2023, the District had the following concentrations based on fair value:

<u>Security Type</u>	<u>Value</u>	<u>Portfolio Asset Allocation</u>
External Investment Pool:		
State Board of Administration:		
Florida PRIME	\$ 40,473,960	44.51%
Florida PRIME - Debt Service Accounts	16,974	.02%
Florida Palm	50,441,223	55.47%
<b>Total</b>	<u><u>\$ 90,932,157</u></u>	<u><u>100%</u></u>

**Foreign Currency Risk**

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

**Note 3 - Changes in Capital Assets**

Changes in capital assets are presented in the table below:

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	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land (660)	\$ 10,646,224	\$ 130,000	\$ -	\$ 10,776,224
Construction in Process	19,167,193	19,311,335	(11,511,070)	26,967,458
Total Capital Assets Not Being Depreciated	29,813,417	19,441,335	(11,511,070)	37,743,682
Capital Assets Being Depreciated:				
Improvements Other Than Buildings (670)	35,767,035	3,415,057	-	39,182,092
Buildings and Fixed Equipment (680)	532,081,834	14,956,815	-	547,038,649
Furniture, Fixtures, and Equipment (641/643/691)	49,659,259	8,242,874	(97,574)	57,804,559
Motor Vehicles (652 Vehicles) (651 Buses)	18,880,160	6,160,703	(3,223,376)	21,817,487
Total Capital Assets Being Depreciated	636,388,288	32,775,449	(3,320,950)	665,842,787
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	(24,771,479)	(1,567,284)	-	(26,338,763)
Buildings and Fixed Equipment	(191,732,230)	(10,940,773)	-	(202,673,003)
Furniture, Fixtures, and Equipment	(41,543,569)	(3,130,156)	97,574	(44,576,151)
Motor Vehicles	(15,789,221)	(1,083,799)	3,223,376	(13,649,644)
Total Accumulated Depreciation	(273,836,499)	(16,722,012)	3,320,950	(287,237,561)
Total Capital Assets Being Depreciated, Net	362,551,789	16,053,437	-	378,605,226
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 392,365,206</b>	<b>\$ 35,494,772</b>	<b>\$ (11,511,070)</b>	<b>\$ 416,348,908</b>

Depreciation expense was charged to functions as follows:

Function	Amount
Governmental Activities:	
Facilities Acquisition and Construction	\$ 163
Food Services	6,967
Central Services	1,106
Operation of Plant	4,224
Maintenance of Plant	8,993
Transportation	3,224
Administrative Related Technology	1,640
Unallocated	16,695,695
<b>Total Depreciation Expense – Governmental Activities</b>	<b>\$ 16,722,012</b>

#### **Note 4 - Certificates of Participation**

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

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

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



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

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

**Series 2005 Certificates**

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

**Series 2013A Certificates**

Challenger K-8 School of Science and Mathematics

The payments for the 2005 and 2013A Series are payable by the District, semiannually, on July 1 and January 1, at interest rates ranging from 2.08% to 5%. The payment of principal and interest on the bonds underlying the agreements are due on July 1 and January 1 of each year. The July 1 payment is typically made on or around June 15 and is considered to be a reduction of bond principal as of June 30.

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

<b>Fiscal Year Ending June 30,</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>
2024	\$ 8,654,200	\$ 5,305,000	\$ 3,349,200
2025	8,658,950	5,575,000	3,083,950
2026	8,655,200	5,850,000	2,805,200
2027	8,654,700	6,025,000	2,629,700
2028	8,653,450	6,325,000	2,328,450
2029-2033	43,277,550	36,555,000	6,722,550
2034-2038	17,303,650	16,555,000	748,650
Total Minimum Payments	103,857,700	82,190,000	21,667,700
Unamortized COP Premiums	7,509,839	7,509,838	-
<b>Total</b>	<b>\$ 111,367,539</b>	<b>\$ 89,699,838</b>	<b>\$ 21,667,700</b>

**Note 5 - Bonds Payable**

Bonds payable at June 30, 2023, 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:

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<b>Bond Type</b>	<b>Original Debt Issue Amount</b>	<b>Amount Outstanding</b>	<b>Interest Rates (Percent)</b>	<b>Annual Maturity To</b>
State School Bonds:				
Series 2014A, Refunding	523,000	101,000	3.0 - 5.0	2025
Series 2020A, Refunding	758,000	563,000	2.0 - 5.0	2030
Subtotal	1,281,000	664,000		
Unamortized Premium	281,191	123,414		
State School Bonds	1,562,191	787,414		
District Revenue Bonds:				
Series 2020, Refunding	3,500,000	3,225,000	3.0 - 4.0	2051
Unamortized Premium	268,403	241,562		
Revenue Bonds	3,768,403	3,466,562		
District Bonds:				
Series 2022	5,960,850	4,811,332	1.9561	2027
Revenue Bonds	5,960,850	4,811,332		
<b>Total Bonds Payable</b>	<b>\$ 11,291,444</b>	<b>\$ 9,065,308</b>		

### 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.

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The Series 2020 bonds, totaling \$3.2 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 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, 2023, are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>
<b>State School Bonds</b>			
2024	\$ 165,775	\$ 135,000	\$ 30,775
2025	130,950	107,000	23,950
2026	95,200	76,000	19,200
2027	95,300	80,000	15,300
2028	95,200	84,000	11,200
2029-2032	191,200	182,000	9,200
	773,625	664,000	109,625
<b>Unamortized Bond Premium</b>	123,415	123,414	-
<b>Total State School Bonds</b>	897,040	787,414	109,625
<b>District Revenue Bonds</b>			
2024	202,400	90,000	112,400
2025	204,150	95,000	109,150
2026	200,350	95,000	105,350
2027	206,350	105,000	101,350
2028	202,150	105,000	97,150
2029-2033	973,350	555,000	418,350
2034-2037	660,000	400,000	260,000
2038-2043	992,225	730,000	262,225
2044-2048	829,625	725,000	104,625
2049-2053	334,825	325,000	9,825
	4,805,425	3,225,000	1,580,425
<b>Unamortized Bond Premium</b>	241,563	241,562	-
<b>Total Revenue Bonds</b>	5,046,988	3,466,562	1,580,425
<b>District Bonds</b>			
2024	1,256,457	1,167,890	88,567
2025	1,256,456	1,190,882	65,574
2026	1,256,457	1,214,327	42,130
2027	1,256,456	1,238,233	18,223
<b>Total District Bonds</b>	5,025,826	4,811,332	214,494
<b>Total District Revenue Bonds</b>	\$ 10,969,854	\$ 9,065,308	\$ 1,904,544

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**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, 2023, bonds considered defeased in substance are as follows:

<b>Bond Issues</b>	<b>Amount Outstanding</b>
State School Bonds, Series 2003A	\$ 110,000
State School Bonds, Series 2004A	100,000
State School Bonds, Series 2005A	140,000
State School Bonds, Series 2010A	830,000
District Revenue Bonds, Series 2001	1,825,000
<b>Total Defeased Debt</b>	<b>\$ 3,005,000</b>

**Note 7 - Changes in Long-Term Liabilities**

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

Description	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due in One Year
<b>Governmental Activities</b>					
Bonds Payable	\$ 10,119,850	\$ -	\$ (1,419,518)	\$ 8,700,332	\$ 1,392,890
Unamortized Premium	400,901	-	(35,925)	364,976	35,925
Total Bonds Payable	10,520,751	-	(1,455,443)	9,065,308	1,428,815
Certificates of Participation Payable	86,937,435	-	(4,747,435)	82,190,000	5,305,000
Unamortized Premium	8,087,518	-	(577,680)	7,509,838	577,680
Total Certificates of Participation Payable	95,024,953	-	(5,325,115)	89,699,838	5,882,680
Other Postemployment Benefits	12,548,371	-	(4,385,812)	8,162,559	1,065,964
Net Pension Liability (1)	62,244,368	80,179,495	(4,706,152)	137,717,711	-
Compensated Absences Payable	17,292,248	14,698,735	(14,161,086)	17,829,897	1,000,000
<b>Total Governmental Activities</b>	<b>\$ 197,630,691</b>	<b>\$ 94,878,230</b>	<b>\$ (30,033,608)</b>	<b>\$ 262,475,313</b>	<b>\$ 9,377,459</b>

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

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

**Note 8 - Fund Balance Reporting**

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

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

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

**Restricted**—The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations or other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraints on the use of fund balance. The District classifies most of its fund balances other than General Fund as restricted, as well as, unspent State categorical and earmarked education funding that are legally or otherwise restricted. State Categorical funds represent amounts provided the State of Florida to qualifying schools or districts for specific children with special needs, certain programs, or special purposes such as transportation. Unspent State Categorical funds are restricted until utilized for those express purposes. The District's restricted fund balance total is \$104,400,855, which represents \$5,156,900 in State Categorical programs, \$200,423 for workforce development programs, \$11,568,855 for food services, \$8,948,882 for debt service, \$76,179,241 for capital projects, and \$2,346,554 for Internal Accounts.

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

**Assigned**—The portion of fund balance that is intended to be used for specific purposes but is neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed. At fiscal year-end, the assigned fund balance is \$17,025,312 which consists of \$15,079,945 assigned for District project carryforwards, and \$1,945,367 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 \$24,667,145.

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The following is a schedule of Fund Balances by category at June 30, 2023:

	<b>Major Funds</b>			<b>Non-Major Funds</b>	<b>Total Governmental Funds</b>
	<b>General</b>	<b>Capital Projects Local Capital Improvement</b>	<b>Capital Projects Other Capital Projects</b>		
Fund Balances:					
Non-Spendable:					
Inventory and Prepaids	\$ 1,104,803	\$ -	\$ -	\$ 46,477	\$ 1,151,280
Restricted:					
State Categoricals	5,156,900	-	-	-	5,156,900
Workforce Development	200,423	-	-	-	200,423
Debt Service	-	-	-	8,948,882	8,948,882
Capital Projects	-	18,718,069	44,842,744	12,618,428	76,179,241
Food Services	-	-	-	11,568,855	11,568,855
Internal Accounts	-	-	-	2,346,554	2,346,554
Assigned:					
School Operations:					
Other	15,079,945	-	-	-	15,079,945
Health Insurance Rebates/ Profit Sharing	1,945,367	-	-	-	1,945,367
Unassigned	24,667,145	-	-	-	24,667,145
<b>Total Fund Balances</b>	<b>\$ 48,154,583</b>	<b>\$ 18,718,069</b>	<b>\$ 44,842,744</b>	<b>\$ 35,529,196</b>	<b>\$ 147,244,592</b>

At the end of the fiscal year, the assigned/unassigned General Fund balance was \$41,692,457, or 19%, 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:

<b>Funds</b>	<b>Interfund</b>	
	<b>Receivables</b>	<b>Payables</b>
Major:		
General	\$ 2,823,031	\$ -
Special Revenue:		
Federal Education Stabilization	-	1,686,714
Other Federal Programs	-	1,136,317
<b>Total Governmental Funds</b>	<b>\$ 2,823,031</b>	<b>\$ 2,823,031</b>

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:

<b>Funds</b>	<b>Inter-Fund</b>	
	<b>Transfers In</b>	<b>Transfers Out</b>
Major Funds:		
General	\$ 8,394,043	\$ 1,285,591
Local Capital Improvement		12,032,266
Non-Major Governmental	9,531,167	4,607,353
<b>Total Governmental Funds</b>	<b>\$ 17,925,210</b>	<b>\$ 17,925,210</b>

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

**Note 10 - Schedule of State Revenue Sources**

The following is a schedule of the District's State revenue for the 2022-2023 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program:	
Transportation	\$ 5,524,887
Instructional Materials	2,144,342
Florida Teachers Lead	472,860
Other	96,831,005
Categorical Educational Program - Class Size Reduction	23,861,944
Workforce Development Program	620,643
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,028,091
Food Service Supplement	188,223
Charter School Capital Outlay	222,298
Interest on Investment of Bond Reserves	425,984
Miscellaneous	10,209,126
<b>Total</b>	<u>\$ 141,529,403</u>

**Note 11 - Property Taxes**

The following is a summary of millages and taxes levied on the 2022 tax roll for 2022-2023 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	3.277	\$ 48,669,116
Basic Discretionary Local Effort	0.748	11,115,941
Additional Millage (Voted Levy)	1.000	14,860,884
 <b>Capital Projects Fund</b>		
Non-Voted Tax:		
Local Capital Improvements	1.500	22,291,326
<b>Total</b>	<u>6.525</u>	<u>\$ 96,937,267</u>

## **Note 12 - Retirement Plans**

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

#### **General Information about the FRS**

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

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

#### **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



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

■ **Benefits Provided**

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

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

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

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■ **Contributions**

The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2022-2023 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	9.10
FRS, Elected County Officers	3.00	49.70
FRS, Senior Management Service	3.00	27.29
DROP – Applicable to		
Members from All of the Above Classes	0.00	16.68
FRS, Reemployed Retiree	(2)	(2)

**Notes:**

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

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

At June 30, 2023, the District reported a liability of \$99,616,914 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the District's 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the District's proportionate share was 0.26772876090%, which was a decrease of 0.01041514017 from its proportionate share measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized the Plan pension expense of \$15,217,220. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 4,731,214	\$ -
Changes in Assumptions	12,268,203	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	6,577,672	-
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	6,984,539	414,301
District FRS Contributions Subsequent to the Measurement Date	12,284,018	-
	<u>\$ 42,845,646</u>	<u>\$ 414,301</u>

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The deferred outflows of resources related to pensions, totaling \$12,284,018, 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:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 7,312,219
2023	3,788,819
2024	(232,555)
2025	18,123,124
2026	1,155,721
<b>Total</b>	<u><u>\$ 30,147,328</u></u>

**Actuarial Assumptions**

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Investment Rate of Return	6.70 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 June 30, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate (Property)	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
<b>Total</b>	<u><u>100.00%</u></u>			
Assumed inflation - Mean			2.4%	1.3%

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
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Note: (1) As outlined in the Plan's investment policy.

■ **Discount Rate**

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

■ **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 6.70%, 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%) or 1 percentage-point higher (7.70%) than the current rate:

	1% Decrease <u>5.70%</u>	Current Discount Rate <u>6.70%</u>	1% Increase <u>7.70%</u>
District's Proportionate Share of the Net Pension Liability	<u>\$172,280,085</u>	<u>\$ 99,616,614</u>	<u>\$ 38,861,307</u>

■ **Pension Plan Fiduciary Net Position**

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

**HIS Pension Plan**

■ **Plan Description**

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

■ **Benefits Provided**

For the fiscal year ended June 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

■ **Contributions**

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2023, the contribution rate was 1.66% of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100% of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
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■ **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions**

At June 30, 2023, the District reported a net pension liability of \$38,101,097 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within one year, net of the District's proportionate share of the pension plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The District's proportionate share of the net pension liability was based on the District's 2013-2018 fiscal year contributions relative to all participating members. At June 30, 2023, the District's proportionate share was 0.35972947020%, which was a decrease of 0.01075269011 from its proportionate share measured as of June 30, 2022.

