

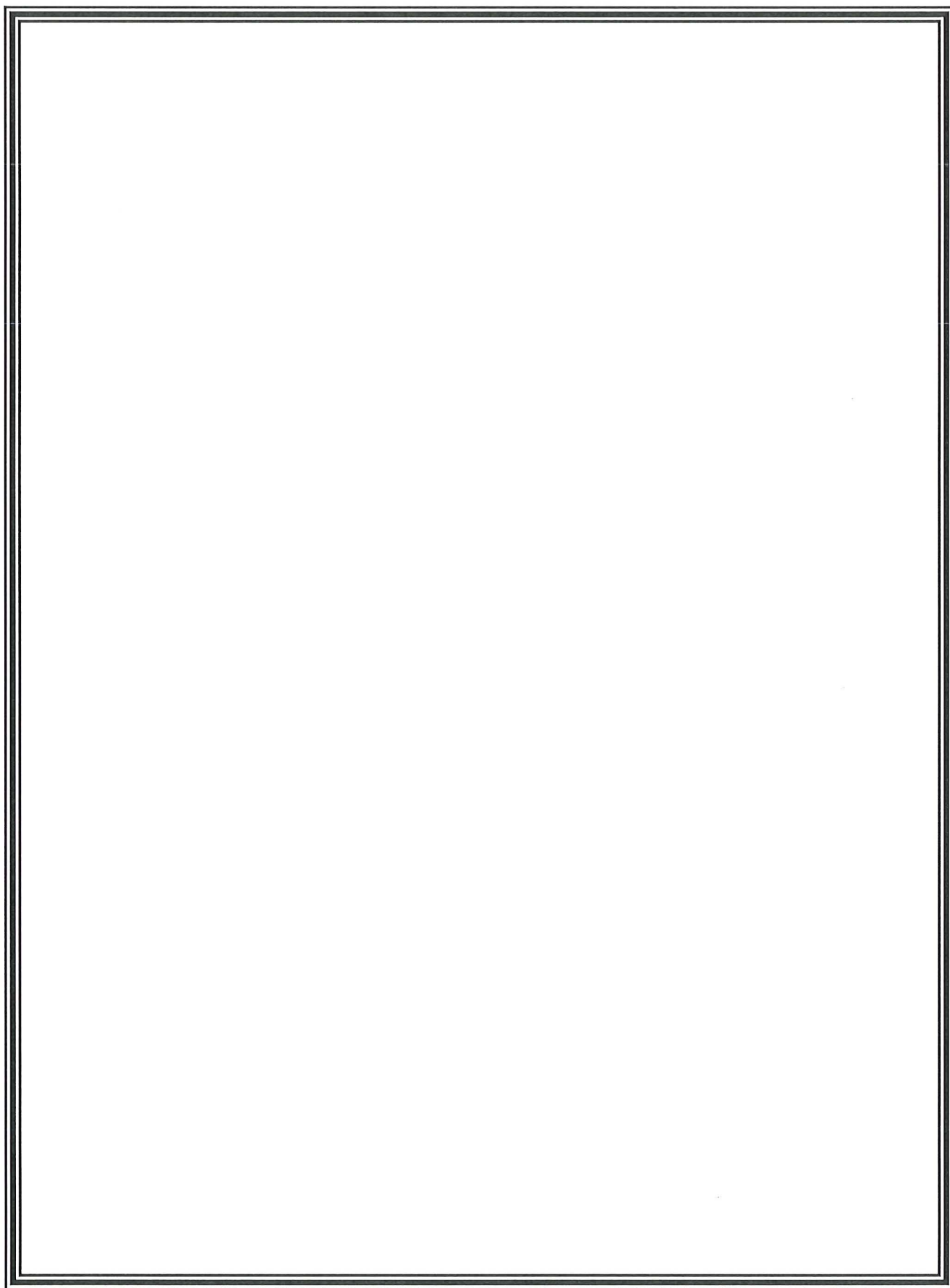
THE DISTRICT SCHOOL BOARD
OF HERNANDO COUNTY, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024



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ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF

THE DISTRICT SCHOOL BOARD
OF HERNANDO COUNTY, FLORIDA

FOR THE FISCAL YEAR ENDED
JUNE 30, 2024



HERNANDO
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PREPARED BY:
FINANCE DEPARTMENT



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District School Board of Hernando County, Florida
Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024

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INTRODUCTORY SECTION



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January 29, 2025

District School Board of Hernando County
919 North Broad Street
Brooksville, Florida 34601

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

The Annual Comprehensive Financial Report of the District School Board of Hernando County, Florida (District) for the fiscal year ended June 30, 2024, is submitted herewith. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to set forth fairly the financial position and the changes in financial position of the District as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the District's financial affairs have been included. The responsibility for the preparation of the accompanying financial statements and other information contained in this report, based on the above standards, rests with the District's management.

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

The Florida Auditor General has independently audited the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ending June 30, 2024, 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, 2024. The independent auditor's report on financial statements is presented as the first component of the financial section of this report.

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

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

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

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

PROFILE OF THE DISTRICT

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

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

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

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

During the 2023-2024 fiscal year, the District had 29 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), 3 specialty schools, 1 adult school, and 3 charter schools, and served 24,163 prekindergarten through adult students. The projected prekindergarten through grade 12 student enrollment for fiscal year 2024-2025 is 25,677 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 gain experience in communication skills through the District's English for Speakers of Other Languages (ESOL) programs, and all citizens can take fee-supported courses to increase personal development in various subjects such as computers, photography, and personal financial planning.

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Economic Conditions

Hernando County has experienced limited population growth, increasing 12.5 percent or 24,251 since the 2020 census. The County's current population as of July 1, 2023, is 218,766 with anticipated growth estimated to be 222,985 in the year 2030 and 241,282 in the year 2040. The median age is 47.4 years.

The local area economy continues to be affected by the national and State economic downturn. Unemployment rate increased during 2023-2024 to 3.8 percent for Hernando County and 2.9 percent for the State as of January 2024. The County's rate is lower than the national average of 4.1 percent during the same period.

The final property tax roll for Hernando County increased approximately \$2.26 million or 14.4 percent, bringing the tax roll to \$17.94 billion for the 2023-2024 fiscal year.

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

The District recognizes that the continued enhancement of the local economy is of mutual benefit to both the District and the County and that an excellent system of public education is a significant factor in attracting new business and industry to the County. The District remains Hernando County's largest employer, employing 3,096 full-time employees, including 1,508 instructional personnel.

Long-Term Financial Planning

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

Relevant Financial Policies

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

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

ACADEMIC ACCOMPLISHMENTS

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

We currently offer the International Baccalaureate (IB) Program at Springstead High School. The esteemed Cambridge Assessment International Education and AICE Diploma program is offered at Central High School. We continue to expand our career and technical programs and students can take honors. Advanced Placement and Dual Enrollment classes are at the middle and high school levels. We also offer the nationally recognized college readiness program, AVID at Weeki Wachee High School. Our Controlled Educational Choice program allows parents to choose a school other than the one for which they are zoned through our open choice program.

Student achievement is measure by the District's graduation and drop-out rates. Graduation Rates are released by the State in late fall each year. According to the annual report of graduation rates, the 2024 graduation rate for Hernando School District is 88.1%, a decrease of 0.9 percentage points over last year's rate and increase of 2.40 percentage points about the state's average.

More than 44 percent of Hernando County School District teachers have earned master's degrees or higher. Additionally, the District has 31 teachers who have successfully completed the rigorous and time-intensive program of the National Board of Professional Teaching Standards. To achieve the highly esteemed National Certification, teachers are required to provide a portfolio of information regarding teaching styles, examples of work performed by students, and successfully pass an examination.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District School Board of Hernando County for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This was the twenty-second consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

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

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


Respectfully submitted,



Ray Pinder
Superintendent of Schools



Joyce McIntyre
Chief Financial Officer



Dionne Brinson
Coordinator of Finance

District School Board of Hernando County, Florida

List of Principal Officials

School Board Members and Superintendent

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



Mark Johnson
District 1
Member Since Nov. 2022



Kacie Hawkins
District 2
Member Since Nov 2024



Shannon Rodriguez
District 3
Member Since Nov. 2022



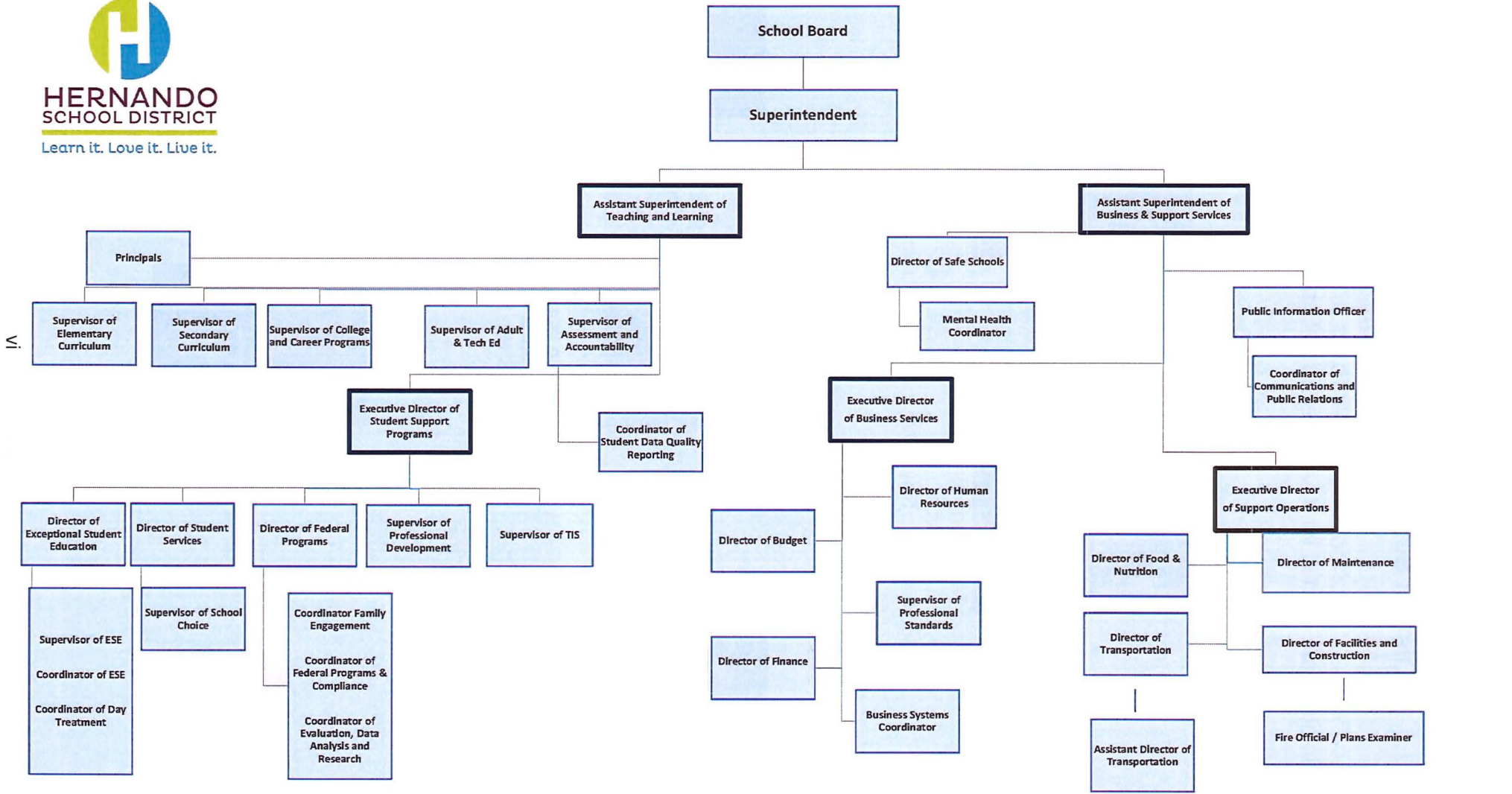
Michelle Bonczek
District 4
Member Since Nov 2024




Susan Duval
District 5
Member Since Nov. 2014



Ray Pinder
Superintendent



Current Structure (represents Coordinator level and above)

 Bold outer line indicates Cabinet member



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
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Presented to

**District School Board of Hernando County
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrell

Executive Director/CEO



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FINANCIAL SECTION



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Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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



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

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

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Hernando County District School Board, as of and for the fiscal year ended June 30, 2024, 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 reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Hernando County District School Board, as of June 30, 2024, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the school internal funds, which represent 10 percent, 0 percent, 10 percent, 26 percent, and 20 percent, respectively, of the assets, liabilities, fund balance, revenues, and expenditures of the aggregate remaining fund information as of June 30, 2024. In addition, we did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units columns as of June 30, 2024. The financial statements of the school internal funds and the aggregate discretely presented component units were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the financial statements of the school internal funds and the aggregate discretely presented component units, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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.

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 12 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 GAAS 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 GAAS 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.

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 **Management's Discussion and Analysis, the Budgetary Comparison Schedule – General Fund, Budgetary Comparison Schedule – Special Revenue Fund – Other Federal Programs Fund, Budgetary Comparison Schedule – Special Revenue Fund – Federal Education Stabilization Fund, Schedule of Changes in the District's Total OPEB Liability and Related Ratios, Schedule of the District's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan, Schedule of District Contributions – Florida Retirement System Pension Plan, Schedule of the District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan, Schedule of District Contributions – Health Insurance Subsidy Pension Plan, and Notes to Required Supplementary Information** 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 GAAS, 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 fund statements and schedules and the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 relate 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules, and the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial 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.

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 January 29, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
January 29, 2025
Audit Report No. 2025-099

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024**

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, 2024. 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 2023-2024 fiscal year are as follows:

- Total Net Position is \$370,617,628 which represents an 8.1 percent increase over the 2022-2023 fiscal year.
- General revenues totaled \$329,452,553, or 93.8 percent, of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$21,795,125, or 6.2 percent, of all revenues.
- Expenses total \$323,345,456; only \$21,795,125 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 \$370,617,628.
- The total combined assigned and unassigned fund balance of the General Fund representing the net fund balance that is spendable and not restricted, totals \$40,849,760, or 17.6 percent, of total General Fund revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024**

government activities of the District include such functions as instruction, pupil personnel services, administration, student transportation, maintenance, and other items.