For the fiscal year ended June 30, 2023, the District recognized pension expense of \$1,836,895 related to the HIS Plan. In addition, the District reported deferred outflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,156,458	\$ 167,648
Changes in Assumptions	2,183,979	5,894,215
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	55,162	-
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	1,499,629	427,628
District HIS Contributions Subsequent to the Measurement Date	2,363,496	-
	<u>\$ 7,258,724</u>	<u>\$ 6,489,491</u>

The deferred outflows of resources totaling \$2,363,496 resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Amount
2022	\$ (578,940)
2023	(108,386)
2024	82,097
2025	(90,318)
2026	(530,117)
Thereafter	(368,599)
<b>Total</b>	<u><u>\$ (1,594,263)</u></u>

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■ **Actuarial Assumptions**

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25%, average, including inflation
Municipal Bond Rate	3.54%

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 3.54%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.54%, 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 (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>2.54%</b>	<b>Discount Rate</b>	<b>4.541%</b>
	<b>_____</b>	<b>_____</b>	<b>_____</b>
District's Proportionate Share of the Net Pension Liability	\$ 43,590,783	\$ 38,101,097	\$ 33,558,494

■ **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.

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As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature.

The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2022-2023 fiscal year were as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$3,288,919 for the fiscal year ended June 30, 2023.

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**Note 13 - OPEB Payable**

**Plan Description**

The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District and eligible dependents may continue to participate in the District's fully insured group health plan. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report and is not included in the report of a Public Employee Retirement System or another entity. OPEB Plan members receiving benefits contributed from \$760 to \$884 per month for retiree-only coverage and from \$1,446 to \$1,683 for retiree and spouse coverage, depending on the health plan selected.

There are no assets accumulated in a GASB-compliant trust to pay for the OPEB Plan.

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

<b><u>Membership Data as of June 30, 2022</u></b>	
Inactive Members or Beneficiaries Currently	
Currently Receiving Benefits	40
Inactive Members Entitle to but Not Yet	
Receiving Benefits	
Active Members	<u>3,325</u>
<b>Total Membership</b>	<u><u>3,365</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.

**Changes in Total OPEB Liability**

<b>Description</b>	<b>Amount</b>
<b>Total OPEB Liability, Beginning of Year</b>	<u><u>\$ 12,548,371</u></u>
<b>Changes for the Year</b>	
Service Cost	898,978
Interest on Net OPEB Liability	268,917
Difference Between Expected and Actual Experience	(345,243)
Changes of Assumptions or Other Inputs	(5,010,374)
Benefit Payments and Implicit Subsidy Credit	<u>(198,090)</u>
Increase in Total OPEB Liability	<u>(4,385,812)</u>
<b>Total OPEB Liability, End of Year</b>	<u><u>\$ 8,162,559</u></u>



DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
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■ **Funded Status and Funding Progress**

As of June 30, 2022, the most recent actuarial valuation date accrued liability for benefits was \$8,162,559, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$8,162,559 and a funded ratio of 0.00%. The covered employee payroll (annual payroll of active participating employees) was \$117,873,547 for the 2022-2023 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 6.92%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the OPEB Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of the OPEB Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The schedule of funding progress can be found on page 68 of this report.

■ **Actuarial Methods and Assumptions**

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

The District's OPEB actuarial valuation as of June 30, 2022, used the projected unit credit actuarial cost method to estimate the unfunded actuarial accrued liability as of June 30, 2023, and to estimate the District's 2022-2023 fiscal year annual required contribution. Because the OPEB liability is currently unfunded, the actuarial assumption included a 3.54 rate of return on invested assets. The actuarial assumptions also included a payroll growth rate of 2.40% annually and an annual healthcare cost trend of 6.75% for the 2023 fiscal year, reduced by 4.40% per year, to an ultimate rate of 5% after 6 years. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis over a 30-year period. The remaining amortization period at June 30, 2023, was 30 years. In addition, the actuarial accrued liability is determined using the "entry age normal" method. Under this method, the accrued liability is the difference between the present value of expected future benefits payable and the present value of expected future normal costs.

*Discount Rate.* There are no invested plan assets held in trust to finance the OPEB Plan liability. The discount rate used equals the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA rating as of the measurement date. For the purpose of the OPEB Plan valuation, the municipal bond rate was 3.54% (based on the daily rate closest to, but not later than, the measurement date of the "Fidelity General Obligation AA Index"). The discount rate was 2.16% as of the beginning of the measurement period.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

The District's annual OPEB expense totaled (\$994,226) for the fiscal year ended June 30, 2023. At June 30, 2023, 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	\$	\$ 1,681,054
Changes of Assumptions	1,023,342	6,922,606
District Contributions Subsequent to the Measurement Date	898,978	
	<u>\$ 1,922,320</u>	<u>\$ 8,603,660</u>

The deferred outflows of resources related to pensions, totaling \$898,978 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, 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:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2023	(2,106,458)
2024	(1,677,796)
2025	(1,703,743)
2026	(1,552,904)
2027	(539,417)
<b>Total</b>	<u>\$ (7,580,318)</u>

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

**Health Care Cost Trend Rate Sensitivity**

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
<b>Total OPEB Liability</b>	<u>\$ 7,217,353</u>	<u>\$ 8,162,559</u>	<u>\$ 9,272,613</u>

*Sensitivity of the District's Total OPEB Plan Liability to Changes in the Discount Rate.* The following presents the District's OPEB Plan liability calculated using the discount rate of 3.54%, as well as what the OPEB Plan liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

**Discount Rate Sensitivity**

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>2.54%</u>	<u>Discount Rate</u>	<u>4.54%</u>
	<u>3.54%</u>		
<b>Total OPEB Liability</b>	<u>\$ 8,571,780</u>	<u>\$ 8,162,559</u>	<u>\$ 7,732,901</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**Note 14 - Commitments and Contingencies**

Encumbrances - The District uses encumbrance accounting for recording purchase order commitments for goods and services. At June 30, 2023, encumbrances totaled \$0 within the General Fund. There were construction commitments for various school construction projects at fiscal year-end.

The District has modified operations to adapt to the restricted environment, including instituting cost reducing measures. While financial markets experienced a temporary decline, many of the financial asset values had recovered by June 30, 2023.

**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, 2023, the accumulated credits to the District's account are \$5,260,256. During the 2022-2023 fiscal year, the District received \$205,580 in capital credits.

**Note 16 - Risk Management Programs**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a participating district of the North East Florida Educational Consortium (the Consortium) under which several district school boards have established a combined limited self-insurance program for property protection, general liability, automobile liability, workers' compensation, money and securities, employee fidelity and faithful performance, boiler and machinery, and other coverage deemed necessary by the members and participants of the Consortium. Section 1001.42(12) (k), Florida Statutes, provides the authority for the District to enter into such a risk management program. The Consortium is self-sustaining through member and participant assessments (premiums), and purchases coverage through commercial companies for claims in excess of specified amounts. Reinsurance from commercial companies provided excess property coverage of up to \$75 million during the 2022-2023 fiscal year, which is the same excess property coverage provided during the 2022-2023 fiscal year. The Board of Directors for the Consortium is composed of superintendents of all member districts. The Putnam County District School Board serves as fiscal agent for the Consortium. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Health and hospitalization coverage is being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**Note 17 - Litigation and Contingencies**

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

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

# Required Supplementary Information





**HERNANDO**  
**SCHOOL DISTRICT**

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**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Intergovernmental:				
Federal Direct	\$ 199,000	\$ 290,309	\$ 290,309	\$ -
Federal Through State and Local	700,000	764,532	764,532	-
State	133,473,607	131,489,125	131,489,125	-
Local:				
Property Taxes Levied for	74,675,941			
Operational Purposes	20,000	77,205,187	77,205,187	-
Miscellaneous	2,312,587	5,406,361	5,406,361	-
<b>Total Revenues</b>	<b>211,381,135</b>	<b>215,155,514</b>	<b>215,155,514</b>	<b>-</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Salaries	90,839,856	85,543,265	85,543,265	-
Employee Benefits	24,205,419	25,806,519	25,806,519	-
Purchased Services	6,386,569	9,424,030	9,424,030	-
Energy Services	-	38	38	-
Materials and Supplies	10,516,646	3,559,002	3,559,002	-
Capital Outlay	64,074	258,958	258,958	-
Other Expenses	346,882	779,950	779,950	-
Total Instruction	<b>132,359,446</b>	<b>125,371,762</b>	<b>125,371,762</b>	<b>-</b>
Student Personnel Services:				
Salaries	6,386,974	7,378,280	7,378,280	-
Employee Benefits	2,145,670	2,206,440	2,206,440	-
Purchased Services	39,886	81,989	81,989	-
Energy Services	-	-	-	-
Materials and Supplies	3,973,438	72,527	72,527	-
Capital Outlay	-	10,243	10,243	-
Other Expenses	8,489	5,345	5,345	-
Total Student Personnel Services	<b>12,554,457</b>	<b>9,754,824</b>	<b>9,754,824</b>	<b>-</b>
Instructional Media Services:				
Salaries	793,438	1,230,689	1,230,689	-
Employee Benefits	274,661	415,114	415,114	-
Purchased Services	180,396	237,339	237,339	-
Materials and Supplies	10,280	8,011	8,011	-
Capital Outlay	4,368	59,678	59,678	-
Other Expenses	4,640	3,507	3,507	-
Total Instructional Media Services	<b>1,267,783</b>	<b>1,954,338</b>	<b>1,954,338</b>	<b>-</b>
Instruction and Curriculum Development Services:				
Salaries	\$ 1,949,599	\$ 2,603,913	\$ 2,603,913	\$ -
Employee Benefits	633,688	735,298	735,298	-
Purchased Services	169,200	43,659	43,659	-
Materials and Supplies	53,240	47,610	47,610	-
Capital Outlay	20,240	7,008	7,008	-
Other Expenses	2,400	2,815	2,815	-
Total Instruction and Curriculum Development Services	<b>2,828,367</b>	<b>3,440,303</b>	<b>3,440,303</b>	<b>-</b>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(Continued)**

General Fund				Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Expenditures</b>				
Current (Continued) :				
Instructional Staff Training Services:				
Salaries	485,101	507,119	507,119	-
Employee Benefits	151,515	143,018	143,018	-
Purchased Services	21,720	31,094	31,094	-
Materials and Supplies	4,320	1,403	1,403	-
Other Expenses	2,400	6,150	6,150	-
Total Instructional Staff Training Services	665,056	688,784	688,784	-
Instruction Related Technology:				
Salaries	347,960	478,748	478,748	-
Employee Benefits	152,374	185,996	185,996	-
Purchased Services	-	53,396	53,396	-
Materials and Supplies	-	-	-	-
Total Instruction Related Technology	500,334	718,140	718,140	-
Board of Education:				
Salaries	249,083	260,239	260,239	-
Employee Benefits	168,636	169,379	169,379	-
Purchased Services	228,320	268,752	268,752	-
Materials and Supplies	2,184	2,108	2,108	-
Capital Outlay	-	2,122	2,122	-
Other Expenses	24,832	21,902	21,902	-
Total Board of Education	673,055	724,502	724,502	-
General Administration:				
Salaries	1,386,498	1,686,684	1,686,684	-
Employee Benefits	377,332	466,338	466,338	-
Purchased Services	81,410	170,816	170,816	-
Materials and Supplies	495,136	12,468	12,468	-
Capital Outlay	2,400	1,866	1,866	-
Other Expenses	52,040	54,666	54,666	-
Total General Administration	2,394,816	2,392,838	2,392,838	-
School Administration:				
Salaries	\$ 10,212,279	\$ 10,947,572	\$ 10,947,572	\$ -
Employee Benefits	3,280,958	3,430,434	3,430,434	-
Purchased Services	3,189	52,853	52,853	-
Materials and Supplies	110,888	124,416	124,416	-
Capital Outlay	1,200	50,940	50,940	-
Other Expenses	19,360	13,897	13,897	-
Total School Administration	13,627,874	14,620,112	14,620,112	-
Facility Services - Non-Capitalized:				
Salaries	450,102	508,579	508,579	-
Employee Benefits	139,978	146,965	146,965	-
Purchased Services	8,000	145,676	145,676	-
Materials and Supplies	-	241	241	-
Capital Outlay	3,600	9,210	9,210	-
Other Expenses	-	223,542	223,542	-
Total Facility Services - Non-Capitalized	601,680	1,034,213	1,034,213	-



**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
*(Continued)*

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Expenditures</b>				
Current <i>(Continued)</i> :				
Fiscal Services:				
Salaries	597,240	543,262	543,262	-
Employee Benefits	183,962	152,376	152,376	-
Purchased Services	144,810	195,707	195,707	-
Materials and Supplies	8,184	6,761	6,761	-
Capital Outlay	40,911	5,405	5,405	-
Other Expenses	25,146	34,209	34,209	-
Total Fiscal Services	1,000,253	937,720	937,720	-
Food Services				
Salaries	-	258,857	258,857	-
Employee Benefits	-	55,826	55,826	-
Capital Outlay	-	-	-	-
Total Food Services	-	314,683	314,683	-
Central Services:				
Salaries	1,561,029	1,742,009	1,742,009	-
Employee Benefits	493,625	1,649,739	1,649,739	-
Purchased Services	958,615	963,163	963,163	-
Materials and Supplies	217,582	109,155	109,155	-
Capital Outlay	9,511	63,501	63,501	-
Other Expenses	68,571	52,009	52,009	-
Total Central Services	3,308,933	4,579,576	4,579,576	-
Student Transportation Services:				
Salaries	4,240,486	5,360,950	5,360,950	-
Employee Benefits	1,555,103	1,626,787	1,626,787	-
Purchased Services	458,880	407,387	407,387	-
Energy Services	1,332,800	1,426,190	1,426,190	-
Materials and Supplies	641,360	717,742	717,742	-
Capital Outlay	96,000	124,667	124,667	-
Other Expenses	208	131,345	131,345	-
Total Student Transportation Services	8,324,837	9,795,068	9,795,068	-
Operation of Plant:				
Salaries	\$ 7,051,918	\$ 6,827,796	\$ 6,827,796	\$ -
Employee Benefits	2,286,856	2,273,490	2,273,490	-
Purchased Services	4,168,312	5,669,145	5,669,145	-
Energy Services	5,275,480	5,986,104	5,986,104	-
Materials and Supplies	605,859	384,317	384,317	-
Capital Outlay	194,421	360,171	360,171	-
Other Expenses	173,320	35,764	35,764	-
Total Operation of Plant	19,756,166	21,536,787	21,536,787	-
Maintenance of Plant:				
Salaries	2,745,289	2,989,601	2,989,601	-
Employee Benefits	971,905	1,043,046	1,043,046	-
Purchased Services	1,023,614	1,199,736	1,199,736	-
Energy Services	177,600	166,826	166,826	-
Materials and Supplies	1,801,953	627,634	627,634	-
Capital Outlay	818,080	899,327	899,327	-
Other Expenses	3,280	815	815	-
Total Maintenance of Plant	7,541,721	6,926,985	6,926,985	-

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(Concluded)**

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Expenditures</b>				
Current (Continued) :				
Administrative Technology Services:				
Salaries	1,323,103	1,578,441	1,578,441	-
Employee Benefits	429,823	488,155	488,155	-
Purchased Services	367,212	778,145	778,145	-
Materials and Supplies	43,760	56,873	56,873	-
Capital Outlay	2,196,765	207,532	207,532	-
Other Expenses	840	297	297	-
Total Administrative Technology Services	4,361,503	3,109,443	3,109,443	-
Community Services:				
Purchased Services	14,220	17,738	17,738	-
Materials and Supplies	1,420	1,106	1,106	-
Total Community Services	15,640	18,844	18,844	-
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	-	-	-
Total Fixed Capital Outlay	-	8,724,978	8,724,978	-
<b>Total Expenditures</b>	<b>211,781,921</b>	<b>216,643,900</b>	<b>216,643,900</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(400,786)</b>	<b>(1,488,386)</b>	<b>(1,488,386)</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	\$ 2,304,655	\$ 8,394,043	\$ 8,394,043	\$ -
Insurance Loss Recoveries	-	48,913	48,913	-
Transfers (Out)	(1,261,457)	(1,285,591)	(1,285,591)	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,043,198</b>	<b>7,157,365</b>	<b>7,157,365</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>1,043,198</b>	<b>5,668,979</b>	<b>5,668,979</b>	<b>-</b>
Fund Balances, July 1, 2022	42,485,604	42,485,604	42,485,604	-
<b>Fund Balances, June 30, 2023</b>	<b>\$ 43,528,802</b>	<b>\$ 48,154,583</b>	<b>\$ 48,154,583</b>	<b>\$ -</b>

**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, 2023**

<b>Special Revenue Fund - Other Federal Program Funds</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental:			
Federal Through State and Local	\$ 16,754,903	\$ 15,098,972	\$ 15,098,972
<b>Total Revenues</b>	<u>16,754,903</u>	<u>15,098,972</u>	<u>15,098,972</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Salaries	4,891,821	3,634,653	3,634,653
Employee Benefits	1,822,343	1,226,896	1,226,896
Purchased Services	1,104,971	1,198,571	1,198,571
Materials and Supplies	581,395	561,143	561,143
Capital Outlay	602,044	852,543	852,543
Other Expenses	20,815	82,910	82,910
Total Instruction	<u>9,023,389</u>	<u>7,556,716</u>	<u>7,556,716</u>
Student Support Services:			
Salaries	1,433,979	1,663,376	1,663,376
Employee Benefits	459,739	539,387	539,387
Purchased Services	99,054	18,621	18,621
Materials and Supplies	136,032	120,870	120,870
Capital Outlay	30,863	19,937	19,937
Other Expenses	60,725	8,821	8,821
Total Student Personnel Services	<u>2,220,392</u>	<u>2,371,012</u>	<u>2,371,012</u>
Instructional Media Services			
Salaries	-	6,890	6,890
Employee Benefits	-	585	585
Total Instructional Media Services	<u>-</u>	<u>7,475</u>	<u>7,475</u>
Instruction and Curriculum			
Development Services:			
Salaries	2,396,153	2,221,121	2,221,121
Employee Benefits	756,962	653,749	653,749
Purchased Services	62,218	29,363	29,363
Materials and Supplies	18,897	38,133	38,133
Capital Outlay	74,100	51,006	51,006
Other Expenses	14,900	12,160	12,160
Total Instruction and Curriculum	<u>3,323,230</u>	<u>3,005,532</u>	<u>3,005,532</u>
Development Services	<u>3,323,230</u>	<u>3,005,532</u>	<u>3,005,532</u>
Instructional Staff Training Services:			
Salaries	562,772	742,715	742,715
Employee Benefits	177,041	139,345	139,345
Purchased Services	332,576	306,453	306,453
Materials and Supplies	98,491	47,791	47,791
Capital Outlay	3,000	-	-
Other Expenses	74,441	80,046	80,046
Total Instructional Staff Training Services	<u>1,248,321</u>	<u>1,316,350</u>	<u>1,316,350</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			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Expenditures</b>				
Current (Concluded) :				
Instruction Related Technology:				
Salaries	\$ 118,600	\$ 99,451	\$ 99,451	\$ -
Employee Benefits	205,463	39,662	39,662	-
Total Instruction Related Technology	324,063	139,113	139,113	-
General Administration:				
Other Expenses	556,664	447,461	447,461	-
Total General Administration	556,664	447,461	447,461	-
School Administration				
Other Expenses	-	47,500	47,500	-
Total School Administration	-	47,500	47,500	-
Central Services				
Salaries	1,100	-	-	-
Employee Benefits	216	-	-	-
Purchased Services	4,500	-	-	-
Materials and Supplies	1,000	-	-	-
Capital Outlay	-	-	-	-
Other Expenses	1,000	-	-	-
Total Central Services	7,816	-	-	-
Student Transportation Services:				
Salaries	19,343	10,686	10,686	-
Employee Benefits	3,595	2,210	2,210	-
Purchased Services	10,494	10,021	10,021	-
Energy Services	16,398	8,112	8,112	-
Capital Outlay	-	-	-	-
Other Expenses	500	-	-	-
Total Student Transportation Services	50,330	31,029	31,029	-
Operation of Plant:				
Salaries	500	-	-	-
Employee Benefits	98	-	-	-
Energy Services	100	-	-	-
Total Operation of Plant	698	-	-	-
Maintenance of Plant				
Materials and Supplies	-	337	337	-
Total Maintenance of Plant	-	337	337	-
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	176,447	176,447	-
Total Fixed Capital Outlay	-	176,447	176,447	-
<b>Total Expenditures</b>	<b>16,754,903</b>	<b>15,098,972</b>	<b>15,098,972</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, July 1, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, June 30, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**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, 2023**

<b>Special Revenue Fund - Federal Education Stabilization Funds</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>				
Intergovernmental:				
Federal Through State and Local	\$ 53,665,206	\$ 26,204,148	\$ 26,204,148	\$ -
<b>Total Revenues</b>	<b>53,665,206</b>	<b>26,204,148</b>	<b>26,204,148</b>	<b>-</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Salaries	5,506,502	2,351,507	2,351,507	-
Employee Benefits	869,049	363,206	363,206	-
Purchased Services	2,992,240	1,460,133	1,460,133	-
Materials and Supplies	4,340,970	3,729,174	3,729,174	-
Capital Outlay	12,024,875	6,634,300	6,634,300	-
Other Expenses	230,365	-	-	-
Total Instruction	<b>25,964,001</b>	<b>14,538,321</b>	<b>14,538,321</b>	<b>-</b>
Student Support Services:				
Salaries	671,253	368,836	368,836	-
Employee Benefits	203,027	111,299	111,299	-
Purchased Services	3,749	34,255	34,255	-
Total Student Personnel Services	<b>878,029</b>	<b>538,133</b>	<b>538,133</b>	<b>-</b>
Instructional Media Services:				
Salaries	38,332	15,052	15,052	-
Employee Benefits	7,762	3,148	3,148	-
Total Instructional Media Services	<b>46,094</b>	<b>18,200</b>	<b>18,200</b>	<b>-</b>
Instruction and Curriculum Development Services:				
Salaries	2,914,235	1,292,828	1,292,828	-
Employee Benefits	981,373	416,233	416,233	-
Purchased Services	583,517	209,042	209,042	-
Materials and Supplies	426	-	-	-
Capital Outlay	72	387	387	-
Total Instruction and Curriculum Development Services	<b>4,479,623</b>	<b>1,918,489</b>	<b>1,918,489</b>	<b>-</b>
Instructional Staff Training Services:				
Salaries	95,016	3,422	3,422	-
Employee Benefits	21,997	485	485	-
Purchased Services	145,448	44,363	44,363	-
Materials and Supplies	23,192	-	-	-
Capital Outlay	36	-	-	-
Other Expenses	100,000	-	-	-
Total Instructional Staff Training Services	<b>385,689</b>	<b>48,270</b>	<b>48,270</b>	<b>-</b>
General Administration:				
Salaries	2,177	-	-	-
Employee Benefits	439	-	-	-
Materials and Supplies	305,940	41,750	41,750	-
Other Expenses	326,468	39,980	39,980	-
Total General Administration	<b>635,024</b>	<b>81,730</b>	<b>81,730</b>	<b>-</b>
School Administration:				
Salaries	37,637	93,794	93,794	-
Employee Benefits	7,475	10,772	10,772	-
Total School Administration	<b>45,112</b>	<b>104,566</b>	<b>104,566</b>	<b>-</b>
Fixed Capital Outlay:				
Facilities Acquisition & Construction	-	30,146	30,146	-
Other Capital Outlay	14,105,570	-	-	-
Total Fixed Capital Outlay	<b>14,105,570</b>	<b>30,146</b>	<b>30,146</b>	<b>-</b>

**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, 2023**  
*(Concluded)*

<b>Special Revenue Fund - Federal Education Stabilization Funds</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Expenditures</b>				
Current (Concluded):				
Student Transportation Services:				
Salaries	223,575	304,708	304,708	-
Employee Benefits	46,339	35,690	35,690	-
Purchased Services	683,186	31,677	31,677	-
Materials and Supplies	-	-	-	-
Energy Services	185,000	3,159	3,159	-
Capital Outlay	12,874	-	-	-
Total Student Transportation Services	1,150,974	375,233	375,233	-
Operation of Plant:				
Salaries	242,171	6,286	6,286	-
Employee Benefits	30,897	1,286	1,286	-
Materials and Supplies	66,183	-	-	-
Capital Outlay	146,385	-	-	-
Total Operation of Plant	485,636	7,572	7,572	-
Maintenance of Plant:				
Purchased Services	655,028	363,518	363,518	-
Materials and Supplies	1,921,130	1,198,072	1,198,072	-
Capital Outlay	2,853,296	285,658	285,658	-
Total Maintenance of Plant	5,429,454	1,847,248	1,847,248	-
Administrative Technology:				
Purchased Services	60,000	612	612	-
Materials and Supplies	-	2,660	2,660	-
Capital Outlay	-	16,855	16,855	-
Total Administrative Technology	60,000	20,127	20,127	-
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	6,676,113	6,676,113	-
Total Fixed Capital Outlay	-	6,676,113	6,676,113	-
<b>Total Expenditures</b>	<b>53,665,206</b>	<b>26,204,148</b>	<b>26,204,148</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, July 1, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, June 30, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**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, 2023**

	<b>Capital Projects Fund - Local Capital Improvement</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>				
Local:				
Other Local Revenue	\$ 22,301,326	\$ 23,631,196	\$ 23,631,196	\$ -
<b>Total Revenues</b>	<u>22,301,326</u>	<u>23,631,196</u>	<u>23,631,196</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Fixed Capital Outlay:				
Facilities Acquisition & Construction	2,212,528	1,284,691	1,284,691	-
Other Capital Outlay	-	4,687,341	4,687,341	-
Total Fixed Capital Outlay	<u>2,212,528</u>	<u>5,972,032</u>	<u>5,972,032</u>	<u>-</u>
<b>Total Expenditures</b>	<u>2,212,528</u>	<u>5,972,032</u>	<u>5,972,032</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>20,088,798</u>	<u>17,659,164</u>	<u>17,659,164</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers (Out)	(10,397,514)	(12,032,266)	(12,032,266)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(10,397,514)</u>	<u>(12,032,266)</u>	<u>(12,032,266)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	9,691,284	5,626,898	5,626,898	-
<b>Fund Balances, July 1, 2022</b>	<u>13,091,172</u>	<u>13,091,171</u>	<u>13,091,171</u>	<u>-</u>
<b>Fund Balances, June 30, 2023</b>	<u>\$ 22,782,456</u>	<u>\$ 18,718,069</u>	<u>\$ 18,718,069</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, 2023**

	<b>Capital Projects Fund - Other Capital Projects</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget -</b>
	<b>Budget</b>	<b>Budget</b>	<b>Actual</b>	<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues</b>				
Local:				
Other Local Revenue	\$ 20,179,150	\$ 25,963,061	\$ 25,963,061	-
<b>Total Revenues</b>	<u>20,179,150</u>	<u>25,963,061</u>	<u>25,963,061</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Fixed Capital Outlay:				
Facilities Acquisition & Construction	14,555,000	18,850,604	18,850,604	-
Total Fixed Capital Outlay	<u>14,555,000</u>	<u>18,850,604</u>	<u>18,850,604</u>	<u>-</u>
<b>Total Expenditures</b>	<u>14,555,000</u>	<u>18,850,604</u>	<u>18,850,604</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>5,624,150</u>	<u>7,112,456</u>	<u>7,112,456</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>5,624,150</u>	<u>7,112,456</u>	<u>7,112,456</u>	<u>-</u>
<b>Fund Balances, July 1, 2022</b>	<u>21,257,802</u>	<u>37,730,288</u>	<u>37,730,288</u>	<u>-</u>
<b>Fund Balances, June 30, 2023</b>	<u>\$ 26,881,952</u>	<u>\$ 44,842,744</u>	<u>\$ 44,842,744</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\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 898,978	\$ 1,065,964	\$ 1,033,551	\$ 945,389	\$ 1,029,637	\$ 1,062,870
Interest on the Total OPEB Plan Liability	268,917	344,238	498,844	494,953	500,632	403,753
Difference Between Expected and Actual Experience	(345,243)	(60,297)	(1,637,673)	(55,582)	(2,975,368)	(60,978)
Changes of Assumptions	(5,010,374)	(4,262,709)	1,663,956	324,301	443,230	(456,379)
Benefits Payments	<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	(4,385,812)	(3,141,925)	1,318,620	1,457,711	(1,293,044)	639,612
<b>Total OPEB Plan Liability, Beginning of the Year</b>	<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>
<b>Total OPEB Plan Liability, End of Year</b>	<u><u>\$ 8,162,559</u></u>	<u><u>\$ 12,548,371</u></u>	<u><u>\$ 15,690,296</u></u>	<u><u>\$ 14,371,676</u></u>	<u><u>\$ 12,913,965</u></u>	<u><u>\$ 14,207,009</u></u>
<b>Covered-Employee Payroll</b>	<u><u>\$ 117,873,547</u></u>	<u><u>\$ 100,869,474</u></u>	<u><u>\$ 105,631,388</u></u>	<u><u>\$ 105,631,388</u></u>	<u><u>\$ 105,631,388</u></u>	<u><u>\$ 109,705,009</u></u>
<b>Total OPEB Plan Liability as a Percentage of Covered-Employee Payroll</b>	6.92%	12.44%	14.85%	13.61%	12.23%	12.95%

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

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

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

Changes in assumptions and other inputs include the change in the discount rate from 2.16% as of the beginning of the measurement period to 3.54% as of the end of the measurement period. This change is reflected in the Schedule of Net Changes in OPEB Plan Liability.