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

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

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

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

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

The District maintains 12 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue – Other Federal Programs Fund, Special Revenue – Federal Education Stabilization Fund, Capital Projects – Public Education Capital Outlay (PECO) 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 six governmental funds are combined into a single, aggregated presentation.

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

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

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024**

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 total other postemployment benefits (OPEB) and net pension liabilities. The required supplementary information can be found on pages 67-72 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 73-85 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the District's net position as of June 30, 2024, compared to net position as of June 30, 2023.

Net Position, End of Year

	Governmental Activities	
	June 30, 2024	June 30, 2023
Current and Other Assets	\$ 169,023,610	\$ 156,405,173
Capital Assets	448,753,260	416,348,908
Total Assets	<u>617,776,870</u>	<u>572,754,081</u>
Deferred Outflows of Resources	<u>47,492,956</u>	<u>52,026,690</u>
Long-Term Liabilities	276,442,480	262,475,313
Other Liabilities	<u>2,660,615</u>	<u>3,532,378</u>
Total Liabilities	<u>279,103,095</u>	<u>266,007,691</u>
Deferred Inflows of Resources	<u>15,549,103</u>	<u>16,057,674</u>
Net Position:		
Net Investment in Capital Assets	356,835,362	319,451,372
Restricted	118,341,645	104,400,855
Unrestricted	<u>(104,559,379)</u>	<u>(81,136,821)</u>
Total Net Position	<u>\$ 370,617,628</u>	<u>\$ 342,715,406</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.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024**

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2024, and June 30, 2023, are as follows:

Changes in Net Position from Operating Results

	Governmental Activities	
	June 30, 2024	June 30, 2023
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,093,530	\$ 1,396,644
Operating Grants and Contributions	17,655,934	17,981,563
Capital Grants and Contributions	3,045,661	9,511,718
General Revenues:		
Property Taxes	109,860,553	100,289,115
Local Sales Tax	18,599,588	19,150,406
Grants and Contributions Not Restricted to Specific Programs	176,632,470	173,718,335
Unrestricted Investment Earnings	7,187,827	4,047,804
Miscellaneous	17,172,115	13,809,052
Total Revenues	<u>351,247,678</u>	<u>339,904,637</u>
Functions/Program Expenses:		
Instruction	\$ 169,682,034	\$ 152,965,493
Student Personnel Services	14,750,491	12,656,091
Instructional Media Services	2,251,330	1,978,781
Instruction and Curriculum Development Services	9,497,832	8,359,120
Instructional Staff Training Services	2,364,542	2,052,126
Instruction Related Technology	1,169,597	856,719
Board	1,077,590	724,051
General Administration	4,500,329	2,931,482
School Administration	17,835,073	14,762,989
Facility Services - Non-Capitalized	4,699,925	1,888,596
Fiscal Services	1,163,280	937,136
Food Services	18,419,936	14,892,762
Central Services	4,626,260	4,577,833
Student Transportation Services	11,728,762	10,198,208
Operation of Plant	25,920,175	21,535,181
Maintenance of Plant	8,450,007	8,778,105
Administrative Technology Services	3,987,751	3,129,258
Community Services	20,245	18,909
Unallocated Interest on Long-Term Debt	2,955,043	3,127,133
Unallocated Depreciation Expense	18,245,254	16,695,695
Total Functions/Program Expenses	<u>323,345,456</u>	<u>283,065,668</u>
Change in Net Position	<u>27,902,222</u>	<u>56,838,969</u>
Net Position, Beginning	342,715,406	285,876,437
Net Position, Ending	<u>\$ 370,617,628</u>	<u>\$ 342,715,406</u>

The total governmental net position increased by \$27,902,222 during the current year, as compared to a net increase of \$56,838,969 in the previous year. Total revenues increased by

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024**

\$11,343,041 compared to the prior year. The increase in revenue was mainly due to an increase in property taxes of \$9,571,438, or 9.5 percent, and an increase in unrestricted investment earnings of \$3,140,023, or 77.6 percent. District expenses increased \$40,279,788. The increase in expenses mainly resulted from increases in salaries for instructional staff totaling \$20,847,496 and \$18,054,823 for support staff.

Direct instructional expenses, including school administration, increased \$23,919,580. Expenses for interest and unallocated depreciation increased by \$1,377,469.

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 \$160,565,009, an increase of \$13,320,417 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, 2024, and June 30, 2023.

Fund Balance	June 30, 2024	June 30, 2023	Increase (Decrease)	Percentage Change
Major Governmental Funds:				
General Fund	\$ 48,504,929	\$ 48,154,583	\$ 350,346	0.73%
Capital Projects Funds:				
Public Education Capital Outlay	2,965,421	9,274,631	(6,309,210)	-68.03%
Local Capital Improvement Fund	29,391,987	18,718,069	10,673,918	57.02%
Other Capital Projects	52,736,166	44,842,744	7,893,422	17.60%
Other Governmental Funds (nonmajor)	26,966,506	26,254,565	711,941	2.71%
Total Fund Balance	<u>\$ 160,565,009</u>	<u>\$ 147,244,592</u>	<u>\$ 13,320,417</u>	<u>9.05%</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 \$14,833,034 while total fund balance was \$48,504,929. As a measure of the General Fund's liquidity, it may be useful to compare the total assigned and unassigned fund balances to General Fund total revenues. The total assigned and unassigned fund balance is 17.6 percent of the total General Fund revenues, while total fund balance represents 20.9 percent of total General Fund revenues.

During the current fiscal year, the total fund balance of the General Fund increased by \$350,346.

Special Revenue – Other Federal Programs Fund. The Special Revenue – Other Federal Programs Fund has total revenues and expenditures of \$16,207,839 each and the funding was mainly used for instruction and instructional support services. Because grant revenues are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024**

Special Revenue – Federal Education Stabilization Fund. The Special Revenue – Federal Education Stabilization Fund has total revenues and expenditures of \$20,815,558 each and the funding was mainly used for instruction and capital outlay. Because grant revenues are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

Capital Projects – Public Education Capital Outlay Fund. The fund balance of the PECO Fund decreased by \$6,309,210 to \$2,965,421. This decrease was primarily due to the expenditures for Wilton Simpson Technical College.

Capital Projects – Local Capital Improvement Fund. The fund balance of the Capital Projects – Local Capital Improvement Fund increased by \$10,673,918 to \$29,391,987. This increase was primarily due to an increase in property taxes and a slight decrease in transfers out for the payment of maintenance and site improvements.

Capital Projects – Other Capital Projects Fund. The fund balance of the Capital Projects – Other Capital Projects Fund increased by \$7,893,422 to \$52,736,166. This increase is primarily due to growth in the county resulting in local sales taxes and impact fees that have exceeded District expenditures from these revenues. This fund is restricted for educational capital outlay needs, including new construction, renovations and remodeling projects, and debt service payments.

The following schedule shows the changes in General Fund revenues and transfers in for fiscal years ended June 30, 2024, and June 30, 2023:

General Fund Revenues and Other Financing Sources	June 30, 2024	June 30, 2023	Increase (Decrease)	Percentage Change
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 225,017	\$ 240,537	\$ (15,520)	-6.45%
Miscellaneous Federal Direct	-	49,772	(49,772)	-100%
Federal through State Sources:				
Medicaid	1,350,375	628,290	722,085	114.93%
Other Federal through State Sources	282,577	136,242	146,335	107.41%
State Sources:				
Florida Education Finance Program (FEFP)	112,135,945	105,691,739	6,444,206	6.10%
Categorical Programs	24,387,481	25,538,442	(1,150,961)	-4.51%
Other State Sources	554,480	258,944	295,536	114.13%
Local Sources:				
Ad Valorem Taxes	83,826,470	77,205,187	6,621,283	8.58%
Interest Income	3,778,943	2,105,456	1,673,487	79.48%
Other Local Sources	5,459,369	3,300,905	2,158,464	65.39%
Total Revenues	\$ 232,000,657	\$ 215,155,514	\$ 16,845,143	7.83%
Other Financing Sources:				
Transfers In	4,596,268	8,394,043	(3,797,775)	-45.24%
Other Financing Sources	292,601	48,913	243,688	498.21%
Total Revenues and Other Financing Sources	<u>\$ 236,889,526</u>	<u>\$ 223,598,470</u>	<u>\$ 13,291,056</u>	5.94%

During the 2023-2024 fiscal year, Revenues and Other Financing Sources (Uses) increased by \$13,291,056, or 5.94 percent. The major impacts to funding were the State Legislature increase

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024**

in Base Student Allocation and the increase in the number of unweighted full-time equivalent students. Additionally, property taxes increased due to increases in county property values.

The following schedule shows the changes in General Fund expenditures (by major object) for fiscal years ended June 30, 2024, and June 30, 2023:

General Fund Expenditures by Major Object	June 30, 2024	June 30, 2023	Increase (Decrease)	Percentage Change
Salaries	\$ 141,083,536	\$ 130,448,853	\$ 10,634,683	8.15%
Employee Benefits	46,391,740	40,992,071	5,399,669	13.17%
Purchased Services	22,819,282	19,740,625	3,078,657	15.60%
Energy Services	7,126,633	7,579,159	(452,526)	-5.97%
Materials and Supplies	6,077,058	5,731,376	345,682	6.03%
Capital Outlay	9,688,929	10,783,481	(1,094,552)	-10.15%
Other Expenditures	1,844,981	1,368,335	476,646	34.83%
Total Expenditures by Major Object	<u>\$ 235,032,159</u>	<u>\$ 216,643,900</u>	<u>\$ 18,388,259</u>	8.49%

General Fund expenditures increased by \$18,388,259 or 8.49 percent. The largest portions of General Fund expenditures are for salaries and employee benefits with \$187,475,276 expended, or 79.77 percent, of total expenditures in the 2023-2024 fiscal year compared to \$171,440,924 or 79.13 percent, in the 2022-2023 fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following schedule shows the changes in General Fund revenues and other financing sources between the original and final budgets for the fiscal year ended June 30, 2024:

General Fund Revenues and Other Financing Sources	Original Budget	Final Budget	Increase (Decrease)	Percentage Change
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 243,000	\$ 225,017	\$ (17,983)	-7.40%
Federal through State Sources:				
Medicaid	550,000	1,350,375	800,375	145.52%
Other Federal through State Sources	-	282,577	282,577	-
State Sources:				
Florida Education Finance Program (FEFP)	115,740,706	112,135,945	(3,604,761)	-3.11%
Categorical Programs	24,234,281	24,387,481	153,200	0.63%
Other State Sources	19,000	554,480	535,480	2818.32%
Local Sources:				
Ad Valorem Taxes	83,394,266	83,826,470	432,204	0.52%
Interest Income	1,900,000	3,778,943	1,878,943	98.89%
Other Local Sources	2,494,341	5,459,369	2,965,028	118.87%
Other Financing Sources:				
Transfers In	4,608,666	4,596,268	(12,398)	-0.27%
Other Financing Sources	-	292,601	292,601	-
Total Revenues and Other Financing Sources	<u>\$ 233,184,260</u>	<u>\$ 236,889,526</u>	<u>\$ 3,705,266</u>	1.59%

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024**

Final budgeted revenues and other financing sources for the General Fund, when compared to the initial budget, were \$3,705,266 or 1.59 percent higher. Actual collections from Other Local Sources resulted in an increase of \$2,965,028 in actual revenues due in part to receipt of funds from the Board of County Commissioners from a grant.

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, 2024:

General Fund Expenditures By Function	Original Budget	Final Budget	Increase (Decrease)	Percentage Change
Current:				
Instruction	\$ 140,454,262	137,535,094	\$ (2,919,168)	-2.08%
Pupil Personnel Services	13,153,143	10,517,598	(2,635,545)	-20.04%
Instructional Media Services	1,686,418	2,064,164	377,746	22.40%
Instruction and Curriculum Development	2,949,575	3,646,971	697,396	23.64%
Instructional Staff Training	747,059	825,412	78,353	10.49%
Instruction Related Technology	405,806	872,558	466,752	115.02%
School Board	845,598	989,362	143,764	17.00%
General Administration	2,086,482	3,259,540	1,173,058	56.22%
School Administration	14,311,979	16,148,021	1,836,042	12.83%
Facility Services - Non Capitalized	887,897	1,398,569	510,672	57.51%
Fiscal Services	1,116,203	1,068,037	(48,166)	-4.32%
Food Services	-	464,820	464,820	-
Central Services	3,809,637	4,246,376	436,739	11.46%
Pupil Transportation Services	12,810,080	10,351,056	(2,459,024)	-19.20%
Operation of Plant	23,403,170	23,692,317	289,147	1.24%
Maintenance of Plant	6,786,016	7,403,189	617,173	9.09%
Administrative Related Technology Services	4,884,406	3,659,609	(1,224,797)	-25.08%
Community Services	19,550	18,587	(963)	-4.93%
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	3,094,568	3,094,568	-
Other Capital Outlay	-	3,776,311	3,776,311	-
Total Expenditures by Function	<u>\$ 230,357,281</u>	<u>\$ 235,032,159</u>	<u>\$ 4,674,878</u>	2.03%

The final budgeted expenditures and other financing uses were higher than the original budget by \$4,674,878 or 2.03 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, 2024, amounts to \$448,753,260 (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 \$32,404,352 in the District's investment in capital assets (net of accumulated depreciation) for the current fiscal year was 7.78 percent. The increase is primarily due to construction of a new school, Wilton Simpson Technical College, and other various renovations in the District.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024**

Capital Assets Net of Depreciation

	Governmental Activities		
	June 30, 2024	June 30, 2023	Increase (Decrease)
Land	\$ 10,874,776	\$ 10,776,224	\$ 98,552
Improvements Other Than Buildings	16,446,496	12,843,329	3,603,167
Buildings and Fixed Equipment	353,167,538	344,365,646	8,801,892
Furniture, Fixtures, and Equipment	15,753,556	13,228,408	2,525,148
Motor Vehicles	9,613,814	8,167,843	1,445,971
Construction in Progress	42,897,080	26,967,458	15,929,622
Total Capital Assets	<u>\$ 448,753,260</u>	<u>\$ 416,348,908</u>	<u>\$ 32,404,352</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 \$84,192,442 (less premiums). This amount is comprised of \$76,885,000 in Certificates of Participation (COPs); Bonds Payable of \$3,664,000, and Installment-Purchase Payable of \$3,643,442.