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the FRS Net Pension Liability	0.26772876090000%	0.2573136207285%	0.2351693217100%	0.2347474192600%	0.2393077272586%	0.236737893439716%	0.243941041000827%	0.275441373781394%	0.277347267000000%
District's Proportionate Share of the FRS Net Pension Liability	\$ 99,616,614	\$ 19,437,120	\$ 101,925,850	\$ 80,843,743	\$ 72,080,728	\$ 70,025,480	\$ 61,595,303	\$ 35,576,948	\$ 16,922,262
District's Covered Payroll	\$ 100,997,987	\$ 96,493,630	\$ 98,338,271	\$ 95,751,297	\$ 95,437,312	\$ 109,437,312	\$ 109,705,301	\$ 97,642,573	\$ 95,928,404
District's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	98.63%	20.14%	103.65%	84.43%	75.53%	63.99%	56.15%	36.44%	17.64%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Note: (1) The amounts presented for each fiscal year were determined as of June 30.  
Information for GASB Statement No. 68 has only been available and required since implementation June 30, 2015.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required										
FRS Contribution	\$ 10,260,406	\$ 9,154,546	\$ 6,355,456	\$ 7,813,634	\$ 7,278,864	\$ 6,213,024	\$ 5,740,861	\$ 5,588,867	\$ 6,715,495	\$ 6,075,082
FRS Contributions in Relation to the Contractually Required Contribution	(10,260,406)	(9,154,546)	(6,355,456)	(7,813,634)	(7,278,864)	(6,213,024)	(5,740,861)	(5,588,867)	(6,715,495)	(6,075,082)
FRS Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
District's Covered Payroll	\$ 104,238,457	\$ 100,997,986	\$ 96,493,630	\$ 98,338,271	\$ 95,751,298	\$ 109,437,312	\$ 109,508,812	\$ 109,705,301	\$ 97,642,573	\$ 95,928,404
FRS Contributions as a Percentage of Covered Payroll	9.84%	9.06%	6.59%	7.95%	7.60%	5.68%	5.24%	5.09%	6.88%	6.33%

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

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)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the HIS Net Pension Liability	0.35972947020%	0.34897678009%	0.350072433960%	0.343815279200%	0.346088818041%	0.343544358509%	0.355329704330%	0.373508027713%	0.375157423000%
District's Proportionate Share of the HIS Net Pension Liability	\$ 38,101,097	\$ 42,807,248	\$ 42,743,274	\$ 38,473,545	\$ 36,630,429	\$ 36,733,348	\$ 41,412,206	\$ 38,091,943	\$ 35,078,134
District's Covered Payroll	\$ 100,997,987	\$ 96,493,630	\$ 98,338,271	\$ 95,751,298	\$ 95,437,312	\$ 109,437,312	\$ 109,705,301	\$ 113,452,195	\$ 111,491,590
District's Proportionate Share of the HIS Net Pension Liability as a Percentage of Its Covered Payroll	37.72%	44.36%	43.47%	40.18%	38.38%	33.57%	37.75%	33.58%	31.46%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	29.06%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Note: (1) The amounts presented for each fiscal year were determined as of June 30.  
Information for GASB Statement No. 68 has only been available and required since implementation June 30, 2015.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required										
HIS Contribution	\$ 2,649,004	\$ 2,363,496	\$ 1,640,835	\$ 2,017,303	\$ 1,909,374	\$ 1,663,487	\$ 1,626,251	\$ 1,583,194	\$ 1,427,780	\$ 1,285,163
HIS Contributions in Relation to the Contractually Required										
Contribution	(2,649,004)	(2,363,496)	(1,640,835)	(2,017,303)	(1,909,374)	(1,663,487)	(1,626,251)	(1,583,194)	(1,427,780)	(1,285,163)
HIS Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 104,238,457	\$ 100,997,986	\$ 96,493,630	\$ 98,338,271	\$ 95,751,298	\$ 109,437,312	\$ 109,508,812	\$ 109,705,301	\$ 113,452,195	\$ 111,491,590
HIS Contributions as a Percentage of Covered Payroll	2.54%	2.34%	1.70%	2.05%	1.99%	1.52%	1.49%	1.44%	1.26%	1.15%

Note: (1) The amounts presented for each fiscal year were determined as of June 30.  
Information for GASB No. 68 has only been available and required since implementation June 30, 2015.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2023**

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

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

**2. BUDGETARY COMPLIANCE AND ACCOUNTABILITY**

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

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

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

**Changes of Assumptions**

As of June 30, 2023, the long-term expected rate of return increased from 6.80 % to 7.80%.

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

**Changes of Assumptions**

The municipal rate used to determine total pension liability increased from 2.16% to 3.54%.



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# Other Supplementary Information





**HERNANDO**  
**SCHOOL DISTRICT**

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# 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 and state awards.

**Miscellaneous Special Revenue Fund** – To account for and report activities related to School Internal Funds which are used to administer moneys collected at the schools in connection with 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, 2023**

	<b>Special Revenue</b>	
	<b>Food Services</b>	<b>Internal</b>
	<b>410</b>	<b>Accounts</b>
		<b>490</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 5,435,453	\$ 2,338,915
Investments	6,124,548	-
Accounts Receivable	-	7,639
Inventory	46,477	-
Due from Other Agencies	116,806	-
<b>Total Assets</b>	<b>11,723,284</b>	<b>2,346,554</b>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts Payable	60,694	-
Unearned Revenue	47,258	-
<b>Total Liabilities</b>	<b>107,952</b>	<b>-</b>
<b>Fund Balances</b>		
Non-Spendable:		
Inventory	46,477	-
Total Non-Spendable Fund Balance	46,477	-
Restricted for:		
Debt Service	-	-
Capital Projects	-	-
Food Service	11,568,855	-
Internal Accounts - Student Activities	-	2,346,554
Total Restricted Fund Balance	11,568,855	2,346,554
<b>Total Fund Balances</b>	<b>11,615,332</b>	<b>2,346,554</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 11,723,284</b>	<b>\$ 2,346,554</b>

(Continued)

Debt Service Funds			Capital Projects Funds		Total Non-Major Governmental Funds
SBE/COBI Bonds 210	Special Act Bonds 220	Other Debt Bonds 290	Public Education Capital Outlay Fund 340	Capital Outlay and Debt Service 360	
\$ -	\$ 321,142	\$ 5,100,913	\$ 9,274,631	\$ 3,339,733	\$ 25,810,787
16,974	5,305	3,504,548	-	4,064	9,655,439
-	-	-	-	-	7,639
-	-	-	-	-	46,477
-	-	-	-	-	116,806
16,974	326,447	8,605,461	9,274,631	3,343,797	35,637,148
-	-	-	-	-	60,694
-	-	-	-	-	47,258
-	-	-	-	-	107,952
-	-	-	-	-	46,477
-	-	-	-	-	46,477
16,974	326,447	8,605,461	-	-	8,948,882
-	-	-	9,274,631	3,343,797	12,618,428
-	-	-	-	-	11,568,855
-	-	-	-	-	2,346,554
16,974	326,447	8,605,461	9,274,631	3,343,797	35,482,719
16,974	326,447	8,605,461	9,274,631	3,343,797	35,529,196
\$ 16,974	\$ 326,447	\$ 8,605,461	\$ 9,274,631	\$ 3,343,797	\$ 35,637,148

**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, 2023**

	<b>Special Revenue</b>	
	<b>Food Services 410</b>	<b>Internal Accounts 490</b>
<b>Revenues</b>		
Federal Direct	\$ 17,171,986	\$ -
State	188,223	-
Local:		
Charges for Service - Food Service	-	-
Other Local Revenue	520,120	5,824,175
<b>Total Revenues</b>	<b>17,880,329</b>	<b>5,824,175</b>
<b>Expenditures</b>		
Current:		
Instruction	-	5,593,985
Food Services	15,314,581	-
Fixed Capital Outlay:		
Facilities Acquisition and Construction		
Debt Service:		
Principal	-	-
Interest and Fiscal Charges	-	-
Dues and Fees	-	-
<b>Total Expenditures</b>	<b>15,314,581</b>	<b>5,593,985</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>2,565,748</b>	<b>230,190</b>
<b>Other Financing Sources (Uses)</b>		
Transfers In	29,134	-
Transfers (Out)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>29,134</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>2,594,882</b>	<b>230,190</b>
<b>Fund Balances, July 1, 2022</b>	<b>9,020,450</b>	<b>2,116,364</b>
<b>Fund Balances, June 30, 2023</b>	<b>\$ 11,615,332</b>	<b>\$ 2,346,554</b>

(Continued)

Debt Service Funds			Capital Projects Funds		Total Non-Major Governmental Funds
SBE/COBI Bonds 210	Special Act Bonds 220	Other Debt Bonds 290	Public Education Capital Outlay (PECO) 340	Capital Outlay and Debt Service 360	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,171,986
216,234	209,750		8,567,084	796,668	9,977,959
-	-	-	-	-	-
-	-	103,014	-	-	6,447,309
216,234	209,750	103,014	8,567,084	796,668	33,597,254
-	-	-	-	-	5,593,985
-	-	-	-	-	15,314,581
			396,920		396,920
180,000	90,000	5,896,953		-	6,166,953
38,490	115,100	3,601,167	-	-	3,754,757
71	3,500	7,700	-	-	11,271
218,561	208,600	9,505,820	396,920	-	31,238,467
(2,327)	1,150	(9,402,806)	8,170,164	796,668	2,358,787
-	-	9,502,033	-	-	9,531,167
-	-	(4,385,055)	(222,298)	-	(4,607,353)
-	-	5,116,978	(222,298)	-	4,923,814
(2,327)	1,150	(4,285,828)	7,947,866	796,668	7,282,601
19,301	325,297	12,891,289	1,326,765	2,547,129	28,246,595
\$ 16,974	\$ 326,447	\$ 8,605,461	\$ 9,274,631	\$ 3,343,797	\$ 35,529,196

**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, 2023**

	<b>Special Revenue Fund - Food Service</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>				
Intergovernmental:				
Federal Through State	\$ 14,070,000	\$ 17,171,986	\$ 17,171,986	\$ -
State	184,000	188,223	188,223	-
Local	265,500	520,120	520,120	-
<b>Total Revenues</b>	<b>14,519,500</b>	<b>17,880,329</b>	<b>17,880,329</b>	<b>-</b>
<b>Expenditures</b>				
Salaries	3,761,222	4,145,315	4,145,315	-
Employee Benefits	1,623,961	1,651,548	1,651,548	-
Purchased Services	521,650	525,422	525,422	-
Energy Services	314,500	522,099	522,099	-
Materials and Supplies	10,150,500	7,389,050	7,389,050	-
Capital Outlay	317,500	809,702	809,702	-
Other	200,000	271,445	271,445	-
<b>Total Expenditures</b>	<b>16,889,333</b>	<b>15,314,581</b>	<b>15,314,581</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,369,833)</b>	<b>2,565,748</b>	<b>2,565,748</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	29,134	29,134	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>29,134</b>	<b>29,134</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(2,369,833)</b>	<b>2,594,882</b>	<b>2,594,882</b>	<b>-</b>
<b>Fund Balances, July 1, 2022</b>	<b>3,613,343</b>	<b>9,020,450</b>	<b>9,020,450</b>	<b>-</b>
<b>Fund Balances, June 30, 2023</b>	<b>\$ 1,243,510</b>	<b>\$ 11,615,332</b>	<b>\$ 11,615,332</b>	<b>\$ -</b>



**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, 2023**

	<b>Special Revenue Fund - Internal Accounts</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Intergovernmental:				
Local	\$ -	\$ 5,824,250	\$ 5,824,250	\$ -
<b>Total Revenues</b>	-	5,824,250	5,824,250	-
<b>Expenditures</b>				
Current:				
Fiscal Services:				
Supplies	-	5,594,141	5,594,141	-
Total Fiscal Services	-	5,594,141	5,594,141	-
<b>Total Expenditures</b>	-	5,594,141	5,594,141	-
<b>Net Change in Fund Balances</b>	-	230,109	230,109	-
<b>Fund Balances, July 1, 2022</b>	-	2,116,364	2,116,364	-
<b>Fund Balances, June 30, 2023</b>	\$ -	\$ 2,346,473	\$ 2,346,473	\$ -

**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, 2023**

<b>Debt Service Funds - SBE/COBI Bonds</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental:			
State	\$ 218,320	\$ 216,234	\$ 216,234
<b>Total Revenues</b>	<u>218,320</u>	<u>216,234</u>	<u>216,234</u>
<b>Expenditures</b>			
Debt Service:			
Principal	180,000	180,000	180,000
Interest and Fiscal Charges	37,820	38,490	38,490
Dues and Fees	500	71	71
<b>Total Expenditures</b>	<u>218,320</u>	<u>218,561</u>	<u>218,561</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(2,327)</u>	<u>(2,327)</u>
<b>Net Change in Fund Balances</b>	<u>-</u>	<u>(2,327)</u>	<u>(2,327)</u>
<b>Fund Balances, July 1, 2022</b>	<u>23,127</u>	<u>19,301</u>	<u>19,301</u>
<b>Fund Balances, June 30, 2023</b>	<u>\$ 23,127</u>	<u>\$ 16,974</u>	<u>\$ 16,974</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, 2023**

	<b>Debt Service Funds - Special Act Bonds</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>				
Intergovernmental:				
State	\$ 210,100	\$ 209,750	\$ 209,750	\$ -
<b>Total Revenues</b>	<u>210,100</u>	<u>209,750</u>	<u>209,750</u>	<u>-</u>
<b>Expenditures</b>				
Debt Service:				
Principal	90,000	90,000	90,000	-
Interest and Fiscal Charges	115,100	115,100	115,100	-
Dues and Fees	3,500	3,500	3,500	-
<b>Total Expenditures</b>	<u>208,600</u>	<u>208,600</u>	<u>208,600</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,500</u>	<u>1,150</u>	<u>1,150</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	1,500	1,150	1,150	-
<b>Fund Balances, July 1, 2022</b>	<u>533,847</u>	<u>325,297</u>	<u>325,297</u>	<u>-</u>
<b>Fund Balances, June 30, 2023</b>	<u>\$ 535,347</u>	<u>\$ 326,447</u>	<u>\$ 326,447</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, 2023**

	<b>Debt Service Fund - Other Debt Service</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget -</b>
	<b>Budget</b>	<b>Budget</b>	<b>Actual</b>	<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues</b>				
Local:				
Other Local Revenue	\$ -	\$ 103,014	\$ 103,014	\$ -
<b>Total Revenues</b>	<u>-</u>	<u>103,014</u>	<u>103,014</u>	<u>-</u>
<b>Expenditures</b>				
Debt Service:				
Principal	5,896,953	5,896,953	5,896,953	-
Interest and Fiscal Charges	3,601,168	3,601,167	3,601,167	-
Dues and Fees	11,000	7,700	7,700	-
<b>Total Expenditures</b>	<u>9,509,121</u>	<u>9,505,820</u>	<u>9,505,820</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>(9,509,121)</u>	<u>(9,402,806)</u>	<u>(9,402,806)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds From Bond Issuance	1,261,457	1,256,457	1,256,457	-
Transfers In	8,252,664	8,245,577	8,245,577	-
Transfers Out		(4,385,055)	(4,385,055)	
<b>Total Other Financing Sources (Uses)</b>	<u>9,514,121</u>	<u>5,116,978</u>	<u>5,116,978</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	5,000	(4,285,828)	(4,285,828)	-
<b>Fund Balances, July 1, 2022</b>	<u>15,177,037</u>	<u>12,891,289</u>	<u>12,891,289</u>	<u>-</u>
<b>Fund Balances, June 30, 2023</b>	<u>\$ 15,182,037</u>	<u>\$ 8,605,461</u>	<u>\$ 8,605,461</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, 2023**

	<b>Capital Projects Funds - Public Education Capital Outlay (PECO)</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>				
Intergovernmental:				
Federal Through State	\$ 8,518,039	\$ 8,567,084	\$ 8,567,084	\$ -
<b>Total Revenues</b>	<u>8,518,039</u>	<u>8,567,084</u>	<u>8,567,084</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Facility Services - Non-Capitalized:				
Remodeling and Renovations	8,444,787	396,920	396,920	-
<b>Total Expenditures</b>	<u>8,444,787</u>	<u>396,920</u>	<u>396,920</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>73,252</u>	<u>8,170,164</u>	<u>8,170,164</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers (Out)	(159,805)	(222,298)	(222,298)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(159,805)</u>	<u>(222,298)</u>	<u>(222,298)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	73,252	7,947,866	7,947,866	-
<b>Fund Balances, July 1, 2022</b>	<u>-</u>	<u>1,326,765</u>	<u>1,326,765</u>	<u>-</u>
<b>Fund Balances, June 30, 2023</b>	<u>\$ 73,252</u>	<u>\$ 9,274,631</u>	<u>\$ 9,274,631</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, 2023**

	<b>Capital Projects Funds - Capital Outlay and Debt Service</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget -</b>
	<b>Budget</b>	<b>Budget</b>	<b>Actual</b>	<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues</b>				
Intergovernmental:				
State	\$ 215,000	\$ 796,668	\$ 796,668	\$ -
Local:				
Other Local Revenue	-	-	-	-
<b>Total Revenues</b>	<u>215,000</u>	<u>796,668</u>	<u>796,668</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Facility Services - Non-Capitalized:				
Remodeling and Renovations	-	-	-	-
Total Facility Services - Non-Capitalized	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Service:				
Dues and Fees	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>215,000</u>	<u>796,668</u>	<u>796,668</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>215,000</u>	<u>796,668</u>	<u>796,668</u>	<u>-</u>
<b>Fund Balances, July 1, 2022</b>	<u>1,438,728</u>	<u>2,547,129</u>	<u>2,547,129</u>	<u>-</u>
<b>Fund Balances, June 30, 2023</b>	<u>\$ 1,653,728</u>	<u>\$ 3,343,797</u>	<u>\$ 3,343,797</u>	<u>\$ -</u>

## Nonmajor Component Units

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

**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 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, 2023**

	<b>BEST Academy (Charter School)</b>	<b>Gulf Coast Elementary (Charter School)</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 123,860	\$ 352,805
Accounts Receivable	12,425	-
Due From Other Agencies	-	-
Inventory	-	-
Prepaid Items	-	7,700
TSIC Contract Value	-	-
Asset Held for Sale	-	-
Capital Assets:		
Leased Assets, Net	-	98,412
Improvements Other than Buildings	-	40,423
Furniture, Fixtures, and Equipment, Net	8,642	77,690
Motor Vehicles, Net	-	107,451
Computer Software, Net	-	-
<b>Total Assets</b>	<u>144,927</u>	<u>684,481</u>
<b>Liabilities</b>		
Salaries and Benefits Payable	-	-
Accounts Payable	-	12,499
Due to other agencies	-	46,284
Long-Term Liabilities:		
Due Within One Year:		
Note Payable	-	98,412
Obligations Under Leases	-	-
Lease Purchase Agreements Payable	-	-
Due in More than One Year:		
Note Payable	-	-
Obligations Under Leases	-	-
Lease Purchase Agreements Payable	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>157,195</u>
<b>Deferred Revenue</b>	<u>1,600</u>	<u>-</u>
<b>Net Position</b>		
Net Investment in Capital Assets	8,642	225,564
Restricted for:		
Other Purposes	-	-
Unrestricted	134,685	301,722
<b>Total Net Position</b>	<u>\$ 143,327</u>	<u>\$ 527,286</u>



(Continued)

<b>Gulf Coast Academy Science and Technology, Inc. (Charter School)</b>	<b>Hernando County Education Direct Support Organization, Inc. (the Foundation)</b>	<b>Totals 2023</b>
\$ 399,227	\$ 641,633	\$ 1,517,525
-	65,828	78,253
47,235	-	47,235
-	426,117	426,117
6,879	5,029	19,608
-	411,525	411,525
-	-	-
1,280,934	-	1,379,346
-	-	40,423
95,475	32,273	214,080
59,770	-	167,221
-	-	-
<u>1,889,520</u>	<u>1,582,405</u>	<u>4,301,333</u>
-	-	-
33,949	-	46,448
-	-	46,284
20,789	-	119,201
-	-	-
75,189	-	75,189
19,463	-	19,463
-	-	-
<u>1,205,745</u>	<u>-</u>	<u>1,205,745</u>
<u>1,355,135</u>	<u>-</u>	<u>1,512,330</u>
-	89,071	90,671
114,993	32,273	381,472
-	1,469,029	1,469,029
419,392	(7,968)	847,831
<u>\$ 534,385</u>	<u>\$ 1,493,334</u>	<u>\$ 2,698,332</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**COMBINING SCHEDULE OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Charter Schools</b>				
<b>Governmental Activities:</b>				
Instruction	\$ 2,399,837	\$ 369,075	\$ 572,803	\$ -
Board	135,751	-	9,951	-
General Administration	95,084	-	1,882	-
School Administration	848,636	-	43,885	-
Facility Services - Non-Capitalized	52,599	-	-	108,301
Fiscal Services	7,517	-	-	-
Food Services	-	-	-	-
Student Transportation Services	93,257	-	-	-
Operation of Plant	246,782	-	32,461	-
Community Services	16,937	22,022	-	-
Interest on Long-Term Debt	102,130	-	-	-
Unallocated Depreciation	235,284	-	-	-
<b>Total Charter Schools</b>	<b>4,233,814</b>	<b>391,097</b>	<b>660,982</b>	<b>108,301</b>
<b>Hernando Education Foundation</b>	<b>1,288,786</b>	<b>-</b>	<b>1,532,884</b>	<b>-</b>
<b>Total Component Units</b>	<b>\$ 5,522,600</b>	<b>\$ 391,097</b>	<b>\$ 2,193,866</b>	<b>\$ 108,301</b>

**General Revenues:**

Grants and Contributions Not Restricted to  
Specific Programs

Other

**Total General Revenues**

**Change in Net Position**

**Net Position, July 1, 2022**

**Net Position, June 30, 2023**

<b>Total Charter Schools</b>	<b>Hernando Education Foundation</b>	<b>Total Component Units</b>
\$ (1,457,959)	\$ -	\$ (1,457,959)
(125,800)	-	(125,800)
(93,202)	-	(93,202)
(804,751)	-	(804,751)
55,702	-	55,702
(7,517)	-	(7,517)
-	-	-
(93,257)	-	(93,257)
(214,321)	-	(214,321)
5,085	-	5,085
(102,130)	-	(102,130)
(235,284)	-	(235,284)
(3,073,434)	-	(3,073,434)
-	244,098	244,098
(3,073,434)	244,098	(2,829,336)
3,239,847	-	3,239,847
-	-	-
3,239,847	-	3,239,847
166,413	244,098	410,511
1,038,585	1,249,236	2,287,821
\$ 1,204,998	\$ 1,493,334	\$ 2,698,332



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# Statistical Section





**HERNANDO**  
**SCHOOL DISTRICT**

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Learn it. Love it. Live it.

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

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

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

TABLE 1

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

	Fiscal Year Ending			
	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
<b>Primary Government:</b>				
Governmental Activities:				
Net Investment in Capital Assets	\$ 252,232,149	\$ 247,598,971	\$ 243,008,106	\$ 249,506,834
Restricted	31,149,082	34,480,595	36,222,596	41,168,493
Unrestricted	(3,116,673)	(84,211,485)	(78,168,863)	(79,918,029)
Total Governmental Activities Net Position	280,264,558	197,868,081	201,061,839	210,757,298
<b>Total Primary Government Net Position</b>	<b>\$ 280,264,558</b>	<b>\$ 197,868,081</b>	<b>\$ 201,061,839</b>	<b>\$ 210,757,298</b>

(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

Source: District records



Table 1 (Continued)

Fiscal Year Ending					
June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
\$ 255,798,875	\$ 268,410,915	\$ 277,874,189	\$ 281,484,392	\$ 286,623,238	\$ 319,451,372
32,481,524	35,433,091	38,946,428	56,297,775	38,946,428	104,400,855
(75,064,735)	(77,641,488)	(90,465,475)	(101,836,853)	(39,510,225)	(81,136,821)
213,215,664	226,202,518	226,355,142	235,945,314	286,059,441	342,715,406
<u>\$ 213,215,664</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>

TABLE 2  
DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
CHANGES IN NET POSITION - GOVERNMENT-WIDE  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)  
(Unaudited)

	Fiscal Year Ending		
	June 30, 2014	June 30, 2015	June 30, 2016
<b>Expenses</b>			
Governmental Activities:			
Instruction	\$ 105,662,000	\$ 106,464,738	\$ 105,595,214
Student Personnel Services	9,262,052	9,271,687	8,570,746
Instructional Media Services	2,118,740	2,189,442	1,832,370
Instruction and Curriculum Development Services	4,103,785	4,611,206	4,345,473
Instructional Staff Training Services	2,214,563	2,834,048	2,992,562
Instruction Related Technology	1,681,610	1,495,715	740,282
Board	460,573	480,877	501,111
General Administration	1,286,149	1,391,321	1,297,242
School Administration	11,230,650	11,254,519	11,166,980
Facility Services - Non-Capitalized	2,013,899	2,430,003	2,470,261
Fiscal Services	1,101,844	1,107,565	778,107
Food Services	10,901,515	10,428,835	10,358,424
Central Services	1,895,196	1,538,384	1,381,116
Student Transportation Services	8,120,089	7,905,288	6,980,040
Operation of Plant	14,998,980	14,866,067	14,482,370
Maintenance of Plant	4,786,141	4,715,632	5,201,852
Administrative Technology Services	1,944,813	2,140,357	2,580,640
Community Services	186,817	20,549	6,104
Unallocated Interest on Long-Term Debt	7,604,707	5,804,308	6,102,038
Unallocated Deprecation	15,209,697	12,079,806	12,090,214
Total Governmental Activities Expenses	206,783,820	203,030,347	199,473,146
<b>Program Revenues</b>			
Governmental Activities:			
Charges for Services			
Food Service	2,453,338	2,143,141	1,858,156
Transportation	157,721	152,795	152,003
Instruction	64,628	86,746	84,512
Operating Grants and Contributions	8,740,134	8,909,622	9,842,901
Capital Grants and Contributions	881,129	1,063,330	1,549,777
Total Governmental Activities Program Revenues	12,296,950	12,355,634	13,487,349
Net Expenses Governmental Activities	(194,486,870)	(190,674,713)	(185,985,797)
Total Primary Government Net Expenses	(194,486,870)	(190,674,713)	(185,985,797)
<b>General Revenues and Other Changes in Net Assets</b>			
Governmental Activities:			
Property Taxes			
Levied for Operational Purposes	45,785,613	45,018,129	46,435,418
Levied for Capital Projects	11,873,491	11,912,140	12,229,002
Local Sales Tax	9,007,765	5,284,711	4,955,233
Grants and Contributions not restricted to specific programs	114,790,011	117,033,440	120,575,310
Unrestricted Investment Earnings	479,244	(121,985)	276,542
Miscellaneous	5,641,459	2,661,570	4,708,050
Total Governmental Activities	187,577,583	181,788,005	189,179,555
Total Primary Government General Revenues and Other Changes in Net Position	187,577,583	181,788,005	189,179,555
<b>Change in Net Position</b>			
Governmental Activities	(6,909,287)	(8,886,708)	3,193,758
<b>Total Primary Government</b>	<u>\$ (6,909,287)</u>	<u>\$ (8,886,708)</u>	<u>\$ 3,193,758</u>

Source: District records

TABLE 2 (Continued)

Fiscal Year Ending						
June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
\$ 108,581,464	\$ 112,178,899	\$ 116,734,406	\$ 122,952,772	\$ 129,183,841	\$ 130,337,600	\$ 152,965,493
8,978,591	9,475,910	9,629,463	10,305,339	10,743,255	9,040,183	12,656,091
1,580,760	1,670,186	1,406,550	1,499,407	1,354,828	1,467,257	1,978,781
4,606,251	4,984,827	5,487,994	5,909,931	5,844,572	3,432,563	8,359,120
3,366,519	3,187,021	3,238,748	3,158,097	4,043,552	1,012,114	2,052,126
634,787	615,107	708,413	599,914	566,717	500,444	856,719
485,796	702,006	569,835	549,206	555,285	504,153	724,051
1,646,718	1,385,010	1,136,961	2,135,155	2,242,723	2,109,594	2,931,482
11,297,615	11,885,259	12,578,189	12,665,115	12,927,212	12,956,441	14,762,989
2,188,737	6,876,093	541,797	1,115,028	781,908	411,563	1,888,596
854,703	859,712	857,653	1,008,056	2,228,554	5,333,919	937,136
11,602,638	12,811,088	12,700,237	13,692,564	14,812,812	14,293,656	14,892,762
1,841,843	2,076,296	2,127,534	2,555,810	2,709,875	3,913,540	4,577,833
7,033,814	7,522,704	8,227,042	8,070,432	7,855,689	8,742,051	10,198,208
14,972,754	16,363,264	16,987,276	18,265,529	19,049,816	17,905,368	21,535,181
5,374,764	5,412,786	5,885,546	7,227,468	6,539,336	7,215,558	8,778,105
2,734,734	2,889,131	2,939,278	4,592,787	3,115,093	2,287,312	3,129,258
1,452	983	1,420	10,358	11,424	14,358	18,909
4,042,505	3,781,555	3,606,715	3,391,682	3,315,159	3,170,428	3,127,133
11,339,724	12,024,965	12,888,627	13,334,789	14,169,364	14,594,703	16,695,695
203,166,169	216,702,802	218,253,684	233,039,439	242,051,015	239,242,805	283,065,668
1,796,468	1,394,814	709,880	355,162	83,477	347,192	517,800
150,590	167,416	148,583	84,271	48,475	111,047	107,183
87,244	107,632	151,301	118,511	496,167	103,514	771,661
9,731,565	11,623,384	14,072,478	12,519,029	13,037,352	17,525,053	17,981,563
1,536,802	3,131,121	1,624,966	948,688	1,195,883	2,506,667	9,511,718
13,302,669	16,424,367	16,707,208	14,025,661	14,861,354	20,593,473	28,889,925
(189,863,500)	(200,278,435)	(201,546,476)	(219,013,778)	(227,189,661)	(218,649,332)	(254,175,743)
(189,863,500)	(200,278,435)	(201,546,476)	(219,013,778)	(227,189,661)	(218,649,332)	(254,175,743)
44,718,926	45,514,011	45,800,900	47,671,751	48,974,618	63,091,303	77,205,187
12,489,651	13,334,037	14,191,789	15,329,228	16,643,434	18,003,490	23,083,928
10,391,995	11,353,186	11,015,453	11,578,748	13,157,697	16,754,625	19,150,406
127,269,757	130,386,623	135,980,854	136,360,977	150,721,592	159,590,773	173,718,335
305,927	431,310	1,098,468	328,709	78,700	173,776	4,047,804
4,382,703	4,041,105	6,445,866	7,896,989	5,278,081	11,149,492	13,809,052
199,558,959	205,060,272	214,533,330	219,166,402	234,854,122	268,763,459	311,014,712
199,558,959	205,060,272	214,533,330	219,166,402	234,854,122	268,763,459	311,014,712
9,695,459	4,781,837	12,986,854	152,624	7,664,461	50,114,127	56,838,969
\$ 9,695,459	\$ 4,781,837	\$ 12,986,854	\$ 152,624	\$ 7,664,461	\$ 50,114,127	\$ 56,838,969

TABLE 3

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

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

(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.