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 \$6,697,890 of principal payments on long-term debt as follows:

State School Bonds	\$ 135,000
Other Debt Service:	
District Revenue Bonds	90,000
Installment-Purchase Payable	1,167,890
Certificates of Participation	5,305,000
Total Principal Payments	<u>\$ 6,697,890</u>

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

ECONOMIC FACTORS AND FORECAST

As of June 2024, the unemployment rate for Hernando County is currently 3.8 percent, which is an increase from the rate of 3.7 percent a year ago. This compares to the State's average unemployment rate of 2.9 percent. These factors were considered in preparing the District budget for the 2024-2025 fiscal year.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024**

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS



HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.



HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Governmental Activities	Component Units
Assets		
Cash and Cash Equivalents	\$ 40,973,071	\$ 2,419,889
Investments	114,680,924	-
Accounts Receivable	33,487	115,385
Due from Other Agencies	5,951,313	74,419
Inventories	1,586,829	236,981
Prepaid Items	-	5,528
Bond Insurance	296,020	-
Take Stock in Children Contract Value	-	419,795
Capital Credits Receivable	5,501,966	-
Capital Assets:		
Non-Depreciable Capital Assets	53,771,856	-
Depreciable Capital Assets, Net	394,981,404	2,843,591
Total Assets	617,776,870	6,115,588
Deferred Outflows of Resources		
OPEB Related	1,240,580	-
Pensions Related	46,252,376	-
Total Deferred Outflows of Resources	47,492,956	-
Liabilities		
Salaries and Benefits Payable	237,294	21,075
Accounts Payable	1,764,325	308,745
Due to Other Agencies	810	74,419
Unearned Revenue	658,186	-
Long-Term Liabilities:		
Due Within One Year	9,196,633	183,104
Due in More Than One Year	267,245,847	2,019,241
Total Liabilities	279,103,095	2,606,584
Deferred Inflows of Resources		
Deferred Revenue	-	662,975
Gain on Refunding	464,246	-
OPEB Related	6,195,395	-
Pensions Related	8,889,462	-
Total Deferred Inflows of Resources	15,549,103	662,975
Net Position		
Net Investment in Capital Assets	356,835,362	305,149
Restricted for:		
State Required Carryover Programs	6,281,565	-
Food Service	12,468,909	-
Debt Service	7,638,296	-
Capital Projects	89,325,071	-
Internal Accounts	2,627,804	-
Other Purposes	-	1,625,502
Unrestricted	(104,559,379)	915,378
Total Net Position	\$ 370,617,628	\$ 2,846,029

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, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
Instruction	\$ 169,682,034	\$ 480,297	\$ -	\$ -
Student Personnel Services	14,750,491	-	-	-
Instructional Media Services	2,251,330	-	-	-
Instruction and Curriculum Development Services	9,497,832	-	-	-
Instructional Staff Training Services	2,364,542	-	-	-
Instruction Related Technology	1,169,597	-	-	-
Board Related	1,077,590	-	-	-
General Administration	4,500,329	-	-	-
School Administration	17,835,073	-	-	-
Facility Services - Non-Capitalized	4,699,925	-	-	2,881,348
Fiscal Services	1,163,280	-	-	-
Food Services	18,419,936	481,587	17,655,934	-
Central Services	4,626,260	-	-	-
Student Transportation Services	11,728,762	131,646	-	-
Operation of Plant	25,920,175	-	-	-
Maintenance of Plant	8,450,007	-	-	-
Administrative Technology Services	3,987,751	-	-	-
Community Services	20,245	-	-	-
Interest on Long-Term Debt	2,955,043	-	-	164,313
Unallocated Depreciation Expense *	18,245,254	-	-	-
Total Primary Government	\$ 323,345,456	\$ 1,093,530	\$ 17,655,934	\$ 3,045,661
Component Units				
Educational Foundation/Charter Schools	\$ 6,182,128	\$ 394,122	\$ 1,733,999	\$ 109,062

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, 2023

Adjustment to Beginning Net Position

Net Position, July 1, 2023, as Restated

Net Position, June 30, 2024

* 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.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities		Component Units	
\$ (169,201,737)	\$	-	
(14,750,491)		-	
(2,251,330)		-	
(9,497,832)		-	
(2,364,542)		-	
(1,169,597)		-	
(1,077,590)		-	
(4,500,329)		-	
(17,835,073)		-	
(1,818,577)		-	
(1,163,280)		-	
(282,415)		-	
(4,626,260)		-	
(11,597,116)		-	
(25,920,175)		-	
(8,450,007)		-	
(3,987,751)		-	
(20,245)		-	
(2,790,730)		-	
(18,245,254)		-	
(301,550,331)		-	
-		(3,944,945)	
83,826,470		-	
26,034,083		-	
18,599,588		-	
176,632,470	4,144,106		
7,187,827	-		
17,172,115	-		
329,452,553	4,144,106		
27,902,222	199,161		
342,715,406	2,698,332		
-	(51,464)		
342,715,406	2,646,868		
\$ 370,617,628	\$ 2,846,029		

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue - Other Federal Programs Fund	Special Revenue - Federal Education Stabilization Fund
Assets			
Cash and Cash Equivalents	\$ 5,951,324	\$ -	\$ -
Investments	38,778,180	-	-
Accounts Receivable	24,588	-	-
Due from Other Funds	2,479,561	-	-
Due from Other Agencies	404,263	1,012,567	1,753,434
Inventories	1,373,604	-	-
Total Assets	<u>49,011,520</u>	<u>1,012,567</u>	<u>1,753,434</u>
Liabilities and Fund Balances			
Liabilities:			
Salaries and Benefits Payable	-	-	237,294
Accounts Payable	505,781	37,345	11,801
Due to Other Agencies	810	-	-
Unearned Revenue	-	-	-
Due to Other Funds	-	975,222	1,504,339
Total Liabilities	<u>506,591</u>	<u>1,012,567</u>	<u>1,753,434</u>
Fund Balances:			
Non-Spendable	1,373,604	-	-
Spendable:			
Restricted	6,281,565	-	-
Assigned	26,016,726	-	-
Unassigned	14,833,034	-	-
Total Fund Balances	<u>48,504,929</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 49,011,520</u>	<u>\$ 1,012,567</u>	<u>\$ 1,753,434</u>

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

Capital Projects - Public Education Capital Outlay Fund	Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 949,540	\$ 5,959,732	\$ 11,762,796	\$ 16,349,679	\$ 40,973,071
3,108,965	23,432,255	39,106,864	10,254,660	114,680,924
-	-	-	8,899	33,487
-	-	-	-	2,479,561
-	-	2,581,397	199,652	5,951,313
-	-	-	213,225	1,586,829
4,058,505	29,391,987	53,451,057	27,026,115	165,705,185
-	-	-	-	237,294
1,093,084	-	106,677	9,637	1,764,325
-	-	-	-	810
-	-	608,214	49,972	658,186
-	-	-	-	2,479,561
1,093,084	-	714,891	59,609	5,140,176
-	-	-	213,225	1,586,829
2,965,421	29,391,987	52,736,166	26,753,281	118,128,420
-	-	-	-	26,016,726
-	-	-	-	14,833,034
2,965,421	29,391,987	52,736,166	26,966,506	160,565,009
\$ 4,058,505	\$ 29,391,987	\$ 53,451,057	\$ 27,026,115	\$ 165,705,185

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

Total Fund Balances - Governmental Funds **\$ 160,565,009**

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

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

Non-Depreciable Capital Assets	\$ 53,771,856	
Depreciable Capital Assets, Net	<u>394,981,404</u>	448,753,260

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.		5,501,966
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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	46,252,376	
Deferred Inflows of Resources	<u>(8,889,462)</u>	37,362,914

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	1,240,580	
Deferred Inflows of Resources	<u>(6,195,395)</u>	(4,954,815)

Bond insurance costs related to the issuance of debt is reported as an asset in the government-wide statements and amortized over the life of the debt, but is not reported in the governmental funds.		296,020
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The gain on refunded debt is reported as a deferred inflow of resources in the government-wide statements and amortized over the life of the debt, but is not reported in the governmental funds.		(464,246)
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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	(3,993,052)	
Certificates of Participation Payable	(83,817,158)	
Installment-Purchase Payable	(3,643,442)	
Other Postemployment Benefits Payable	(8,797,572)	
Net Pension Liability	(157,737,215)	
Compensated Absences Payable	<u>(18,454,041)</u>	(276,442,480)

Total Net Position - Governmental Activities **\$ 370,617,628**

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



HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

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, 2024

	General Fund	Special Revenue - Other Federal Programs Fund	Special Revenue - Federal Education Stabilization Fund
Revenues			
Intergovernmental:			
Federal Direct	225,017	-	-
Federal Through State and Local	1,632,952	16,207,839	20,815,558
State	137,077,906	-	-
Local:			
Property Taxes Levied for Operational Purposes	83,826,470	-	-
Property Taxes Levied for Capital Projects	-	-	-
Local Sales Taxes	-	-	-
Impact Fees	-	-	-
Charges for Service - Food Services	-	-	-
Other	9,238,312	-	-
Total Revenues	<u>232,000,657</u>	<u>16,207,839</u>	<u>20,815,558</u>
Expenditures			
Current:			
Instruction	137,535,094	7,306,037	4,241,408
Student Personnel Services	10,517,598	2,531,067	494,131
Instructional Media Services	2,064,164	-	2,840
Instruction and Curriculum Development Services	3,646,971	3,125,099	1,948,127
Instructional Staff Training Services	825,412	1,317,168	28,365
Instruction Related Technology	872,558	201,278	-
Board	989,362	-	-
General Administration	3,259,540	767,003	97,425
School Administration	16,148,021	1,941	224,866
Facility Services - Non-Capitalized	1,398,569	345,023	707,758
Fiscal Services	1,068,037	-	-
Food Services	464,820	-	-
Central Services	4,246,376	-	-
Student Transportation Services	10,351,056	35,513	378,666
Operation of Plant	23,692,317	-	101,408
Maintenance of Plant	7,403,189	4,171	341,779
Administrative Technology Services	3,659,609	-	-
Community Services	18,587	-	-
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Dues and Fees	-	-	-
Capital Outlay:			
Facilities Acquisition and Construction	3,094,568	-	11,511,289
Other Capital Outlay	3,776,311	573,539	737,496
Total Expenditures	<u>235,032,159</u>	<u>16,207,839</u>	<u>20,815,558</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,031,502)</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)			
Transfers In	4,596,268	-	-
Insurance Loss Recoveries	292,601	-	-
Transfers (Out)	(1,507,021)	-	-
Total Other Financing Sources (Uses)	<u>3,381,848</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>350,346</u>	<u>-</u>	<u>-</u>
Fund Balances, July 1, 2023	48,154,583	-	-
Adjustment to Beginning Fund Balances	-	-	-
Fund Balances, July 1, 2023, as Restated	<u>48,154,583</u>	<u>-</u>	<u>-</u>
Fund Balances, June 30, 2024	<u>\$ 48,504,929</u>	<u>\$ -</u>	<u>\$ -</u>

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

Capital Projects - Public Education Capital Outlay Fund	Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
-	-	-	-	225,017
-	-	-	17,472,369	56,128,718
2,250,636	-	212,812	1,438,976	140,980,330
-	-	-	-	83,826,470
-	26,034,083	-	-	26,034,083
-	-	18,599,588	-	18,599,588
-	-	5,053,012	-	5,053,012
-	-	-	481,587	481,587
-	961,799	2,167,080	7,017,371	19,384,562
2,250,636	26,995,882	26,032,492	26,410,303	350,713,367
-	-	-	6,706,795	155,789,334
-	-	-	-	13,542,796
-	-	-	-	2,067,004
-	-	-	-	8,720,197
-	-	-	-	2,170,945
-	-	-	-	1,073,836
-	-	-	-	989,362
-	-	-	-	4,123,968
-	-	-	-	16,374,828
-	462,143	434,156	-	3,347,649
-	-	-	-	1,068,037
-	-	-	16,439,995	16,904,815
-	-	-	-	4,246,376
-	-	-	-	10,765,235
-	-	-	-	23,793,725
-	-	-	-	7,749,139
-	-	-	-	3,659,609
-	-	-	-	18,587
-	-	-	6,697,890	6,697,890
-	-	-	3,582,667	3,582,667
-	-	-	8,601	8,601
8,309,210	2,375,584	16,817,626	-	42,108,277
-	2,029,106	887,288	878,934	8,882,674
8,309,210	4,866,833	18,139,070	34,314,882	337,685,551
(6,058,574)	22,129,049	7,893,422	(7,904,579)	13,027,816
-	-	-	10,157,215	14,753,483
-	-	-	-	292,601
(250,636)	(11,455,131)	-	(1,540,695)	(14,753,483)
(250,636)	(11,455,131)	-	8,616,520	292,601
(6,309,210)	10,673,918	7,893,422	711,941	13,320,417
-	18,718,069	44,842,744	35,529,196	147,244,592
9,274,631	-	-	(9,274,631)	-
9,274,631	18,718,069	44,842,744	26,254,565	147,244,592
\$ 2,965,421	\$ 29,391,987	\$ 52,736,166	\$ 26,966,506	\$ 160,565,009

**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, 2024**

Net Change in Fund Balances - Governmental Funds **\$ 13,320,417**

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

Governmental funds report capital outlays as expenditures; however, in the
statement of activities, the cost of those assets is allocated over their estimated
useful lives as depreciation expense. This is the amount of capital outlays
in excess of depreciation expense in the current period:

Capital Outlay - Facilities and Construction	\$ 41,559,637	
Capital Outlay - Other Capital Outlay	9,118,729	
(Less Depreciation Expense)	<u>(18,274,014)</u>	32,404,352

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of repayments in the current period.	6,697,890
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Premiums are reported in the governmental funds in the year debt is issued, but
are capitalized and amortized over the life of the debt in the statement of activities.