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Source: District records

TABLE 3 (Continued)

June 30, 2018	Fiscal Year Ending				
	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
\$ 45,514,011	\$ 45,800,900	\$ 47,671,751	\$ 48,974,618	\$ 68,091,303	\$ 77,205,187
13,334,037	14,191,789	15,329,228	16,643,434	18,003,490	23,083,928
11,353,186	11,015,453	11,578,748	13,157,697	16,754,625	19,150,406
<u>\$ 70,201,234</u>	<u>\$ 71,008,142</u>	<u>\$ 74,579,727</u>	<u>\$ 78,775,749</u>	<u>\$ 102,849,418</u>	<u>\$ 119,439,521</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)

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

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Source: District records

TABLE 4 (Continued)

June 30, 2018	June 30, 2019	June 30, 2020	Fiscal Year Ending		
			June 30, 2021	June 30, 2022	June 30, 2023
\$ 1,465,072	\$ 1,342,406	\$ 1,451,517	\$ 1,220,315	\$ 1,293,614	\$ 1,104,803
553,807	1,173,775	1,043,221	1,970,831	5,148,267	5,357,323
5,220,275	4,935,020	14,719,921	13,849,562	17,562,507	17,025,312
18,369,962	22,945,943	12,745,823	17,337,550	18,543,759	24,667,145
<u>\$ 25,609,116</u>	<u>\$ 30,397,144</u>	<u>\$ 29,960,482</u>	<u>\$ 34,378,258</u>	<u>\$ 42,548,147</u>	<u>\$ 48,154,583</u>
\$ 119,702	\$ 80,796	\$ 377,058	\$ 227,849	\$ 181,367	\$ 46,474
27,870,166	34,259,316	37,383,820	54,099,095	78,912,964	99,043,535
4,091,654	-	4,716,605	-	-	-
-	-	-	-	-	-
<u>\$ 32,081,522</u>	<u>\$ 34,340,112</u>	<u>\$ 42,477,483</u>	<u>\$ 54,326,944</u>	<u>\$ 79,094,331</u>	<u>\$ 99,090,009</u>
<u>\$ 57,690,638</u>	<u>\$ 64,737,256</u>	<u>\$ 72,437,965</u>	<u>\$ 88,705,202</u>	<u>\$ 121,642,478</u>	<u>\$ 147,244,592</u>

TABLE 5

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

	Fiscal Year Ending			
	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
<b>Revenues</b>				
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 211,147	\$ 214,600	\$ 212,975	\$ 204,649
Miscellaneous Federal Direct	-	-	-	5,527
Total Federal Direct	211,147	214,600	212,975	210,176
Federal Through State and Local Sources:				
Food Service	7,948,367	7,980,511	8,925,859	8,805,504
Donated Foods and Cash in Lieu of	646,529	787,997	780,408	794,049
Other Federal Through State and Local Grants	12,883,165	14,004,179	12,497,218	13,393,272
Total Federal Through State and Local Sources	21,478,061	22,772,687	22,203,485	22,992,825
State Sources:				
Florida Education Finance Program (FEFP)	75,288,663	77,610,844	82,146,741	87,411,334
Other Categoricals	338,778	588,486	1,251,270	388,271
Class Size Reduction	23,768,179	23,277,212	23,405,339	23,665,654
District Discretionary Lottery Funds	209,627	76,689	74,859	363,643
Motor Vehicle License Tax (Capital Outlay and Debt Service)	881,096	890,774	871,031	891,311
Gross Receipts Tax (Public Education Capital Outlay)	-	171,925	678,746	645,305
Food Services	145,238	141,114	136,634	132,012
Other State Sources and State Grants	2,156,177	1,259,137	1,265,011	1,837,593
Total State Sources	102,787,758	104,016,181	109,829,631	115,335,123
Local Sources:				
Ad Valorem Taxes	57,659,104	56,930,269	58,664,420	57,208,577
Food Services Sales	2,453,338	2,143,141	1,853,722	1,796,468
Sales Taxes	9,007,765	5,284,711	4,955,233	10,391,995
Impact Fees	-	-	-	1,631,051
Investment Income	479,244	(121,985)	75,400	304,548
Local Grants and Other Local Sources	4,763,741	2,324,313	4,583,457	2,728,271
Total Local Sources	74,363,192	66,560,449	70,132,232	74,060,910
<b>Total Revenues</b>	<b>198,840,158</b>	<b>193,563,917</b>	<b>202,378,323</b>	<b>212,599,034</b>
<b>Expenditures</b>				
Current:				
Instruction	104,389,399	108,232,447	106,537,953	105,150,370
Student Personnel Services	9,152,498	9,427,045	8,647,264	8,694,875
Instructional Media	2,095,267	2,227,387	1,848,730	1,530,809
Instruction & Curriculum Development Services	4,063,373	4,694,020	4,384,269	4,460,697
Instructional Staff Training Services	2,198,139	2,887,886	3,019,279	3,260,140
Instruction Related Technology	1,661,574	1,518,686	746,891	614,729
Board	456,414	489,759	505,584	470,445
General Administration	1,297,673	1,408,320	1,308,823	1,446,155
School Administration	11,132,690	11,449,262	11,266,677	10,940,618
Facility Services - Non-Capitalized	2,014,145	2,483,626	2,530,237	261,216
Fiscal Services	1,091,962	1,127,499	785,054	827,696
Food Services	10,777,737	10,606,646	10,447,569	11,231,422
Central Services	1,874,395	1,563,721	1,393,002	1,782,914
Student Transportation Services	8,013,177	8,020,090	7,040,108	6,809,430
Operation of Plant	14,591,305	15,141,503	14,607,003	14,496,847
Maintenance of Plant	4,728,859	4,793,969	5,247,754	5,199,010
Administrative Technology Services	1,923,355	2,179,690	2,602,849	2,647,241
Community Services	185,766	21,017	6,159	1,406
Fixed Capital Outlay:				
Facilities Acquisition & Construction	491,326	534,263	5,584,160	15,650,703
Other Capital Outlay	871,600	1,004,850	875,413	321,446
Debt Service:				
Principal	12,338,922	12,283,682	5,164,115	4,711,753
Interest	6,692,404	5,882,626	3,541,896	4,680,315
Dues and Fees	-	13,494	642,355	153,375
Miscellaneous	113,267	-	632	-
<b>Total Expenditures</b>	<b>202,155,247</b>	<b>207,991,488</b>	<b>198,733,776</b>	<b>205,343,612</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(3,315,089)</b>	<b>(14,427,571)</b>	<b>3,644,547</b>	<b>7,255,422</b>
<b>Other Financing Sources (Uses)</b>				
Refunding Note Payable Issued	-	-	-	-
Refunding Bonds Issued	29,685,000	1,299,000	90,645,000	-
Premium on Refunding Bonds	82,496	123,525	11,553,598	-
Insurance Loss Recoveries	57,181	87,923	59,145	28,595
Payments to Refunding Bonds Escrow Agent	(28,877,849)	(1,778,601)	(101,091,855)	-
Transfers In	21,214,610	20,582,195	24,921,175	9,891,305
Transfers Out	(21,214,610)	(20,582,195)	(24,921,175)	(9,891,306)
<b>Total Other Financing Sources (Uses)</b>	<b>946,828</b>	<b>(268,153)</b>	<b>1,165,888</b>	<b>28,594</b>
Net Change in Fund Balance	(2,368,261)	(14,695,724)	4,810,435	7,284,016
Debt Service as a Percentage of Non-Capital Expenditures	9.5%	8.8%	4.5%	5.0%
Beginning Fund Balance	58,800,627	56,432,366	41,736,642	46,547,078
Restated Beginning Fund Balance				
<b>Ending Fund Balance</b>	<b>\$ 56,432,366</b>	<b>\$ 41,736,642</b>	<b>\$ 46,547,077</b>	<b>\$ 53,831,094</b>

Source: District records



TABLE 5 (Continued)

Fiscal Year Ending					
June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
\$ 199,442	\$ 204,705	\$ 207,672	\$ 223,901	\$ 227,294	\$ 240,537
4,705	61,743	77,228	217,530	223,242	49,773
204,147	266,448	284,900	441,431	450,536	290,309
10,707,799	13,046,405	11,237,891	12,931,434	15,896,064	17,171,986
787,894	892,106	1,124,155	1,086,531	1,136,010	1,116,862
14,539,840	15,239,374	14,451,098	20,454,458	26,785,599	40,950,790
26,035,533	29,177,885	26,813,144	34,472,423	43,817,673	59,239,638
88,568,231	93,120,031	97,631,835	100,134,574	101,742,394	105,546,861
814,639	565,063	573,537	-	612,537	472,860
23,526,247	23,919,919	24,039,718	24,305,383	23,264,260	23,861,944
38,604	75,470	22,391	-	-	-
891,291	905,266	936,148	239,682	1,001,454	1,028,091
435,038	440,908	-	-	1,664,776	222,298
127,689	133,967	156,983	186,330	188,114	188,223
3,019,837	3,979,185	1,308,368	2,536,753	1,306,936	10,209,126
117,421,576	123,139,809	124,668,980	127,402,722	129,780,471	141,529,403
58,848,048	59,992,688	62,930,323	65,618,052	81,094,793	99,610,398
1,394,814	709,880	372,581	83,477	344,695	517,800
11,353,186	11,015,453	11,636,400	13,157,697	16,754,625	19,150,406
1,748,325	2,427,403	2,153,894	3,767,707	6,748,927	5,553,709
431,310	1,098,465	905,006	75,493	176,982	3,907,735
3,705,566	3,090,070	4,077,705	7,024,051	9,890,873	9,850,747
77,481,249	78,333,959	82,075,909	89,726,477	115,010,896	138,590,795
221,142,505	230,918,101	233,842,933	252,043,053	289,059,576	339,650,145
108,971,048	112,707,854	115,928,362	119,531,768	130,435,870	153,060,784
9,205,158	9,297,311	9,716,584	10,049,020	11,760,634	12,663,969
1,622,464	1,358,033	1,413,745	1,267,135	3,366,945	1,980,013
4,841,452	5,298,695	5,572,290	5,454,926	3,616,321	8,364,324
3,095,004	3,127,033	2,977,672	3,745,518	3,305,382	2,053,404
597,531	683,977	565,640	530,295	613,519	857,253
681,947	550,179	517,829	519,598	531,142	724,502
1,336,897	1,399,321	1,879,884	2,098,585	2,664,260	2,922,029
11,545,666	11,835,587	11,941,545	12,096,392	13,650,044	14,772,178
6,862,457	522,988	1,051,204	2,125,888	875,864	2,426,969
835,148	828,070	950,464	4,010,033	5,619,462	937,720
12,427,740	12,256,971	12,905,046	13,855,274	15,052,429	14,895,060
2,016,197	2,053,324	2,408,961	2,534,836	4,122,027	4,579,576
7,305,505	7,940,862	7,606,933	7,348,871	9,342,974	10,201,330
15,892,768	16,398,181	17,218,820	17,430,751	18,860,015	21,544,359
5,251,839	5,675,832	6,807,784	6,111,917	7,593,551	8,774,570
2,805,435	2,836,674	4,329,162	2,913,586	2,408,255	3,129,570
956	1,372	9,768	10,690	15,122	18,844
10,977,330	19,014,189	13,741,576	16,736,877	19,802,867	40,168,689
648,085	-	-	793,440	-	-
6,073,736	5,868,985	7,483,165	4,736,872	4,866,977	6,166,953
4,419,363	4,244,523	4,083,318	3,942,783	3,798,052	3,754,757
8,791	7,418	141,364	11,914	12,054	11,271
-	-	-	-	-	-
217,422,517	223,907,379	229,251,116	237,856,969	262,313,766	314,008,124
3,719,988	7,010,722	4,591,817	14,186,084	26,745,810	25,642,021
-	-	4,674,633	-	5,960,850	-
-	-	-	-	-	-
-	-	-	-	-	-
126,856	35,896	29,612 (902,705)	21,055	47,612	48,913
14,749,455	13,003,285	13,216,414	9,528,702	10,680,785	17,925,210
(14,749,455)	(13,003,285)	(13,216,414)	(9,528,702)	(10,680,785)	(17,925,210)
139,556	35,896	3,801,540	21,055	6,008,462	48,913
3,859,544	7,046,618	8,393,357	14,207,139	32,754,272	25,690,934
5.1%	4.9%	5.4%	3.9%	3.6%	3.6%
53,831,094	57,690,638	64,737,256	73,130,613	88,705,202	121,459,474
\$ 57,690,638	\$ 64,737,256	\$ 73,130,613	\$ 88,570,813	\$ 121,459,474	\$ 147,244,592

TABLE 6

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

Fiscal Year	Property Tax		Sales Tax		Total Governmental Activities
	General Fund	Capital Projects Funds	Capital Projects Funds		
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
2014-2015	45,018,129	11,912,140	5,284,711		62,214,980
2013-2014	45,785,613	11,873,491	9,007,765		66,666,869