Unamortized Premium:

Prior Year	7,874,814	
(Less Current Year)	<u>(7,261,210)</u>	613,604

Bond Insurance for the 2016 COPS Refunding Debt Amortization:

Prior Year	(320,689)	
(Less Current Year)	<u>296,020</u>	(24,669)

Gain on Refunding of the 2005 COPS - Amortization:

Prior Year	502,934	
(Less Current Year)	<u>(464,246)</u>	38,688

The net change in net pension liability and deferred outflows and inflows is reported in the statement of activities but not in the fund statements.	(25,857,138)
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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	5,501,966	
(Less Prior Year Accruals)	<u>(5,260,256)</u>	
Net Increase in Capital Credits Receivable		241,710

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 earned in excess of the amount used in the current period.	(624,144)
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The net change in the other postemployment benefits liability and deferred outflows and inflows is reported in the statement of activities but not in the fund statements.	1,091,512
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Change in Net Position - Governmental Activities	<u>\$ 27,902,222</u>
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The accompanying notes to financial statements are an integral part of this statement.



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DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

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

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

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

■ **Blended Component Unit**

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

■ **Discretely Presented Component Units**

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

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

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

of the charter, which is tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to impose specific financial burdens on the District.

In addition, pursuant to the Florida Constitution, the charter schools are public schools, and the District is responsible for the operation, control, and supervision of public schools within the District.

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

Basis of Presentation

■ **Government-Wide Financial Statements**

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

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

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

The effects of inter-fund activity have been eliminated from the government-wide financial statements except for interfund services provided and used.

■ **Fund Financial Statements**

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

The District reports the following major governmental funds:

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Special Revenue – Other Federal Programs Fund – 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 – Public Education Capital Outlay Fund – to account for financial resources generated by Legislative appropriation through the Public Education Capital Outlay program (PECO). The State allocates PECO 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 Florida Department of Education. PECO proceeds are to be used for specific educational capital outlay needs as specified within the original appropriation.

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

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

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

Basis of Accounting

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

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

Governmental fund financial statements are prepared using the current financial resources

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024, the carrying amount of the District's bank deposit accounts was \$40,973,071.

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

Investments

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

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

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

Inventories

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at average cost, except for transportation and food service inventories which are stated at last invoice, which approximates the first-in, first-out basis. The United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

Capital Assets

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

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similar items, and capital assets received in a service concession arrangement should be recorded at acquisition value.

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

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

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

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.

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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 two items that qualify for reporting in this category. The deferred outflows of resources related to pensions and OPEB are discussed in subsequent notes.

In addition to liabilities, the statement of net position reports 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The District has financial items that qualify for reporting in this category related to gain on refunding of bonds, OPEB, and pensions that are reported only in the government-wide statement of net position. 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. The gain on refunding is related to premium on debt refunded in a prior period. This amount is recognized as a reduction of interest expense over the life of the new debt.

State Revenue Sources

Revenues from State sources for current operations are primarily from the Florida Education Finance Program (FEFP) administered by the Florida Department of Education (the Department) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the Department. The Department performs certain edit checks on the reported number of FTE and related data, and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of nine months following the date of the original reporting. Such amendments may impact funding allocations for subsequent years.

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

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

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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 2023 tax levy on September 5, 2023. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

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

Local Sales Tax

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

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.

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Federal Revenue Sources

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

Accounting Changes

■ **Changes to or within the Financial Reporting Entity**

Change from Nonmajor to Major Fund – The Capital Projects – PECO Fund meets the quantitative requirements for reporting as a major fund in the current fiscal year whereas it did not meet those requirements in the previous fiscal year. The effect of this change to or within the financial reporting entity is shown in the table below.

Reporting Units Affected by Restatements of Beginning Balances		
Funds		
	Capital Projects - PECO	Nonmajor Governmental
Beginning Balances, as previous reported	\$ -	\$ 35,529,196
Change from nonmajor to major fund	9,274,631	(9,274,631)
Beginning Balances, as restated	<u>\$ 9,274,631</u>	<u>\$ 26,254,565</u>

Note 2 – Investments

Cash and Cash Equivalents and Investment Portfolio

The District has adopted a comprehensive investment policy pursuant to Section 218.415, Florida Statutes that establishes 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 \$114,680,924 (Statement of Net Position) consist of amounts placed in a Local Government Surplus Funds Trust Fund and Intergovernmental Investment Pool.

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

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As of June 30, 2024, the District has the following investments and maturities:

<u>Investments</u>	<u>Value</u>	<u>Weighted Average Duration</u>
External Investment Pools:		
State Board of Administration:		
Florida PRIME	\$ 53,238,715	45 days
Debt Service Accounts	13,759	6 months
Florida Palm	<u>61,428,450</u>	60 days
Total	<u>\$ 114,680,924</u>	53 days

The Florida PRIME (the SBA) June 30, 2024, 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, 2024, was the source for the Florida PALM (formerly Florida Education Investment Trust Fund (FEIT) credit rating and weighted average maturity. <https://www.fl-palm.com/>.

Interest Rate Risk

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

The District also uses WAM as a measurement of interest rate risk and as of June 30, 2024, the investment portfolio had a weighted average duration of .15 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.

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

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

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

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

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

As of June 30, 2024, \$114,680,924 of the District's investment securities were individually rated "AAAm" by Standard & Poor's, and Moody's Investors Services.

The District's bank balance of \$40,973,071 was deposited in a qualified public depository, as required by Chapter 280, Florida Statutes.

As of June 30, 2024, the District had the following credit quality:

<u>Investments</u>	<u>Credit Rating</u>	<u>Professional Asset Allocation</u>
State Board of Administration:		
Florida PRIME	AAAm	46.42%
Florida PRIME - Debt Service Accounts	N/A	0.01%
External Investment Pool:		
Florida Palm	AAAm	53.57%
Total		<u>100.00%</u>

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Note 3 – Changes in Capital Assets

Changes in capital assets are presented in the table below:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 10,776,224	\$ 98,552	\$ -	\$ 10,874,776
Construction in Process	26,967,458	34,975,750	(19,046,128)	42,897,080
Total Capital Assets Not Being Depreciated	37,743,682	35,074,302	(19,046,128)	53,771,856
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	39,182,092	5,385,886	-	44,567,978
Buildings and Fixed Equipment	547,038,649	20,145,577	-	567,184,226
Furniture, Fixtures, and Equipment	57,804,559	6,307,873	(2,379,045)	61,733,387
Motor Vehicles	21,817,487	2,810,856	(1,092,173)	23,536,170
Total Capital Assets Being Depreciated	665,842,787	34,650,192	(3,471,218)	697,021,761
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	(26,338,763)	(1,782,719)	-	(28,121,482)
Buildings and Fixed Equipment	(202,673,003)	(11,343,685)	-	(214,016,688)
Furniture, Fixtures, and Equipment	(44,576,151)	(3,782,725)	2,379,045	(45,979,831)
Motor Vehicles	(13,649,644)	(1,364,885)	1,092,173	(13,922,356)
Total Accumulated Depreciation	(287,237,561)	(18,274,014)	3,471,218	(302,040,357)
Total Capital Assets Being Depreciated, Net	378,605,226	16,376,178	-	394,981,404
Governmental Activities Capital Assets, Net	\$ 416,348,908	\$ 51,450,480	\$ (19,046,128)	\$ 448,753,260

Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
Governmental Activities:	
Facilities Acquisition and Construction	\$ 177
Food Services	7,614
Central Services	1,208
Operation of Plant	4,616
Maintenance of Plant	9,829
Transportation	3,524
Administrative Related Technology	1,792
Unallocated	18,245,254
Total Depreciation Expense – Governmental Activities	\$18,274,014

Note 4 – Certificates of Participation

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

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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.

The properties covered by the agreement are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the agreements and to provide the rent payments through to term, the District may be required to

surrender the sites included under the agreements for the benefit of the securers of the certificates for a period of time specified by the arrangement, which may be up to 35 years from the date of inception of the arrangements.

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

Series 2016A Certificates

Explorer K-8 School

Winding Waters K-8 School

Grade Specific Additions to Pine Grove Elementary

School, West Hernando Middle School, and

Central High School

Improvements and Additions to Hernando High School

Improvements and Additions to Springstead High School

Improvements and Additions to Spring Hill Elementary School

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

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

Fiscal Year Ending June 30	Total	Principal	Interest
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	8,657,200	6,645,000	2,012,200
2030-2034	43,272,000	38,065,000	5,207,000
2035	8,652,000	8,400,000	252,000
Total Minimum Payments	95,203,500	76,885,000	18,318,500
Unamortized COP Premiums	6,932,158	6,932,158	-
Total	\$ 102,135,658	\$ 83,817,158	\$ 18,318,500

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Note 5 – Bonds Payable

Bonds payable at June 30, 2024, 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:

<u>Bond Type</u>	<u>Original Debt Issue Amount</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
State School Bonds:				
Series 2014A, Refunding	\$ 523,000	\$ 35,000	3.0 - 5.0	2025
Series 2020A, Refunding	758,000	494,000	5.0	2030
Subtotal	1,281,000	529,000		
Unamortized Premium	281,191	96,436		
State School Bonds	1,562,191	625,436		
District Revenue Bonds:				
Series 2020, Refunding	3,500,000	3,135,000	3.0 - 4.0	2050
Unamortized Premium	268,403	232,616		
Revenue Bonds	3,768,403	3,367,616		
Total Bonds Payable	\$ 5,330,594	\$ 3,993,052		

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

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December 1, 2031. Approximately 98 percent of this revenue stream has been pledged in connection with the debt service on the revenue bonds. As required by the bond resolution, the District has established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account.

The Series 2020 bonds, totaling \$3.5 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.

Fiscal Year Ending June 30,	Total	Principal	Interest
State School Bonds			
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	95,875	89,000	6,875
2030	95,325	93,000	2,325
	607,850	529,000	78,850
Unamortized Bond Premium	96,436	96,436	-
Total State School Bonds	704,286	625,436	78,850
District Revenue Bonds			
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	202,850	110,000	92,850
2030-2034	936,450	540,000	396,450
2035-2039	823,850	530,000	293,850
2040-2044	826,900	640,000	186,900
2045-2049	832,500	750,000	82,500
2050	167,475	165,000	2,475
	4,603,025	3,135,000	1,468,025
Unamortized Bond Premium	232,616	232,616	-
Total Revenue Bonds	4,835,641	3,367,616	1,468,025
Total	\$ 5,539,927	\$ 3,993,052	\$ 1,546,875

Annual requirements to amortize all bonded debt outstanding as of June 30, 2024, are as follows:

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.

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On June 30, 2024, bonds considered defeased in substance are as follows:

<u>Bond Issues</u>	<u>Amount Outstanding</u>
State School Bonds, Series 2004A	\$ 35,000
State School Bonds, Series 2005A	80,000
State School Bonds, Series 2010A	675,000
District Revenue Bonds, Series 2001	1,465,000
Total Defeased Debt	<u>\$ 2,255,000</u>

Note 7 – Installment-Purchase Payable

School buses with asset balances of \$5,960,850 are being acquired under an installment-purchase agreement. Future minimum installment-purchase payments and the present value of the minimum installment-purchase payments as of June 30 are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,256,457	\$ 1,190,882	\$ 65,575
2026	1,256,457	1,214,327	42,130
2027	1,256,457	1,238,233	18,224
Total	<u>\$ 3,769,371</u>	<u>\$ 3,643,442</u>	<u>\$ 125,929</u>

The stated interest rate is 1.9591 percent.

Note 8 – Changes in Long-Term Liabilities

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

<u>Description</u>	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>	<u>Due in One Year</u>
Governmental Activities					
Bonds Payable	\$ 3,889,000	\$ -	\$ 225,000	\$ 3,664,000	\$ 202,000
Unamortized Premium	364,976	-	35,924	329,052	31,270
Total Bonds Payable	4,253,976	-	260,924	3,993,052	233,270
Certificates of Participation Payable	82,190,000	-	5,305,000	76,885,000	5,575,000
Unamortized Premium	7,509,838	-	577,680	6,932,158	577,680
Total Certificates of Participation Payable	89,699,838	-	5,882,680	83,817,158	6,152,680
Installment-Purchase Payable	4,811,332	-	1,167,890	3,643,442	1,190,882
Other Postemployment Benefits	8,162,559	906,154	271,141	8,797,572	619,801
Net Pension Liability	137,717,711	70,484,708	50,465,204	157,737,215	-
Compensated Absences Payable	17,829,897	3,977,944	3,353,800	18,454,041	1,000,000
Total Governmental Activities	<u>\$262,475,313</u>	<u>\$75,368,806</u>	<u>\$61,401,639</u>	<u>\$276,442,480</u>	<u>\$ 9,196,633</u>

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

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Note 9 – Fund Balance Reporting

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

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

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 by 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 \$118,128,420, which represents \$6,030,627 in State Categorical programs, \$250,938 for workforce development programs, \$12,255,684 for food services, \$7,638,296 for debt service, \$89,325,071 for capital projects, and \$2,627,804 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 \$26,016,726 which consists of \$23,510,643 assigned for District project

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carryforwards, and \$2,506,083 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 \$14,833,034.

The following is a schedule of Fund Balances by category at June 30, 2024:

	Major Funds				Non-Major Funds	Total Governmental Funds
	General	Capital Projects PECO Fund	Capital Projects Local Capital Improvement	Capital Projects Other Capital Projects		
Fund Balances:						
Non-Spendable:						
Inventory and Prepaids	\$ 1,373,604	\$ -	\$ -	\$ -	\$ 213,225	\$ 1,586,829
Restricted:						
State Categoricals	6,030,627	-	-	-	-	6,030,627
Workforce Development	250,938	-	-	-	-	250,938
Debt Service	-	-	-	-	7,638,296	7,638,296
Capital Projects	-	2,965,421	29,391,987	52,736,166	4,231,497	89,325,071
Food Services	-	-	-	-	12,255,684	12,255,684
Internal Accounts	-	-	-	-	2,627,804	2,627,804
Assigned:						
School Operations:						
Other	23,510,643	-	-	-	-	23,510,643
Health Insurance Rebates/ Profit Sharing	2,506,083	-	-	-	-	2,506,083
Unassigned	14,833,034	-	-	-	-	14,833,034
Total Fund Balances	\$ 48,504,929	\$ 2,965,421	\$ 29,391,987	\$ 52,736,166	\$ 26,966,506	\$ 160,565,009

At the end of the fiscal year, the assigned/unassigned General Fund balance was \$40,849,760, or 17.6 percent, of General Fund revenues.

Note 10 – Inter-Fund Receivables, Payables, and Transfers

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

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 2,479,561	\$ -
Special Revenue:		
Federal Education Stabilization	-	1,504,339
Other Federal Programs	-	975,222
Total Governmental Funds	\$ 2,479,561	\$ 2,479,561

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

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

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General	\$ 4,596,268	\$ 1,507,021
Capital Projects:		
PECO	-	250,636
Local Capital Improvement	-	11,455,131
Nonmajor Governmental	10,157,215	1,540,695
Total Governmental Funds	\$ 14,753,483	\$ 14,753,483

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 11 – Schedule of State Revenue Sources

The following is a schedule of the District's State revenue for the 2023-2024 fiscal year:

Source	Amount
Florida Education Finance Program:	
Transportation	\$ 5,966,944
Safe School	2,012,527
Mental Health	1,368,571
Other	101,848,583
Categorical Educational Program - Class Size Reduction	22,721,527
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,014,464
Workforce Development Program	838,774
Charter School Capital Outlay	250,636
Food Service Supplement	183,565
Interest on Investment of Bond Reserves	28,670
Miscellaneous	4,746,069
Total	\$ 140,980,330

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Note 12 – Property Taxes

The following is a summary of millages and taxes levied on the 2023 tax roll for 2023-2024 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	3.092	\$ 53,256,676
Basic Discretionary Local Effort	0.748	12,883,568
Additional Millage (Voted Levy)	1.000	17,224,022
<u>Capital Projects Fund</u>		
Non-Voted Tax:		
Local Capital Improvements	1.500	25,836,034
Total	<u>6.340</u>	<u>\$ 109,200,300</u>

Note 13 – Retirement Plans

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

General Information about the FRS

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS)

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

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

The District's FRS and HIS pension expense totaled \$42,968,134 for the fiscal year ended June 30, 2024.

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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 96 months after electing to participate, except that certain instructional personnel may participate for up to 120 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 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:

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

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

■ **Contributions**

The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2023-2024 fiscal year were as follows:

Class	Percent of Gross Salary	
	Employee	Employer (1)
FRS, Regular	3.00	13.57
FRS, Elected County Officers	3.00	58.68
FRS, Senior Management Service	3.00	34.52
DROP – Applicable to		
Members from All of the Above Classes	0.00	21.13
FRS, Reemployed Retiree	(2)	(2)

Notes:

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

The District's contributions to the Plan totaled \$14,154,080 for the fiscal year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of \$101,749,227 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The District's proportionate share of the net pension liability was based on the District's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the District's proportionate share was 0.255350837 percent, which was a decrease of 0.012377924 percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized the Plan pension expense of \$22,020,862. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 9,553,374	\$ -
Changes in Assumptions	6,632,859	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	4,249,323	-
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	5,160,747	3,053,209
District FRS Contributions Subsequent to the Measurement Date	14,154,080	-
Total	\$ 39,750,383	\$ 3,053,209

The deferred outflows of resources related to pensions, totaling \$14,154,080 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2025	\$ 3,759,074
2026	(73,805)
2027	17,418,290
2028	1,184,030
2029	255,505
Total	\$ 22,543,094

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Actuarial Assumptions

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

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global Equity	54.0%	8.7%	7.1%	18.1%
Real Estate	10.3%	7.6%	6.6%	14.8%
Private Equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
Total	100.0%			
Assumed inflation - Mean			2.4%	1.4%

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

■ Discount Rate

The discount rate used to measure the total pension liability was 6.7 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.7 percent, as well as what the District's proportionate share of the

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net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.7 percent) or 1 percentage-point higher (7.7 percent) than the current rate:

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
District's Proportionate Share of the Net Pension Liability	<u>\$ 173,808,398</u>	<u>\$ 101,749,227</u>	<u>\$ 41,463,108</u>

■ **Pension Plan Fiduciary Net Position**

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

HIS Pension Plan

■ **Plan Description**

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

■ **Benefits Provided**

For the fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Federal Medicare.

■ **Contributions**

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2024, the contribution rate was 2 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$3,001,345 for the fiscal year ended June 30, 2024.

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

At June 30, 2024, the District reported a net pension liability of \$55,987,988 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the pension plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, and update procedures were used to determine the net pension liability as of June 30, 2023. The District's proportionate share of the net pension liability was based on the District's 2022-2023 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the District's proportionate share was 0.352539584 percent, which was a decrease of 0.007189886 percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized the HIS pension expense of \$20,947,272 related to the HIS Plan. In addition, the District reported deferred outflows of resources relate and deferred inflows of resources relate to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 819,626	\$ 131,412
Changes in Assumptions	1,471,907	4,851,548
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	28,913	-
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	1,180,202	853,293
District HIS Contributions Subsequent to the Measurement Date	3,001,345	-
Total	\$ 6,501,993	\$ 5,836,253

The deferred outflows of resources totaling \$3,001,345 resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2025	\$ (358,611)
2026	(171,862)
2027	(340,459)
2028	(847,601)
2029	(579,176)
Thereafter	(37,896)
Total	\$ (2,335,605)

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■ **Actuarial Assumptions**

The total pension liability in the July 1, 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
Municipal Bond Rate	3.65 percent

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

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

■ **Discount Rate**

The discount rate used to measure the total pension liability was 3.65 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 3.54 percent to 3.65 percent.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.65 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current rate:

	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
District's Proportionate Share of the Net Pension Liability	\$ 63,873,556	\$ 55,987,988	\$ 49,445,381

■ **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. Retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature.

The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2023-2024 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	11.30
FRS, Elected County Officers	16.34
FRS, Senior Management Service	12.67

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2024, 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 \$5,730,093 for the fiscal year ended June 30, 2024.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 14 – OPEB Payable

Plan Description

The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to Section 112.0801, Florida Statutes, former employees who retire from the District and eligible dependents may continue to participate in the District's fully insured group health plan. Retirees and their eligible dependents shall be offered the same health plan as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in

higher costs to the OPEB Plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

Employees Covered by Benefit Terms. At June 30, 2022, the following employees were covered by the benefit terms:

Inactive Members or Beneficiaries Currently Receiving Benefits	40
Active Employees	<u>3,325</u>
Total Membership	<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.

Total OPEB Liability. The District's total OPEB liability of \$8,797,572 was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2022, and update procedures were used to determine the total OPEB liability as of June 30, 2023.

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

Inflation	2.40 percent
Salary Increases	3.40 – 7.80 percent, average, including inflation
Discount Rate	3.65 percent
Healthcare Cost Trend Rates	
Pre-Medicare (1)	6.75 percent for 2022, decreasing to an ultimate Rate of 4.40 percent for 2032.

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

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index published the last week of June by The Bond Buyer. Mortality rates were based on the PUB-2010

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

mortality tables, with adjustments for FRS experience and generational mortality improvements using Scale MP-2018.

The demographic actuarial assumptions for mortality, retirement, disability incidence, and withdrawal 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, adopted by the FRS. The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2022, valuation were based on a review of recent plan experience done concurrently with the June 30, 2022, valuation.

Changes in Total OPEB Liability

Description	Amount
Total OPEB Liability, Beginning of Year	<u>\$ 8,162,559</u>
Changes for the Year	
Service Cost	619,801
Interest on Net OPEB Liability	286,353
Difference Between Expected and Actual Experience	(84,126)
Changes of Assumptions or Other Inputs	(38,726)
Benefit Payments and Implicit Subsidy Credit	<u>(148,289)</u>
Increase in Total OPEB Liability	<u>635,013</u>
Total OPEB Liability, End of Year	<u>\$ 8,797,572</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54 percent in 2022 to 3.65 percent in 2023.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65 percent) or 1 percentage point higher (4.65 percent) than the current rate:

	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Total OPEB Liability	\$ 9,134,724	\$ 8,797,572	\$ 8,432,548

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 7,827,308	\$ 8,797,572	\$ 9,936,497

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. The District recognized a negative OPEB expense of \$1,222,400 for the fiscal year ended June 30, 2024. At June 30, 2024, the District reported deferred outflows and inflows of resources related to the OPEB Plan liability from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 901,500
Changes of Assumptions	620,779	5,293,895
District Contributions Subsequent to the Measurement Date	619,801	-
Total	\$ 1,240,580	\$ 6,195,395

The deferred outflows of resources related to pensions, totaling \$619,801 resulting from District contributions to the OPEB Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2025	\$ (1,699,892)
2026	(1,725,839)
2027	(1,575,000)
2028	(561,513)
2029	(12,372)
Total	\$ (5,574,616)

Note 15 – Construction and Other Significant Commitments

Construction Contracts. The following is a schedule of major construction contract commitments at June 30, 2024:

Project	Contract Amount	Completed to Date	Balance Committed
Brooksville Elementary School - Renovations	\$ 11,582,393	\$ 6,154,712	\$ 5,427,681
Central High School - Renovations & HVAC	11,528,572	5,846,342	5,682,230
District Office - Lighting Upgrades/Generator	1,234,702	617,351	617,351
Fox Chapel Middle School - Renovation & HVAC	6,554,783	4,661,225	1,893,558
JD Floyd Elementary - Soffitt Replacement	3,280,655	2,263,382	1,017,273
Pine Grove Elementary - Soffitt Replacement	1,490,473	1,407,825	82,648
Plant Operations - HVAC Control Upgrades (Various Sites)	631,630	522,674	108,956
Powell Middle School - Roof Repair/Replacement	718,071	348,164	369,907
Safe Schools - Campus Wide Access (Various sites)	728,336	210,089	518,247
Spring Hill Elementary - Roof Repair/Replacement	844,265	414,041	430,224
Springstead High School - Renovations	1,570,119	990,255	579,864
Suncoast Elementary School - HVAC Replacement	3,948,698	3,518,580	430,118
Support Operations - Lift Station	55,754	48,477	7,277
Transportation Building - Roof Replacement	1,373,741	707,701	666,040
Wilton Simpson Technical College - New Building	17,193,789	8,884,579	8,309,210
Winding Waters K8 - Renovations/Additions	7,893,535	5,546,947	2,346,588
Building Code Inspections/Engineering Services (Various Sites)	1,322,123	754,736	567,387
Total	\$ 71,951,639	\$ 42,897,080	\$ 29,054,559

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 16 – 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, 2024, the accumulated credits to the District's account are \$5,501,966. During the 2023-2024 fiscal year, the District received \$241,710 in capital credits.

Note 17 – Risk Management Programs

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a participating district of the North East Florida Educational Consortium (the Consortium) under which several district school boards have established a combined limited self-insurance program for property protection, general liability, automobile liability, workers' compensation, money and securities, employee fidelity and faithful performance, boiler and machinery, and other coverage deemed necessary by the members and participants of the Consortium. Section 1001.42(12) (k), Florida Statutes, provides the authority for the District to enter into such a risk management program. The Consortium is self-sustaining through member and participant assessments (premiums), and purchases coverage through commercial companies for claims in excess of specified amounts. Reinsurance from commercial companies provided excess property coverage of up to \$50 million during the 2023-2024 fiscal year. The Board of Directors for the Consortium is composed of superintendents of all member districts. The Putnam County District School Board serves as fiscal agent for the Consortium. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Health and hospitalization coverage is being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

Note 18 – 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.



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REQUIRED SUPPLEMENTARY INFORMATION



HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.



HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
Federal Direct	\$ 243,000	\$ 225,017	\$ 225,017	\$ -
Federal Through State and Local	550,000	1,632,952	1,632,952	-
State	139,993,987	137,077,906	137,077,906	-
Local:				
Property Taxes Levied for				
Operational Purposes	83,394,266	83,826,470	83,826,470	-
Miscellaneous	4,394,341	9,238,312	9,238,312	-
Total Revenues	228,575,594	232,000,657	232,000,657	-
Expenditures				
Current:				
Instruction:				
Salaries	94,230,528	91,964,394	91,964,394	-
Employee Benefits	30,875,466	29,603,996	29,603,996	-
Purchased Services	6,266,683	10,006,602	10,006,602	-
Energy Services	-	593	593	-
Materials and Supplies	8,630,390	3,930,471	3,930,471	-
Capital Outlay	17,593	855,244	855,244	-
Other Expenses	433,602	1,173,794	1,173,794	-
Total Instruction	140,454,262	137,535,094	137,535,094	-
Student Personnel Services:				
Salaries	6,363,383	7,802,007	7,802,007	-
Employee Benefits	2,230,265	2,525,892	2,525,892	-
Purchased Services	50,801	93,961	93,961	-
Materials and Supplies	4,498,024	70,640	70,640	-
Capital Outlay	1,000	12,900	12,900	-
Other Expenses	9,670	12,198	12,198	-
Total Student Personnel Services	13,153,143	10,517,598	10,517,598	-
Instructional Media Services:				
Salaries	1,033,813	1,293,928	1,293,928	-
Employee Benefits	389,104	452,355	452,355	-
Purchased Services	243,201	255,964	255,964	-
Materials and Supplies	12,900	6,637	6,637	-
Capital Outlay	1,400	51,769	51,769	-
Other Expenses	6,000	3,511	3,511	-
Total Instructional Media Services	1,686,418	2,064,164	2,064,164	-