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

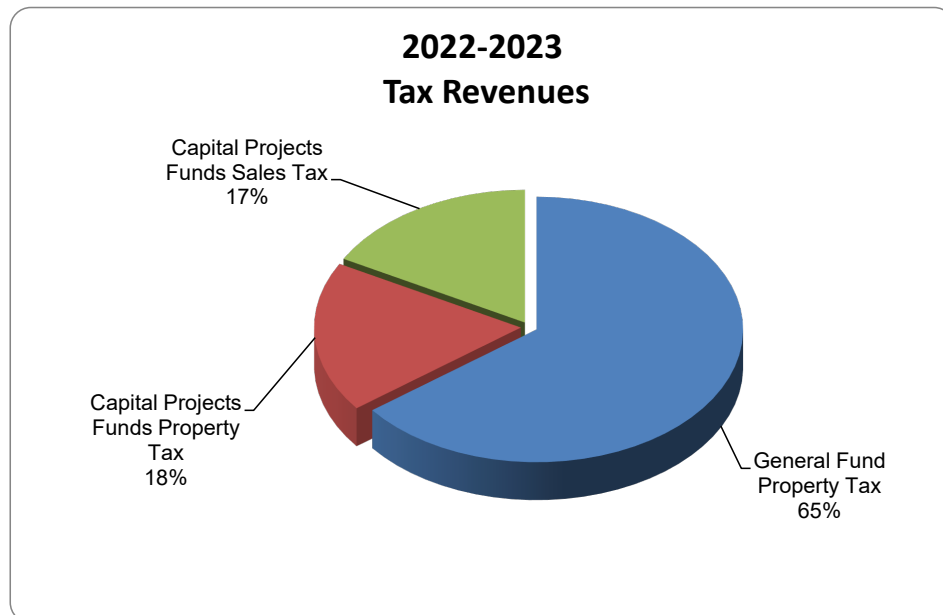


TABLE 7

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		
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
2014-2015	10,349,863	1,606,000	9,507,309	1,604,589	2,399,670	608,798	7,170,639	995,791	7,842	8,174,272	73.56%	15.3433
2013-2014	9,989,311	1,602,911	9,368,594	1,594,242	2,417,252	627,891	6,951,343	966,351	7,626	7,925,320	72.29%	15.4480

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

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

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

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

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

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

Source: Hernando County Property Appraiser

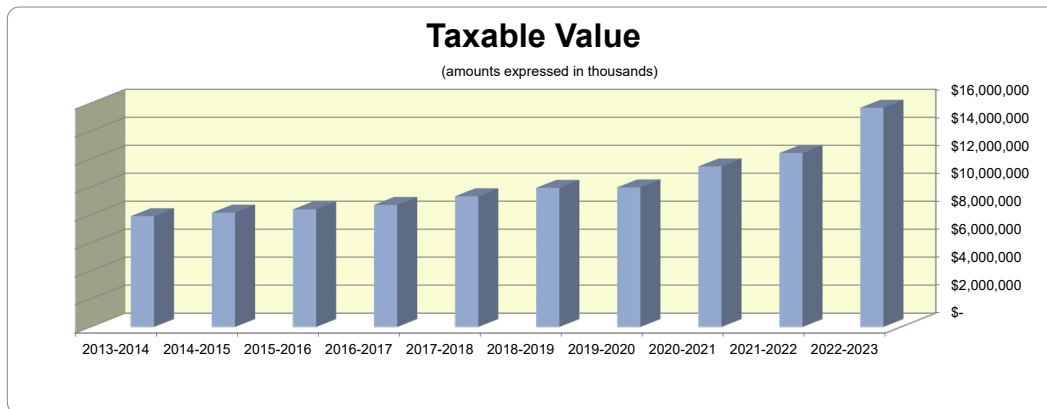


TABLE 8

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

	Fiscal Year Ending				
	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
<b>District Direct Rates</b>					
District School Board:					
Local Required Effort	5.0320	4.9190	4.9480	4.6210	4.3710
Discretionary Local	0.7480	0.7480	0.7480	0.7480	0.7480
Supplemental Discretionary	0.0000	0.0000	0.0000	0.0000	0.0000
Voted Debt Service	0.0000	0.0000	0.0000	0.0000	0.0000
Local Capital Improvement	1.5000	1.5000	1.5000	1.5000	1.5000
<b>Total District School Board Direct Rates</b>	<b>7.2800</b>	<b>7.1670</b>	<b>7.1960</b>	<b>6.8690</b>	<b>6.6190</b>
<b>Overlapping Rates</b>					
Other Hernando County:					
General Fund	6.8669	6.9912	6.9912	6.9912	6.8912
Public Health	0.1102	0.1102	0.1102	0.1102	0.1102
Road and Bridge	0.7091	0.7091	0.7091	0.7091	0.7091
Recreation/Sensitive Lands	0.1000	0.0000	0.0000	0.0000	0.0000
Special Ad Valorem Districts	0.6673	0.6673	0.7839	0.7839	0.7839
Total Other Hernando County Rates	8.4535	8.4778	8.5944	8.5944	8.4944
Southwest Florida Water Management Districts (SWFWMD):					
SWFWMD County-Wide	0.3818	0.3658	0.3468	0.3317	0.3131
Hillsborough Basin					
Withlacoochee Basin	0.0000	0.0000	0.0000	0.0000	0.0000
Coastal Basin	0.0000	0.0000	0.0000	0.0000	0.0000
Total Southwest Florida Water Management Districts	0.3818	0.3658	0.3468	0.3317	0.3131
Municipalities:					
City of Brooksville	6.7317	6.6962	6.6439	6.6426	6.9763
City of Weeki Wachee	2.7654	2.6267	2.7622	2.8478	2.8470
Total Municipalities	9.4971	9.3229	9.4061	9.4904	9.8233
<b>Total Overlapping Rates (1)</b>	<b>18.3324</b>	<b>18.1665</b>	<b>18.3473</b>	<b>18.4165</b>	<b>18.6308</b>
<b>Base Millage Rate (2)</b>	<b>15.4480</b>	<b>15.3433</b>	<b>15.3533</b>	<b>15.0112</b>	<b>14.6426</b>

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

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

Source: Hernando County Property Appraiser

TABLE 8 (Continued)

Fiscal Year Ending				
June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
4.0920	3.9150	3.6650	3.5290	3.2770
0.7480	0.7480	0.7480	0.7480	0.7480
0.0000	0.0000	0.0000	1.0000	1.0000
0.0000	0.0000	0.0000	0.0000	0.0000
1.5000	1.5000	1.5000	1.5000	1.5000
<u>6.3400</u>	<u>6.1630</u>	<u>5.9130</u>	<u>6.7770</u>	<u>6.5250</u>
6.8912	7.8912	7.6412	7.4412	6.9912
0.1102	0.1102	0.1102	0.1102	0.1102
0.7091	0.7091	0.7091	0.8091	0.8091
0.0000	0.0000	0.0000	0.0000	0.0000
1.0239	1.0239	1.0239	1.0239	1.0239
<u>8.7344</u>	<u>9.7344</u>	<u>9.4844</u>	<u>9.3844</u>	<u>8.9344</u>
0.2955	0.2801	0.2669	0.2535	0.2260
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
<u>0.2955</u>	<u>0.2801</u>	<u>0.2669</u>	<u>0.2535</u>	<u>0.2260</u>
6.2000	6.2000	5.9000	5.9000	5.9000
2.8421	2.8658			
<u>9.0421</u>	<u>9.0658</u>	<u>5.9000</u>	<u>5.9000</u>	<u>5.9000</u>
<u>18.0720</u>	<u>19.0803</u>	<u>15.6513</u>	<u>15.5379</u>	<u>15.0604</u>
14.3460	15.1536	14.6404	15.3910	14.6615

TABLE 9

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

Taxpayer	2022-2023				2013-2014			
	Type of Business	Taxable Value	Rank	Percent of Taxable Value (1)	Type of Business	Taxable Value	Rank	Percent of Taxable Value (1)
Cemex, Inc.	Cement Manufacturing	\$ 289,449,190	1	1.85%	Cement Manufacturing	265,911,477	1	3.81%
Withlacoochee River Electric Co-op	Public Utility	238,358,181	2	1.52%	Public Utility	\$ 174,949,722	2	2.51%
Duke Energy (Florida Power Corporation)	Public Utility	114,782,839	3	0.73%	Public Utility	69,124,126	4	0.99%
HCA Health Services of Florida, Inc.	Hospital/ Health Care	76,889,567	4	0.49%	Hospital/ Health Care	36,427,408	7	0.52%
Wal-Mart Regional Distribution	Retail Sales	74,743,601	5	0.48%				
BW Hibiscus Springs LLC	Apartments	55,972,149	6	0.36%				
Wal-Mart Stores, Inc.	Retail Sales	52,209,274	7	0.33%	Retail Sales	118,429,014	3	1.70%
Florida Gas Transmission Co.	Utilities	49,320,671	8	0.31%	Public Utility	52,484,745	5	0.75%
Oak Hill Hospital	Hospital	37,556,556	9	0.24%				
Wal-Mart Stores East LP	Retail Sales	35,728,914	10	0.23%				
AT&T Florida					Telecommunications	46,769,534	6	0.67%
Bright House Networks					Cable Utility	33,694,274	8	0.48%
Millennium Venture Limited					Senior Care	22,503,210	9	0.32%
Federal National Mortgage Assoc					Real Estate	20,054,030	10	0.29%

(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
2022-2023	102,305,623	\$ 97,345,787	95.15%	\$ 2,943,329	\$ 100,289,115	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%
2014-2015	58,585,003	56,797,930	96.95%	132,339	56,930,269	97.18%
2013-2014	57,696,331	57,372,277	99.44%	286,827	57,659,104	99.94%

(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)
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	619	1.71%
2017-2018	-	1,967,869	114,976,325	2,040,000	-	2,313,347	-	121,297,541	654	1.81%
2016-2017	-	2,607,978	119,648,434	2,140,000	-	3,598,654	-	127,995,066	703	2.09%
2015-2016	-	3,217,089	111,464,668	2,235,000	-	4,860,255	-	121,777,012	674	2.08%
2014-2015	-	3,877,466	123,451,185	2,325,000	-	6,097,551	-	135,751,202	764	2.43%
2013-2014	-	5,065,436	127,485,183	2,410,000	6,415,592	7,262,686	50,273	148,689,170	847	2.65%

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

Source:

(1) District Records

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



TABLE 12

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

Jurisdiction	Other Debt Outstanding	Direct Debt		Direct and Overlapping Debt (1)	
		Percentage Applicable to School Board of Hernando County	Amount Applicable to School Board of Hernando County	Percentage Applicable To Hernando County	Amount Applicable To Hernando County
Hernando County Board of County Commissioners:					
Non-Revolving Line of Credit Draws	\$ 12,655,337			100.00%	\$ 12,655,337
Non-Ad Valorem Refunding Bonds, Series 2010	425,000			100.00%	425,000
Non-Ad Valorem Refunding Bonds, Series 2012	7,266,000			100.00%	7,266,000
Non-Ad Valorem Refunding Bonds, Series 2023	4,062,000			100.00%	4,062,000
Subtotal Overlapping Debt	24,408,337				24,408,337
District School Board of Hernando County:					
State Board of Education Bonds, Series 2014A Refundin	101,000	100.00%	101,000	100.00%	101,000
State Board of Education Bonds, Series 2020A Refundin	563,000	100.00%	563,000	100.00%	563,000
Bonds Payable - Unamortized Premium	123,414	100.00%	123,414	100.00%	123,414
District Bonds - Master Lease	4,811,332	100.00%	4,811,332	100.00%	4,811,332
Certificates of Participation, Series 2016A	82,190,000	100.00%	82,190,000	100.00%	82,190,000
Certificates of Participation - Unamortized Premium	7,509,838	100.00%	7,509,838	100.00%	7,509,838
Capital Improvement Bonds, Series 2020 Refunding	3,225,000	100.00%	3,225,000	100.00%	3,225,000
Capital Improvement Bonds - Unamortized Premium	241,562	100.00%	241,562	100.00%	241,562
Subtotal Direct Debt	98,765,146		98,765,146		98,765,146
<b>Totals</b>	<b>\$ 123,173,483</b>		<b>\$ 98,765,146</b>		<b>\$ 123,173,483</b>

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

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

TABLE 13

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

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

(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.

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Source: District Records

TABLE 13 (Continued)

Fiscal Year Ending					
June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
<u>\$ 9,346,958</u>	<u>\$ 9,949,228</u>	<u>\$ 9,980,807</u>	<u>\$ 11,477,508</u>	<u>\$ 12,437,585</u>	<u>\$ 15,679,022</u>
<u>\$ 934,696</u>	<u>\$ 994,923</u>	<u>\$ 998,081</u>	<u>\$ 1,147,751</u>	<u>\$ 1,243,759</u>	<u>\$ 1,567,902</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 934,696</u>	<u>\$ 994,923</u>	<u>\$ 998,081</u>	<u>\$ 1,147,751</u>	<u>\$ 1,243,759</u>	<u>\$ 1,567,902</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
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%	
2014-2015	177,584	8,174,271	-	-	-	0.00%	
2013-2014	175,502	7,925,320	-	-	-	0.00%	

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

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

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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	95% Net Taxable Assessed Value	Annual Lease Payment	Millage Levy to Provide 1.00x Coverage (1)
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
2014-2015	8,174,271	7,847	9,254	1.179 Mills
2013-2014	7,925,320	7,608	9,376	1.232 Mills

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

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

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Source: District records

TABLE 16

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

<u>Fiscal Year</u>	<u>10-Year Sales Tax Revenue (1)</u>	<u>Principal</u>	<u>Interest and Dues &amp; Fees</u>	<u>Annual Debt Service on Sales Tax Revenue Bonds</u>	<u>Sales Tax Revenue Coverage (2)</u>
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				
2014-2015	5,284,711	6,415,000	118,175	6,533,175	0.81
2013-2014	9,007,765	6,180,000	353,449	6,533,449	1.38

(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.