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures				
Current (Continued) :				
Instruction and Curriculum Development				
Services:				
Salaries	\$ 2,118,541	\$ 2,706,482	\$ 2,706,482	\$ -
Employee Benefits	695,084	840,539	840,539	-
Purchased Services	41,250	51,528	51,528	-
Materials and Supplies	66,500	36,109	36,109	-
Capital Outlay	26,200	9,170	9,170	-
Other Expenses	2,000	3,143	3,143	-
Total Instruction and Curriculum Development Services	2,949,575	3,646,971	3,646,971	-
Instructional Staff Training Services:				
Salaries	524,930	563,729	563,729	-
Employee Benefits	185,179	175,506	175,506	-
Purchased Services	28,550	70,541	70,541	-
Materials and Supplies	5,400	5,891	5,891	-
Other Expenses	3,000	9,745	9,745	-
Total Instructional Staff Training Services	747,059	825,412	825,412	-
Instruction Related Technology:				
Salaries	271,603	528,270	528,270	-
Employee Benefits	134,203	222,157	222,157	-
Purchased Services	-	122,131	122,131	-
Total Instruction Related Technology	405,806	872,558	872,558	-
Board:				
Salaries	274,003	275,014	275,014	-
Employee Benefits	187,638	186,017	186,017	-
Purchased Services	340,883	507,889	507,889	-
Materials and Supplies	2,190	2,118	2,118	-
Other Expenses	40,884	18,324	18,324	-
Total Board	845,598	989,362	989,362	-
General Administration:				
Salaries	1,370,270	2,243,053	2,243,053	-
Employee Benefits	431,902	678,677	678,677	-
Purchased Services	172,660	244,678	244,678	-
Materials and Supplies	35,100	15,896	15,896	-
Capital Outlay	-	9,822	9,822	-
Other Expenses	76,550	67,414	67,414	-
Total General Administration	2,086,482	3,259,540	3,259,540	-

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures				
Current (Continued):				
School Administration:				
Salaries	\$ 10,486,569	\$ 11,970,157	\$ 11,970,157	\$ -
Employee Benefits	3,741,066	3,914,363	3,914,363	-
Purchased Services	3,776	96,158	96,158	-
Materials and Supplies	5,300	106,127	106,127	-
Capital Outlay	-	47,720	47,720	-
Other Expenses	75,268	13,496	13,496	-
Total School Administration	14,311,979	16,148,021	16,148,021	-
Facility Services - Non-Capitalized:				
Salaries	496,842	575,509	575,509	-
Employee Benefits	159,721	181,345	181,345	-
Purchased Services	-	209,426	209,426	-
Materials and Supplies	400	217	217	-
Capital Outlay	3,000	181,186	181,186	-
Other Expenses	227,934	250,886	250,886	-
Total Facility Services - Non-Capitalized	887,897	1,398,569	1,398,569	-
Fiscal Services:				
Salaries	655,107	620,670	620,670	-
Employee Benefits	203,253	197,438	197,438	-
Purchased Services	215,378	204,581	204,581	-
Materials and Supplies	10,230	3,625	3,625	-
Capital Outlay	240	1,002	1,002	-
Other Expenses	31,995	40,721	40,721	-
Total Fiscal Services	1,116,203	1,068,037	1,068,037	-
Food Services:				
Salaries	-	382,041	382,041	-
Employee Benefits	-	82,779	82,779	-
Total Food Services	-	464,820	464,820	-
Central Services:				
Salaries	1,861,248	1,970,573	1,970,573	-
Employee Benefits	674,111	929,989	929,989	-
Purchased Services	1,034,662	1,101,179	1,101,179	-
Materials and Supplies	132,350	122,022	122,022	-
Capital Outlay	31,785	31,989	31,989	-
Other Expenses	75,481	90,624	90,624	-
Total Central Services	3,809,637	4,246,376	4,246,376	-
Student Transportation Services:				
Salaries	5,743,884	5,920,996	5,920,996	-
Employee Benefits	2,266,141	2,005,741	2,005,741	-
Purchased Services	566,800	423,767	423,767	-
Energy Services	1,466,000	1,109,426	1,109,426	-
Materials and Supplies	808,700	642,598	642,598	-
Capital Outlay	1,958,295	121,367	121,367	-
Other Expenses	260	127,161	127,161	-
Total Student Transportation Services	12,810,080	10,351,056	10,351,056	-

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures				
Current (Concluded) :				
Operation of Plant:				
Salaries	\$ 6,440,458	\$ 7,363,702	\$ 7,363,702	\$ -
Employee Benefits	2,445,407	2,644,621	2,644,621	-
Purchased Services	5,994,070	6,863,928	6,863,928	-
Energy Services	7,327,015	5,857,963	5,857,963	-
Materials and Supplies	671,800	492,408	492,408	-
Capital Outlay	258,000	437,580	437,580	-
Other Expenses	266,420	32,115	32,115	-
Total Operation of Plant	23,403,170	23,692,317	23,692,317	-
Maintenance of Plant:				
Salaries	3,036,269	3,180,170	3,180,170	-
Employee Benefits	1,181,250	1,173,460	1,173,460	-
Purchased Services	1,475,272	1,533,183	1,533,183	-
Energy Services	219,500	157,715	157,715	-
Materials and Supplies	842,500	622,402	622,402	-
Capital Outlay	27,000	734,704	734,704	-
Other Expenses	4,225	1,555	1,555	-
Total Maintenance of Plant	6,786,016	7,403,189	7,403,189	-
Administrative Technology Services:				
Salaries	1,359,301	1,723,217	1,723,217	-
Employee Benefits	488,535	576,865	576,865	-
Purchased Services	455,996	1,016,115	1,016,115	-
Materials and Supplies	59,700	19,898	19,898	-
Capital Outlay	2,519,824	323,217	323,217	-
Other Expenses	1,050	297	297	-
Total Administrative Technology Services	4,884,406	3,659,609	3,659,609	-
Community Services:				
Purchased Services	17,775	17,651	17,651	-
Materials and Supplies	1,775	936	936	-
Total Community Services	19,550	18,587	18,587	-
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	3,094,568	3,094,568	-
Other Capital Outlay	-	3,776,311	3,776,311	-
Total Fixed Capital Outlay	-	6,870,879	6,870,879	-
Total Expenditures	230,357,281	235,032,159	235,032,159	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,781,687)	(3,031,502)	(3,031,502)	-

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Concluded)

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Other Financing Sources (Uses)				
Transfers In	\$ 4,608,666	\$ 4,596,268	\$ 4,596,268	\$ -
Insurance Loss Recoveries	-	292,601	292,601	-
Transfers (Out)	(1,261,457)	(1,507,021)	(1,507,021)	-
Total Other Financing Sources (Uses)	<u>3,347,209</u>	<u>3,381,848</u>	<u>3,381,848</u>	<u>-</u>
Net Change in Fund Balances	1,565,522	350,346	350,346	-
Fund Balances, July 1, 2023	48,783,594	48,154,583	48,154,583	-
Fund Balances, June 30, 2024	<u>\$ 50,349,116</u>	<u>\$ 48,504,929</u>	<u>\$ 48,504,929</u>	<u>\$ -</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Special Revenue Fund - Other Federal Programs Fund				
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Through State and Local	\$ 19,493,161	\$ 16,207,839	\$ 16,207,839	\$ -
Total Revenues	19,493,161	16,207,839	16,207,839	-
Expenditures				
Current:				
Instruction:				
Salaries	4,657,966	3,485,062	3,485,062	-
Employee Benefits	2,184,759	1,350,597	1,350,597	-
Purchased Services	2,045,333	1,138,174	1,138,174	-
Materials and Supplies	659,996	1,225,065	1,225,065	-
Capital Outlay	720,616	54,684	54,684	-
Other Expenses	94,905	52,455	52,455	-
Total Instruction	10,363,575	7,306,037	7,306,037	-
Student Support Services:				
Salaries	2,117,815	1,717,381	1,717,381	-
Employee Benefits	666,749	593,932	593,932	-
Purchased Services	176,087	92,795	92,795	-
Materials and Supplies	109,295	98,126	98,126	-
Capital Outlay	22,476	4,850	4,850	-
Other Expenses	31,965	23,983	23,983	-
Total Student Personnel Services	3,124,387	2,531,067	2,531,067	-
Instruction and Curriculum				
Development Services:				
Salaries	2,550,735	2,276,727	2,276,727	-
Employee Benefits	933,231	763,531	763,531	-
Purchased Services	82,982	48,037	48,037	-
Materials and Supplies	80,883	30,185	30,185	-
Capital Outlay	13,104	1,070	1,070	-
Other Expenses	10,995	5,549	5,549	-
Total Instruction and Curriculum	3,671,930	3,125,099	3,125,099	-
Instructional Staff Training Services:				
Salaries	634,173	724,727	724,727	-
Employee Benefits	182,956	145,736	145,736	-
Purchased Services	322,289	330,802	330,802	-
Materials and Supplies	47,159	29,222	29,222	-
Other Expenses	101,356	86,681	86,681	-
Total Instructional Staff Training Services	\$ 1,287,933	\$ 1,317,168	\$ 1,317,168	-

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Concluded)

	Special Revenue Fund - Other Federal Programs Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Current (Concluded) :				
Instruction Related Technology:				
Salaries	163,445	136,714	136,714	-
Employee Benefits	85,824	64,564	64,564	-
Total Instruction Related Technology	249,269	201,278	201,278	-
General Administration:				
Other Expenses	723,077	767,003	767,003	-
Total General Administration	723,077	767,003	767,003	-
School Administration:				
Salaries	-	1,592	1,592	-
Employee Benefits	-	349	349	-
Total School Administration	-	1,941	1,941	-
Facility Services - Non-Capitalized:				
Capital Outlay	-	345,023	345,023	-
Total Facility Services - Non-Capitalized	-	345,023	345,023	-
Student Transportation Services:				
Salaries	19,125	10,796	10,796	-
Employee Benefits	3,794	2,215	2,215	-
Purchased Services	15,178	14,750	14,750	-
Energy Services	16,655	7,752	7,752	-
Other Expenses	500	-	-	-
Total Student Transportation Services	55,252	35,513	35,513	-
Operation of Plant:				
Salaries	3,500	-	-	-
Employee Benefits	727	-	-	-
Energy Services	1,000	-	-	-
Total Operation of Plant	5,227	-	-	-
Maintenance of Plant:				
Materials and Supplies	12,511	4,171	4,171	-
Total Maintenance of Plant	12,511	4,171	4,171	-
Fixed Capital Outlay:				
Other Capital Outlay	-	573,539	573,539	-
Total Fixed Capital Outlay	-	573,539	573,539	-
Total Expenditures	19,493,161	16,207,839	16,207,839	-
Net Change in Fund Balances	-	-	-	-
Fund Balances, July 1, 2023	-	-	-	-
Fund Balances, June 30, 2024	\$ -	\$ -	\$ -	\$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - FEDERAL EDUCATION STABILIZATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Special Revenue Fund - Federal Education Stabilization Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Through State and Local	\$ 28,932,747	\$ 20,815,558	\$ 20,815,558	\$ -
Total Revenues	28,932,747	20,815,558	20,815,558	-
Expenditures				
Current:				
Instruction:				
Salaries	3,554,145	1,249,887	1,249,887	-
Employee Benefits	997,310	330,514	330,514	-
Purchased Services	2,823,733	1,911,470	1,911,470	-
Materials and Supplies	1,278,463	553,886	553,886	-
Capital Outlay	1,321,935	-	-	-
Other Expenses	532,365	195,651	195,651	-
Total Instruction	10,507,950	4,241,408	4,241,408	-
Student Support Services:				
Salaries	604,695	336,329	336,329	-
Employee Benefits	218,600	104,519	104,519	-
Purchased Services	60,289	9,272	9,272	-
Materials and Supplies	9,751	40,453	40,453	-
Capital Outlay	24,048	-	-	-
Other Expenses	12,855	3,558	3,558	-
Total Student Personnel Services	930,238	494,131	494,131	-
Instructional Media Services:				
Salaries	21,630	2,320	2,320	-
Employee Benefits	4,279	520	520	-
Total Instructional Media Services	25,909	2,840	2,840	-
Instruction and Curriculum				
Development Services:				
Salaries	1,914,859	1,414,623	1,414,623	-
Employee Benefits	642,306	481,456	481,456	-
Purchased Services	8,155	43,603	43,603	-
Capital Outlay	1,500	-	-	-
Other Expenses	7,513	8,445	8,445	-
Total Instruction and Curriculum				
Development Services	2,574,333	1,948,127	1,948,127	-
Instructional Staff Training Services:				
Salaries	169,178	-	-	-
Employee Benefits	37,605	-	-	-
Purchased Services	161,650	18,192	18,192	-
Materials and Supplies	26,777	10,173	10,173	-
Other Expenses	17,000	-	-	-
Total Instructional Staff Training Services	412,210	28,365	28,365	-

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - FEDERAL EDUCATION STABILIZATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Special Revenue Fund - Federal Education Stabilization Fund				
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Expenditures				
Current (Concluded) :				
Instruction Related Technology:				
Salaries	\$ 43,227	\$ -	\$ -	\$ -
Employee Benefits	18,063	-	-	-
Total Instruction Related Technology	61,290	-	-	-
General Administration:				
Other Expenses	188,343	97,425	97,425	-
Total General Administration	188,343	97,425	97,425	-
School Administration:				
Salaries	30,000	-	-	-
Employee Benefits	6,255	-	-	-
Purchased Services	246,250	224,866	224,866	-
Total School Administration	282,505	224,866	224,866	-
Facility Services - Non-Capitalized:				
Purchased Services	63,982	31,560	31,560	-
Capital Outlay	11,970,273	676,198	676,198	-
Total Facility Services - Non-Capitalized	12,034,255	707,758	707,758	-
Personnel Services:				
Employee Benefits	9,558	-	-	-
Other Expenses	108,000	-	-	-
Total Fiscal Services	117,558	-	-	-

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - FEDERAL EDUCATION STABILIZATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Concluded)

	Special Revenue Fund - Federal Education Stabilization Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Student Transportation Services:				
Salaries	376,917	238,484	238,484	-
Employee Benefits	94,978	31,029	31,029	-
Purchased Services	651,509	32,616	32,616	-
Energy Services	84,342	76,537	76,537	-
Capital Outlay	12,874	-	-	-
Total Student Transportation Services	1,220,620	378,666	378,666	-
Operation of Plant:				
Salaries	23,334	29,669	29,669	-
Employee Benefits	4,384	6,492	6,492	-
Materials and Supplies	66,183	65,247	65,247	-
Capital Outlay	16,450	-	-	-
Total Operation of Plant	110,351	101,408	101,408	-
Maintenance of Plant:				
Purchased Services	291,509	-	-	-
Energy Services	-	281,200.00	281,200.00	-
Materials and Supplies	69,148	60,579.00	60,579.00	-
Capital Outlay	2,180,035	-	-	-
Total Maintenance of Plant	2,540,692	341,779.00	341,779.00	-
Administrative Technology:				
Purchased Services	60,000	-	-	-
Capital Outlay	668	-	-	-
Total Administrative Technology	60,668	-	-	-
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	11,511,289	11,511,289	-
Other Capital Outlay	-	737,496	737,496	-
Total Fixed Capital Outlay	-	12,248,785	12,248,785	-
Total Expenditures	31,066,922	20,815,558	20,815,558	-
Net Change in Fund Balances	-	-	-	-
Fund Balances, July 1, 2023	-	-	-	-
Fund Balances, June 30, 2024	\$ -	\$ -	\$ -	\$ -