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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)
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%
2014-2015	177,584	5,580,044	31,422	22,444	65.1%	66,785	7.0%	47.7	15.5%
2013-2014	175,502	5,603,252	31,927	22,186	64.3%	64,040	8.4%	47.7	15.7%

## Source:

- (1) Hernando County Monthly Demographics Update Summary - through December 2023  
 (2) Personal Income was calculated by multiplying the Estimated Population and Per Capita Income. Personal Income stated in thousands.  
 (3) District enrollment records as of August 31, 2023  
 (4) U.S. Census Bureau - State & County Quickfacts  
 Bachelor's degree or higher, % of persons 25+ 2015-2019  
 (5) Food & Nutrition Data as of 04/30/23 (Free 55.76% Reduced 4.33% =60.09%)



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TABLE 18

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

Employer / Type of Business	2022-2023			2021-2022	
	Number of Employees	Rank	% (1)	Number of Employees	Rank
Citrus Memorial Health Care Systems	1,320	1	1.7%	1,320	1
Oak Hill Hospital Healthcare	1,089	2	1.4%	1,089	2
Hernando Healthcare	1,032	3	1.3%	1,032	3
Wal-Mart Distribution Center	1,020	4	1.3%	1,020	4
Heart Institute at Oak Hill Hospital Health Care	947	5	1.2%	947	5
HealthSouth	355	6	0.5%	355	6
Accuform, Inc. Manufacturer	280	7	0.4%	280	7
Cemex #426 Mining	250	8	0.3%	250	8
Hernando Pasco Hospice Healthcare	221	9	0.3%	221	9
Sparton Electronics Manufacturer	219	10	0.3%	219	10
Total	<u>6,733</u>		<u>9.5%</u>	<u>6,733</u>	

(1) Percentage shown represents the number of employees as a percent of Hernando County's total labor force of 81,263

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)
<b>Elementary Schools:</b>							
Brooksville Elementary	1968	55	120,515	839	76.4%	6	114
Chocachatti Elementary (Magnet)	1998	25	111,288	737	98.5%	7	256
Deltona Elementary	1989	34	114,971	743	109.8%	6	134
Eastside Elementary	1973	50	93,669	736	82.7%	5	106
John D. Floyd Elementary	1986	37	108,313	696	139.2%	16	451
Moton Elementary	1989	34	95,943	755	75.9%	3	80
Pine Grove Elementary	1988	35	123,523	742	116.6%	12	332
Spring Hill Elementary	1980	43	95,285	588	139.8%	11	291
Suncoast Elementary	1994	29	132,340	876	102.9%	2	66
Westside Elementary	1972	51	85,475	634	80.8%	13	240
<b>Total Elementary School Student Enrollment</b>							
<b>Middle Schools:</b>							
Fox Chapel Middle School	1978	45	123,502	1,142	64.2%	10	198
D. S. Parrott Middle School	1988	35	147,522	1,156	56.4%		
Powell Middle School	1984	39	157,398	1,259	77.9%		
West Hernando Middle School	1993	30	198,184	1,321	54.4%	3	132
<b>Total Middle School Student Enrollment</b>							
<b>Combination Schools:</b>							
Challenger K-8 School of Science and Mathematics (Magnet)	2004	19	241,418	1,741	84.8%	1	44
Explorer K-8	2008	15	277,548	2,076	79.8%		
Winding Waters K-8	2012	11	196,498	1,845	70.5%	5	110
<b>Total Combination School Student Enrollment</b>							
<b>High Schools:</b>							
Central High School	1989	34	244,492	1,588	82.6%	4	100
Hernando High School	1962	61	247,679	1,661	72.8%	5	125
Nature Coast Technical High School (Magnet)	2001	22	255,290	1,440	92.2%		
Springstead High School	1975	48	224,751	1,683	102.3%	21	500
Weeki Wachee High School (Grades 9-12)	2011	12	211,964	1,665	80.7%		
<b>Total High School Student Enrollment</b>							
<b>Specialty Schools:</b>							
Endeavor Academy (formerly STAR Center)	1974	49	19,260	121	95.9%	4	70
Hernando eSchool	N/A		N/A	N/A	N/A	N/A	N/A
Incarcerated Youth Program	N/A		N/A	N/A	N/A	N/A	N/A
Stop Camp/Withlacoochee DJJ	N/A		N/A	N/A	N/A	N/A	N/A
<b>Total Specialty Schools Student Enrollment</b>							
<b>Charter Schools:</b>							
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
<b>Total Charter School Student Enrollment</b>							
<b>Total Pre-Kindergarten to Grade 12 Student Enrollment</b>							
<b>Adult Education:</b>							
Adult Education Centers	N/A		N/A	N/A	N/A	N/A	N/A
Heart Literacy	1986	37	3,598	N/A	N/A	N/A	N/A
<b>Total Adult Student Enrollment</b>							
<b>District Total Pre-Kindergarten to Adult Student Enrollment</b>							

(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 35.4 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								
2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
782	661	641	648	674	662	666	646	669
762	744	726	739	736	704	756	786	778
922	793	816	828	808	686	795	829	861
528	580	609	652	663	598	684	732	736
-	-	969	954	945	888	940	945	964
603	640	573	569	551	539	650	672	675
650	763	865	914	948	844	905	982	1,038
735	749	822	924	870	795	924	911	885
988	860	901	891	908	777	841	877	920
564	518	512	557	582	516	542	518	529
6,534	6,308	7,434	7,676	7,685	7,009	7,703	7,898	8,055
594	698	733	772	751	729	830	884	780
683	632	652	661	724	763	824	833	715
797	922	981	1,013	1,082	934	970	1,004	1,057
617	660	718	689	694	610	720	690	657
2,691	2,912	3,084	3,135	3,251	3,036	3,344	3,411	3,209
1,574	1,542	1,477	1,429	1,397	1,369	1,453	1,471	1,458
1,748	1,668	1,656	1,686	1,689	1,503	1,574	1,601	1,564
1,391	1,298	1,301	1,378	1,391	1,277	1,605	1,649	1,653
4,713	4,508	4,434	4,493	4,477	4,149	4,632	4,721	4,675
1,160	1,253	1,312	1,267	1,259	1,173	1,295	1,427	1,448
1,189	1,179	1,209	1,161	1,205	1,221	1,228	1,292	1,267
1,266	1,327	1,327	1,457	1,404	1,325	1,312	1,309	1,361
1,656	1,784	1,722	1,724	1,791	1,678	1,912	1,888	1,899
1,459	1,402	1,343	1,278	1,274	1,196	1,444	1,433	1,435
6,730	6,945	6,913	6,887	6,933	6,593	7,191	7,349	7,410
71	104	116	125	133	108	106	127	180
5	7	55	49	43	76	212	65	62
9	9	8	2	2	-	2	1	
-	-	-	-	-	-	-		
85	120	179	176	178	184	320	193	242
126	121	130	119	90	60	75	75	97
-	-	-	-	-	114	123	121	117
107	109	110	-	-	-	-		
130	128	124	236	236	236	218	213	217
363	358	364	355	326	410	416	409	431
21,116	21,151	22,408	22,722	22,850	21,381	23,606	23,981	24,022
49	35	28	53	53	24	40	83	109
261	86	96	101	123	73	63	66	124
310	121	124	154	176	97	103	149	233
21,426	21,272	22,532	22,876	23,026	21,478	23,709	24,130	24,255

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
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
2014-2015	1,514	98	95	1,230	2,937	16.97
2013-2014	1,507	69	96	1,135	2,807	16.42

(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.

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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
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
2014-2015	43,026	48,930	48,131	47,402
2013-2014	40,614	49,042	40,453	52,577

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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
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
2014-2015	203,030,347	22,444	1.2%	9,046	-2.9%	1,514	0.5%	14.82
2013-2014	206,783,822	22,186	-0.2%	9,320	4.7%	1,507	-1.2%	14.72

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

Source: District records

# COMPLIANCE SECTION





**HERNANDO**  
**SCHOOL DISTRICT**

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

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

<b>Content</b>	<b>Page</b>
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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	121-122
Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	123-125
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**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY**  
**SCHEDULE 5**  
**For the Fiscal Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
<b>Clustered</b>			
<b>Child Nutrition Cluster:</b>			
United States Department of Agriculture:			
Florida Department of Agriculture and Consumer Services:			
School Breakfast Program	10.553	21002	\$ 3,081,264
National School Lunch Program	10.555	21001, 21003	12,175,917
Supply Chain Assistance	10.555	22020	1,420,368
<b>Total Child Nutrition Cluster</b>			<b>16,677,549</b>
<b>Student Financial Assistance Cluster:</b>			
United States Department of Education:			
Federal Pell Grant Program	84.063	N/A	<b>173,056</b>
<b>Special Education Cluster:</b>			
United States Department of Education			
Florida Department of Education:			
Special Education - Grants to States	84.027	262,263	4,788,496
Special Education - Preschool Grants	84.173	267	69,833
ARP IDEA Pre-K - Individuals with Disabilities Education Act	84.173X	267	61,705
ARP IDEA K-12 - Individuals with Disabilities Education Act,	84.027X	263	567,000
<b>Total Special Education Cluster</b>			<b>5,487,035</b>
<b>Not Clustered</b>			
<b>United States Department of Agriculture:</b>			
Florida Department of Health:			
Child and Adult Care Food Program	10.558	A-4575	494,436
<b>Total United States Department of Agriculture</b>			<b>494,436</b>
<b>United States Department of Defense:</b>			
Air Force Junior Reserve Officers Training Corps	12 UNK	N/A	146,614
Navy Junior Reserve Officers Training Corps	12 UNK	N/A	93,922
<b>Total United States Department of Defense</b>			<b>240,537</b>
<b>United States Department of Justice:</b>			
Public Safety Partnership and Community Policing Grants	16.710	N/A	<b>49,773</b>
<b>United States Department of Education:</b>			
Higher Education Emergency Relief Fund - Student Aid	84.425E	201	1,650
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	124 128	4,457,212
Education Technology State Grants	84.425U/W	121,122	21,118,231
<b>Total Education Stabilization Fund</b>			<b>25,577,093</b>
Florida Department of Education:			
Adult Education - Basic Grants to States	84.002	191,193	312,805
Title I Grants to Local Educational Agencies	84.010	212, 223	7,300,700
Career and Technical Education - Basic Grants to States	84.048	161	291,632
Charter Schools	84.282A	298	323,868
Education for Homeless Children and Youth	84.196	127	87,664
English Language Acquisition State Grants	84.365	102	79,900
Supporting Effective Instruction State Grants	84.367	224	1,281,232
Student Support and Academic Enrichment Grants	84.424	241	514,232
Computer Science Teacher Certification	LI 100		48,610
<b>Total United States Department of Education</b>			<b>35,817,736</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 58,940,121</b>

**Notes:**

- (1) **Basis of Presentation.** The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Hernando County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles*, and *Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position.
- (2) **Summary of Significant Accounting Policies.** Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (3) **Indirect Cost Rate.** The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- (4) **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, 2023, 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, 2023.

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.

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

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Brooksville, Florida

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

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

**Report on Compliance and Other Matters**

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

**District's Response to Findings**

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

**Purpose of this Report**

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



December 19, 2023  
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, 2023. 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, 2023.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

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Brooksville, Florida

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

***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

**Report on Internal Control Over Compliance**

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

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

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

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.



December 19, 2023  
Ocala, Florida

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

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

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

Material weakness(es) identified?	No
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Significant deficiency(ies) identified?	Yes
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Non-compliance material to financial statements noted?	No
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**Federal Awards**

Internal control over the major federal program:

Material weakness(es) identified?	No
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Significant deficiency(ies) identified?	None reported
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Type of auditor's report issued on compliance for the major Federal program:	Unmodified
--	------------

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

Identification of the major federal program:

AL Numbers:	Name of Federal Program or Cluster:
84.425 (E, D, U/W)	Education Stabilization Fund
84.010	Title I Grants to Local Educational Agencies
84.027, 84.027X, 84.173, 84.173X	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs:	\$1,768,204
--	-------------

Auditee qualified as low risk auditee?	Yes
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**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

See Finding No. 2017-1 below.

**SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

No matters are reported.

**HERNANDO COUNTY SCHOOL BOARD SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

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

## INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the Hernando County District School Board's (the District) compliance with the requirements of Section 218.415, Florida Statutes, with regards to the District's investments during the year ended June 30, 2023. 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, 2023.

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.



December 19, 2023  
Ocala, Florida

### CERTIFIED PUBLIC ACCOUNTANTS

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## MANAGEMENT LETTER

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

### Report on the Financial Statements

We have audited the financial statements of the Hernando County District School Board (the District) as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated December 19, 2023. Our report includes a reference to other auditors. Other auditors audited the financial statements of three charter schools included in the aggregate discretely presented component units, as described in our report on the District's financial statements. This letter does not include the results of the other auditors, and such information related to those audits is reported on separately by those auditors.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for each Major Federal Program and on Report on Internal Control over Compliance Required by the Uniform Guidance, Schedule of Findings and Questioned Costs, and our Independent Accountant's Report on an examination conducted in accordance with 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, 2023, 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-end June 30, 2022. See Schedule of Findings and Questioned Costs comment 2017-1 and prior year management letter comment.

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

## MANAGEMENT LETTER

### Financial Condition and Management

Section 10.804(1)(f)2, *Rules of the Auditor General*, requires us to communicate whether or not the District 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.



December 19, 2023  
Ocala, Florida

## MANAGEMENT LETTER COMMENTS

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

During the course of the 2023 audit, the following items came to your attention. These items involve primarily operational matters, and if improved, will result in more efficient and effective operations.

### Prior Year Comment

#### **2020-01 Perpetual Inventory System**

An inventory observation was completed during fieldwork for the warehouse department. Several differences between the system inventory reports and amounts on hand were noted during the inventory recount process. Per discussion with the Hernando County District School Board, it was noted that there were several newer staff members and potential training issues that resulted in discrepancies between the system and amounts on hand. We also compared individual recount sheets and final system report for the fiscal year-end (June 30, 2023) to ensure that the amounts reported on the financial statements were properly supported.

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



December 19, 2023  
Ocala, Florida

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**The School District of Hernando County, Florida**

**FINANCE DEPARTMENT**

919 N. Broad Street  
Brooksville, FL 34601  
Phone: (352) 797-7004  
Fax: (352) 797-7104



Learn it. Love it. Live it.

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

December 19, 2023

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

Re: Hernando County District School Board Preliminary and Tentative Audit Findings for the Fiscal Year Ended June 30, 2023

Dear Ms. Painter,

In response to your recent letter regarding the Annual Comprehensive Financial Report for the Hernando County District School Board fiscal year end June 30, 2023, you will find the status of the corrective actions taken as seen below to the audit findings and the supporting documentation to ensure compliance with the laws and regulations that were cited by the auditors.

**Audit Finding 2020-01: Perpetual Inventory System**

District Property Control and Inventory staff, in conjunction with the Purchasing Department have fully implemented written procedures to ensure all inventory items are properly documented in the District's property inventory system. Property records have been provided to the property custodians assigned to each location to monitor and conduct periodic inventory counts throughout the year. Training for schools and departments will be provided by District Property Control and Inventory staff annually to review and update policies and procedures to ensure they are comprehensive and accurate to reflect current practices.

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

Sincerely,

Joyce McIntyre  
Director of Finance

Cc: John Stratton, Superintendent  
Ray Pinder, Assistant Superintendent of Business & Support Operations  
Gina Michalicka, Assistant Superintendent of Teaching and Learning  
Jill Renihan, Executive Director of Business Services

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

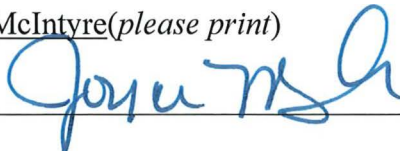
STATE OF FLORIDA

HERNANDO COUNTY SCHOOL DISTRICT

To the best of my knowledge, I hereby declare that all impact fees collected and expended by my school district, or on its behalf for fiscal year 2022-23, were in full compliance with the spending period provision in the local ordinance or resolution, and that funds expended from each impact fee account were used only to acquire, construct or improve specific infrastructure needs.

NAME OF AFFIANT Joyce McIntyre(*please print*)

SIGNATURE OF AFFIANT



TITLE Director of Finance(*CFO or equivalent*)

Sworn to and subscribed before me this 11<sup>th</sup> day of September, 2023.



*SIGNATURE OF NOTARY PUBLIC, STATE OF FLORIDA*

Lena Dionne Brinson

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

*(Check one)*

☒ Affiant personally known to notary

Or

☐ Affiant produced identification

Type of Identification Produced: \_\_\_\_\_



LENA DIONNE BRINSON  
Commission # HH 320875  
Expires October 11, 2026



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## 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

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Learn it. Love it. Live it.