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL
OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018
Service Cost	\$ 619,801	\$ 898,978	\$ 1,065,964	\$ 1,033,551	\$ 945,389	\$ 1,029,637	\$ 1,062,870
Interest on the Total OPEB Plan Liability	286,353	268,917	344,238	498,844	494,953	500,632	403,753
Difference Between Expected and Actual Experience	(84,126)	(345,243)	(60,297)	(1,637,673)	(55,582)	(2,975,368)	(60,978)
Changes of Assumptions	(38,726)	(5,010,374)	(4,262,709)	1,663,956	324,301	443,230	(456,379)
Benefits Payments	(148,289)	(198,090)	(229,121)	(240,058)	(251,350)	(291,175)	(309,654)
Net Change in Total OPEB Plan Liability	\$ 635,013	(4,385,812)	(3,141,925)	1,318,620	1,457,711	(1,293,044)	639,612
Total OPEB Plan Liability, Beginning of the Year	\$ 8,162,559	12,548,371	15,690,296	14,371,676	12,913,965	14,207,009	13,567,397
Total OPEB Plan Liability, End of Year	<u>\$ 8,797,572</u>	<u>\$ 8,162,559</u>	<u>\$ 12,548,371</u>	<u>\$ 15,690,296</u>	<u>\$ 14,371,676</u>	<u>\$ 12,913,965</u>	<u>\$ 14,207,009</u>
Covered-Employee Payroll	<u>\$ 117,873,547</u>	<u>\$ 117,873,547</u>	<u>\$ 100,869,474</u>	<u>\$ 123,545,630</u>	<u>\$ 105,631,388</u>	<u>\$ 105,631,388</u>	<u>\$ 109,705,009</u>
Total OPEB Plan Liability as a Percentage of Covered-Employee Payroll	7.46%	6.92%	12.44%	12.70%	13.61%	12.23%	12.95%

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the FRS Net Pension Liability	0.25535083700000%	0.26772876090000%	0.257313620728500%	0.235169321710000%	0.234747419260000%	0.239307727258600%	0.236737893439716%	0.243941041000827%	0.275441373781394%	0.277347267000000%
District's Proportionate Share of the FRS Net Pension Liability	\$ 101,749,227	\$ 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	\$ 139,777,660	\$ 131,101,857	\$ 123,545,630	\$ 121,544,716	\$ 115,040,283	\$ 113,049,763	\$ 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	72.79%	75.98%	15.73%	83.86%	70.27%	63.76%	63.99%	56.15%	36.44%	17.64%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.38%	89.89%	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)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required FRS Contribution	\$ 14,154,080	\$ 10,260,406	\$ 9,154,546	\$ 6,355,456	\$ 7,813,634	\$ 7,278,864	\$ 6,213,024	\$ 5,740,861	\$ 5,588,867	\$ 6,715,495
FRS Contributions in Relation to the Contractually Required Contribution	(14,154,080)	(10,260,406)	(9,154,546)	(6,355,456)	(7,813,634)	(7,278,864)	(6,213,024)	(5,740,861)	(5,588,867)	(6,715,495)
FRS Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
District's Covered Payroll	\$ 150,053,467	\$ 139,777,660	\$ 131,101,857	\$ 123,545,630	\$ 121,544,716	\$ 115,040,283	\$ 113,049,763	\$ 109,508,812	\$ 109,705,301	\$ 97,642,573
FRS Contributions as a Percentage of Covered Payroll	9.43%	7.34%	6.98%	5.14%	6.43%	6.33%	5.50%	5.24%	5.09%	6.88%

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

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the HIS Net Pension Liability	0.352539584000%	0.359729470200%	0.348976780090%	0.350072433960%	0.343815279200%	0.346088818041%	0.343544358509%	0.355329704330%	0.373508027713%	0.375157423000%
District's Proportionate Share of the HIS Net Pension Liability	<u>\$ 55,987,988</u>	<u>\$ 38,101,097</u>	<u>\$ 42,807,248</u>	<u>\$ 42,743,274</u>	<u>\$ 38,473,545</u>	<u>\$ 36,630,429</u>	<u>\$ 36,733,348</u>	<u>\$ 41,412,206</u>	<u>\$ 38,091,943</u>	<u>\$ 35,078,134</u>
District's Covered Payroll	<u>\$ 139,777,660</u>	<u>\$ 131,101,857</u>	<u>\$ 123,545,630</u>	<u>\$ 121,544,716</u>	<u>\$ 115,040,283</u>	<u>\$ 113,049,763</u>	<u>\$ 109,437,312</u>	<u>\$ 109,705,301</u>	<u>\$ 113,452,195</u>	<u>\$ 111,491,590</u>
District's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	40.06%	29.06%	34.65%	35.17%	33.44%	32.40%	33.57%	37.75%	33.58%	31.46%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.12%	4.81%	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)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required HIS Contribution	\$ 3,001,345	\$ 2,649,004	\$ 2,363,496	\$ 1,640,835	\$ 2,017,303	\$ 1,909,374	\$ 1,663,487	\$ 1,626,251	\$ 1,583,194	\$ 1,427,780
HIS Contributions in Relation to the Contractually Required Contribution	(3,001,345)	(2,649,004)	(2,363,496)	(1,640,835)	(2,017,303)	(1,909,374)	(1,663,487)	(1,626,251)	(1,583,194)	(1,427,780)
HIS Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 150,053,467	\$ 139,777,660	\$ 131,101,857	\$ 123,545,630	\$ 121,544,716	\$ 115,040,283	\$ 113,049,763	\$ 109,508,812	\$ 109,705,301	\$ 113,452,195
HIS Contributions as a Percentage of Covered Payroll	2.00%	1.90%	1.80%	1.33%	1.66%	1.66%	1.47%	1.49%	1.44%	1.26%

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, 2024

1. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

The Board follows procedures established by State law and State Board of Education (SBE) rules in establishing budget balances for governmental funds, as described below:

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by State law and SBE rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student transportation services, and school administration) and may be amended by resolution at any 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 leases in the year of inception.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year end and encumbrances outstanding are honored from the subsequent year's appropriations.

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

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

Changes of Assumptions. The discount rate was changed from 3.54 percent to 3.65 percent.

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

Changes of Assumptions. In 2023, the municipal bond rate used to determine total pension liability was increased from 3.54 percent to 3.65 percent and the level of monthly benefits increased from \$5 times years of service to \$7.50, with an increased minimum of \$45 and maximum of \$225.

OTHER SUPPLEMENTARY INFORMATION



HERNANDO
SCHOOL DISTRICT

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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 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 school, student athletic, class and club activities.

Debt Service Funds

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

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

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

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

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.

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, 2024

	Special Revenue Fund		Debt Service Funds		
	Food Service 410	Internal Accounts 490	SBE/COBI Bonds 210	Special Act Bonds 220	Other Debt Service Bonds 290
Assets					
Cash and Cash Equivalents	\$ 4,022,165	\$ 2,618,905	\$ -	\$ 254,967	\$ 5,257,277
Investments	8,124,549	-	13,763	75,804	2,036,485
Accounts Receivable	-	8,899	-	-	-
Inventory	213,225	-	-	-	-
Due from Other Agencies	167,389	-	-	-	-
Total Assets	12,527,328	2,627,804	13,763	330,771	7,293,762
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	9,637	-	-	-	-
Unearned Revenue	48,782	-	-	-	-
Total Liabilities	58,419	-	-	-	-
Fund Balances					
Non-Spendable:					
Inventory	213,225	-	-	-	-
Total Non-Spendable Fund Balance	213,225	-	-	-	-
Restricted for:					
Debt Service	-	-	13,763	330,771	7,293,762
Capital Projects	-	-	-	-	-
Food Service	12,255,684	-	-	-	-
Internal Accounts	-	2,627,804	-	-	-
Total Restricted Fund Balance	12,255,684	2,627,804	13,763	330,771	7,293,762
Total Fund Balances	12,468,909	2,627,804	13,763	330,771	7,293,762
Total Liabilities and Fund Balances	\$ 12,527,328	\$ 2,627,804	\$ 13,763	\$ 330,771	\$ 7,293,762

Capital Projects Funds			
Capital Outlay and Debt Service 360		Total Non-Major Governmental Funds	
\$	4,196,365	\$	16,349,679
	4,059		10,254,660
	-		8,899
	-		213,225
	32,263		199,652
	<u>4,232,687</u>		<u>27,026,115</u>
	-		9,637
	1,190		49,972
	<u>1,190</u>		<u>59,609</u>
	-		213,225
	<u>-</u>		<u>213,225</u>
	-		7,638,296
	4,231,497		4,231,497
	-		12,255,684
	-		2,627,804
	<u>4,231,497</u>		<u>26,753,281</u>
	<u>4,231,497</u>		<u>26,966,506</u>
\$	<u>4,232,687</u>	\$	<u>27,026,115</u>

**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, 2024**

	Special Revenue		Debt Service Funds		
	Food Service 410	Internal Accounts 490	SBE/COBI Bonds 210	Special Act Bonds 220	Other Debt Service Bonds 290
Revenues					
Intergovernmental:					
Federal Through State and Local	\$ 17,472,369	\$ -	\$ -	\$ -	\$ -
State	183,565	-	164,313	209,750	-
Local:					
Charges for Service - Food Service	481,587	-	-	-	-
Other Local Revenue	13,863	6,723,503	-	474	271,952
Total Revenues	18,151,384	6,723,503	164,313	210,224	271,952
Expenditures					
Current:					
Instruction	-	6,706,795	-	-	-
Food Services	16,439,995	-	-	-	-
Fixed Capital Outlay:					
Other Capital Outlay	878,934	-	-	-	-
Debt Service:					
Principal	-	-	135,000	90,000	6,472,890
Interest and Fiscal Charges	-	-	32,500	112,400	3,437,767
Dues and Fees	-	-	24	3,500	3,850
Total Expenditures	17,318,929	6,706,795	167,524	205,900	9,914,507
Excess (Deficiency) of Revenues Over (Under) Expenditures	832,455	16,708	(3,211)	4,324	(9,642,555)
Other Financing Sources (Uses)					
Transfers In	21,122	264,542	-	-	9,871,551
Transfers (Out)	-	-	-	-	(1,540,695)
Total Other Financing Sources (Uses)	21,122	264,542	-	-	8,330,856
Net Change in Fund Balances	853,577	281,250	(3,211)	4,324	(1,311,699)
Fund Balances, July 1, 2023	11,615,332	2,346,554	16,974	326,447	8,605,461
Fund Balances, June 30, 2024	\$ 12,468,909	\$ 2,627,804	\$ 13,763	\$ 330,771	\$ 7,293,762

Capital Projects Funds	
Capital Outlay and Debt Service 360	Total Non-Major Governmental Funds
\$ -	\$ 17,472,369
881,348	1,438,976
-	481,587
7,579	7,017,371
888,927	26,410,303
-	6,706,795
-	16,439,995
-	878,934
-	6,697,890
-	3,582,667
1,227	8,601
1,227	34,314,882
887,700	(7,904,579)
-	10,157,215
-	(1,540,695)
-	8,616,520
887,700	711,941
3,343,797	26,254,565
\$ 4,231,497	\$ 26,966,506

**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, 2024**

	Special Revenue Fund - Food Service			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Through State	\$ 17,565,000	\$ 17,472,369	\$ 17,472,369	\$ -
State	190,000	183,565	183,565	-
Local	420,000	495,450	495,450	-
Total Revenues	<u>18,175,000</u>	<u>18,151,384</u>	<u>18,151,384</u>	<u>-</u>
Expenditures				
Salaries	4,189,823	4,449,796	4,449,796	-
Employee Benefits	1,794,720	1,860,922	1,860,922	-
Purchased Services	528,300	488,470	488,470	-
Energy Services	314,500	550,010	550,010	-
Materials and Supplies	10,443,500	8,569,496	8,569,496	-
Capital Outlay	325,000	103,600	103,600	-
Other	255,000	417,701	417,701	-
Fixed Capital Outlay:				
Other Capital Outlay	-	878,934	878,934	-
Total Expenditures	<u>17,850,843</u>	<u>17,318,929</u>	<u>17,318,929</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>324,157</u>	<u>832,455</u>	<u>832,455</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In	-	21,122	21,122	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>21,122</u>	<u>21,122</u>	<u>-</u>
Net Change in Fund Balances	<u>324,157</u>	<u>853,577</u>	<u>853,577</u>	<u>-</u>
Fund Balances, July 1, 2023	<u>11,962,804</u>	<u>11,615,332</u>	<u>11,615,332</u>	<u>-</u>
Fund Balances, June 30, 2024	<u>\$ 12,286,961</u>	<u>\$ 12,468,909</u>	<u>\$ 12,468,909</u>	<u>\$ -</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - INTERNAL ACCOUNTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Special Revenue Fund - Internal Accounts			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
Local	\$ 6,767,073	\$ 6,723,503	\$ 6,723,503	\$ -
Total Revenues	<u>6,767,073</u>	<u>6,723,503</u>	<u>6,723,503</u>	<u>-</u>
Expenditures				
Current:				
Instruction:				
Supplies	6,750,365	6,706,795	6,706,795	-
Total Instruction	<u>6,750,365</u>	<u>6,706,795</u>	<u>6,706,795</u>	<u>-</u>
Total Expenditures	<u>6,750,365</u>	<u>6,706,795</u>	<u>6,706,795</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>16,708</u>	<u>16,708</u>	<u>16,708</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In	-	264,542	264,542	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>264,542</u>	<u>264,542</u>	<u>-</u>
Net Change in Fund Balances	<u>16,708</u>	<u>281,250</u>	<u>281,250</u>	<u>-</u>
Fund Balances, July 1, 2023	<u>2,611,096</u>	<u>2,346,554</u>	<u>2,346,554</u>	<u>-</u>
Fund Balances, June 30, 2024	<u>\$ 2,627,804</u>	<u>\$ 2,627,804</u>	<u>\$ 2,627,804</u>	<u>\$ -</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUNDS - SBE/COBI BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Debt Service Funds - SBE/COBI Bonds			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
State	\$ 166,275	\$ 164,313	\$ 164,313	\$ -
Total Revenues	166,275	164,313	164,313	-
Expenditures				
Debt Service:				
Principal	135,000	135,000	135,000	-
Interest and Fiscal Charges	30,775	32,500	32,500	-
Dues and Fees	500	24	24	-
Total Expenditures	166,275	167,524	167,524	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,211)	(3,211)	-
Net Change in Fund Balances	-	(3,211)	(3,211)	-
Fund Balances, July 1, 2023	23,127	16,974	16,974	-
Fund Balances, June 30, 2024	\$ 23,127	\$ 13,763	\$ 13,763	\$ -

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, 2024

	Debt Service Funds - Special Act Bonds			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
State	\$ 207,400	\$ 209,750	\$ 209,750	\$ -
Local	-	474	474	-
Total Revenues	<u>207,400</u>	<u>210,224</u>	<u>210,224</u>	<u>-</u>
Expenditures				
Debt Service:				
Principal	90,000	90,000	90,000	-
Interest and Fiscal Charges	112,400	112,400	112,400	-
Dues and Fees	5,000	3,500	3,500	-
Total Expenditures	<u>207,400</u>	<u>205,900</u>	<u>205,900</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>4,324</u>	<u>4,324</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>4,324</u>	<u>4,324</u>	<u>-</u>
Fund Balances, July 1, 2023	<u>535,347</u>	<u>326,447</u>	<u>326,447</u>	<u>-</u>
Fund Balances, June 30, 2024	<u>\$ 535,347</u>	<u>\$ 330,771</u>	<u>\$ 330,771</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, 2024

	Debt Service Fund - Other Debt Service			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Local:				
Other Local Revenue	\$ -	\$ 271,952	\$ 271,952	\$ -
Total Revenues	-	271,952	271,952	-
Expenditures				
Debt Service:				
Principal	5,305,000	6,472,890	6,472,890	-
Interest and Fiscal Charges	3,349,200	3,437,767	3,437,767	-
Dues and Fees	6,000	3,850	3,850	-
Total Expenditures	8,660,200	9,914,507	9,914,507	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,660,200)	(9,642,555)	(9,642,555)	-
Other Financing Sources (Uses)				
Proceeds From Bond Issuance	-	-	-	-
Transfers In	8,660,200	9,871,551	9,871,551	-
Transfers Out	(1,575,795)	(1,540,695)	(1,540,695)	-
Total Other Financing Sources (Uses)	7,084,405	8,330,856	8,330,856	-
Net Change in Fund Balances	(1,575,795)	(1,311,699)	(1,311,699)	-
Fund Balances, July 1, 2023	15,182,037	8,605,461	8,605,461	-
Fund Balances, June 30, 2024	\$ 13,606,242	\$ 7,293,762	\$ 7,293,762	\$ -

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, 2024

	Capital Projects Funds - Public Education Capital Outlay (PECO)			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Through State	\$ 2,227,934	\$ 2,250,636	\$ 2,250,636	\$ -
Total Revenues	<u>2,227,934</u>	<u>2,250,636</u>	<u>2,250,636</u>	<u>-</u>
Expenditures				
Current:				
Facility Services - Non-Capitalized:				
Remodeling and Renovations	9,728,790	-	-	-
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	8,309,210	8,309,210	-
Other Capital Outlay	-	-	-	-
Total Fixed Capital Outlay	<u>-</u>	<u>8,309,210</u>	<u>8,309,210</u>	<u>-</u>
Total Expenditures	<u>9,728,790</u>	<u>8,309,210</u>	<u>8,309,210</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,500,856)</u>	<u>(6,058,574)</u>	<u>(6,058,574)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers (Out)	(227,934)	(250,636)	(250,636)	-
Total Other Financing Sources (Uses)	<u>(227,934)</u>	<u>(250,636)</u>	<u>(250,636)</u>	<u>-</u>
Net Change in Fund Balances	<u>(7,728,790)</u>	<u>(6,309,210)</u>	<u>(6,309,210)</u>	<u>-</u>
Fund Balances, July 1, 2023	<u>9,274,631</u>	<u>9,274,631</u>	<u>9,274,631</u>	<u>-</u>
Fund Balances, June 30, 2024	<u>\$ 1,545,841</u>	<u>\$ 2,965,421</u>	<u>\$ 2,965,421</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, 2024**

	Capital Projects Funds - Capital Outlay and Debt Service			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
State	\$ 215,000	\$ 881,348	\$ 881,348	\$ -
Local:				
Other Local Revenue	-	7,579	7,579	-
Total Revenues	<u>215,000</u>	<u>888,927</u>	<u>888,927</u>	<u>-</u>
Expenditures				
Current:				
Debt Service:				
Dues and Fees	-	1,227	1,227	-
Total Expenditures	<u>-</u>	<u>1,227</u>	<u>1,227</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>215,000</u>	<u>887,700</u>	<u>887,700</u>	<u>-</u>
Net Change in Fund Balances	<u>215,000</u>	<u>887,700</u>	<u>887,700</u>	<u>-</u>
Fund Balances, July 1, 2023	<u>1,653,728</u>	<u>3,343,797</u>	<u>3,343,797</u>	<u>-</u>
Fund Balances, June 30, 2024	<u>\$ 1,868,728</u>	<u>\$ 4,231,497</u>	<u>\$ 4,231,497</u>	<u>\$ -</u>

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND - LOCAL CAPITAL IMPROVEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Capital Projects Fund - Local Capital Improvement				
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Local:				
Property Taxes Levied for Capital Projects	\$ 25,836,033	\$ 26,034,083	\$ 26,034,083	\$ -
Other Local Revenue	102,071	961,799	961,799	-
Total Revenues	<u>25,938,104</u>	<u>26,995,882</u>	<u>26,995,882</u>	<u>-</u>
Expenditures				
Current:				
Facility Services - Non-Capitalized				
Capital Outlay	-	462,143	462,143	-
Total Facility Services - Non-Capitalized	<u>-</u>	<u>462,143</u>	<u>462,143</u>	<u>-</u>
Fixed Capital Outlay:				
Facilities Acquisition & Construction	3,739,091	2,375,584	2,375,584	-
Other Capital Outlay	-	2,029,106	2,029,106	-
Total Fixed Capital Outlay	<u>3,739,091</u>	<u>4,404,690</u>	<u>4,404,690</u>	<u>-</u>
Total Expenditures	<u>3,739,091</u>	<u>4,866,833</u>	<u>4,866,833</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>22,199,013</u>	<u>22,129,049</u>	<u>22,129,049</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers (Out)	(11,465,137)	(11,455,131)	(11,455,131)	-
Total Other Financing Sources (Uses)	<u>(11,465,137)</u>	<u>(11,455,131)</u>	<u>(11,455,131)</u>	<u>-</u>
Net Change in Fund Balances	<u>10,733,876</u>	<u>10,673,918</u>	<u>10,673,918</u>	<u>-</u>
Fund Balances, July 1, 2023	<u>22,782,456</u>	<u>18,718,069</u>	<u>18,718,069</u>	<u>-</u>
Fund Balances, June 30, 2024	<u>\$ 33,516,332</u>	<u>\$ 29,391,987</u>	<u>\$ 29,391,987</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, 2024

	Capital Projects Fund - Other Capital Projects			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
State	\$ -	\$ 212,812	\$ 212,812	\$ -
Local:				
Other Local Revenue	25,080,150	25,819,680	25,819,680	-
Total Revenues	<u>25,080,150</u>	<u>26,032,492</u>	<u>26,032,492</u>	<u>-</u>
Expenditures				
Current:				
Facility Services - Non-Capitalized				
Capital Outlay	-	434,156	434,156	-
Total Facility Services - Non-Capitalized	<u>-</u>	<u>434,156</u>	<u>434,156</u>	<u>-</u>
Fixed Capital Outlay:				
Facilities Acquisition & Construction	39,451,389	16,817,626	16,817,626	-
Other Capital Outlay	-	887,288	887,288	-
Total Fixed Capital Outlay	<u>39,451,389</u>	<u>17,704,914</u>	<u>17,704,914</u>	<u>-</u>
Total Expenditures	<u>39,451,389</u>	<u>18,139,070</u>	<u>18,139,070</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14,371,239)</u>	<u>7,893,422</u>	<u>7,893,422</u>	<u>-</u>
Net Change in Fund Balances	<u>(14,371,239)</u>	<u>7,893,422</u>	<u>7,893,422</u>	<u>-</u>
Fund Balances, July 1, 2023	<u>26,881,952</u>	<u>44,842,744</u>	<u>44,842,744</u>	<u>-</u>
Fund Balances, June 30, 2024	<u>\$ 12,510,713</u>	<u>\$ 52,736,166</u>	<u>\$ 52,736,166</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 Hernando County School District (the District) to levy taxes for its support.

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
COMBINING SCHEDULE OF NET POSITION - NON-MAJOR COMPONENT UNITS
JUNE 30, 2024

	BEST Academy (Charter School)	Gulf Coast Elementary (Charter School)	Gulf Coast Academy of Science and Technology, Inc. (Charter School)
Assets			
Cash and Cash Equivalents	\$ 177,950	\$ 404,816	\$ 338,461
Accounts Receivable	-	-	78,255
Due From Other Agencies	-	-	74,419
Inventory	-	-	-
Prepaid Items	-	-	-
Take Stock in Children Contract Value	-	-	-
Capital Assets:			
Leased Assets, Net	178,837	796,702	1,205,745
Improvements Other than Buildings	-	34,408	-
Furniture, Fixtures, and Equipment, Net	3,862	62,665	75,065
Motor Vehicles, Net	-	90,920	30,583
CIP - Air Gun Range commitment	-	-	-
Total Assets	<u>360,649</u>	<u>1,389,511</u>	<u>1,802,528</u>
Liabilities			
Salaries and Benefits Payable	-	4,148	14,976
Accounts Payable	3,202	20,331	49,071
Due to other agencies	-	74,419	-
Long-Term Liabilities:			
Due Within One Year:			
Note Payable	-	-	16,653
Lease Purchase Agreements Payable	40,779	45,845	79,827
Due in More than One Year:			
Note Payable	-	-	4,407
Lease Purchase Agreements Payable	138,059	750,857	1,125,918
Total Liabilities	<u>182,040</u>	<u>895,600</u>	<u>1,290,852</u>
Deferred Inflows of Resources			
Deferred Revenue	-	-	-
Net Position			
Net Investment in Capital Assets	3,861	187,993	84,588
Restricted for:			
Other Purposes	-	-	-
Unrestricted	174,748	305,918	427,088
Total Net Position	<u>\$ 178,609</u>	<u>\$ 493,911</u>	<u>\$ 511,676</u>

Hernando County Education Direct Support Organization, Inc. (the Foundation)		Totals 2024
\$	1,498,662	\$ 2,419,889
	37,130	115,385
	-	74,419
	236,981	236,981
	5,528	5,528
	419,795	419,795
	-	2,181,284
	-	34,408
	-	141,592
	28,707	150,210
	336,097	336,097
	2,562,900	6,115,588
	1,951	21,075
	236,141	308,745
	-	74,419
	-	16,653
	-	166,451
	-	4,407
	-	2,014,834
	238,092	2,606,584
	662,975	662,975
	28,707	305,149
	1,625,502	1,625,502
	7,624	915,378
\$	1,661,833	\$ 2,846,029

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
COMBINING SCHEDULE OF ACTIVITIES - NON-MAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Total Charter Schools</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Charter Schools					
Governmental Activities:					
Instruction	\$ 2,597,302	\$ 354,030	\$ 358,746	\$ -	\$ (1,884,526)
Instructional Staff Training Services	256	-	-	-	(256)
Board	119,800	-	-	-	(119,800)
General Administration	106,703	-	181	-	(106,522)
School Administration	997,751	-	3,146	-	(994,605)
Facilities Acquisition & Construction	-	-	-	65,662	65,662
Fiscal Services	8,696	-	-	-	(8,696)
Student Transportation Services	106,850	-	-	-	(106,850)
Operation of Plant	122,174	-	-	-	(122,174)
Community Services	30,371	40,092	-	-	9,721
Interest on Long-Term Debt	122,243	-	-	-	(122,243)
Unallocated Depreciation	312,624	-	-	-	(312,624)
Total Charter Schools	4,524,770	394,122	362,073	65,662	(3,702,913)
Hernando Education Foundation	1,657,358	-	1,371,926	43,400	-
Total Component Units	\$ 6,182,128	\$ 394,122	\$ 1,733,999	\$ 109,062	(3,702,913)

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	3,733,575
Other	-
Total General Revenues	3,733,575
Change in Net Position	30,662
Net Position, July 1, 2023	1,204,998
Adjustment to Beginning Net Position	(51,464)
Net Position, July, 2023 as restated	1,153,534
Net Position, June 30, 2024	\$ 1,184,196

<u>Hernando Education Foundation</u>	<u>Total Component Units</u>
\$ -	\$ (1,884,526)
-	(256)
-	(119,800)
-	(106,522)
-	(994,605)
-	65,662
-	(8,696)
-	(106,850)
-	(122,174)
-	9,721
-	(122,243)
-	(312,624)
-	(3,702,913)
(242,032)	(242,032)
(242,032)	(3,944,945)
410,531	4,144,106
-	-
410,531	4,144,106
168,499	199,161
1,493,334	2,698,332
-	(51,464)
1,493,334	2,646,868
<u>\$ 1,661,833</u>	<u>\$ 2,846,029</u>



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STATISTICAL SECTION



HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.



HERNANDO
SCHOOL DISTRICT

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Statistical Section

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

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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
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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, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Primary Government:				
Governmental Activities:				
Net Investment in Capital Assets	\$ 247,598,971	\$ 243,008,106	\$ 249,506,834	\$ 255,798,875
Restricted	34,480,595	36,222,596	41,168,493	32,481,524
Unrestricted	(84,211,485)	(78,168,863)	(79,918,029)	(75,064,735)
Total Governmental Activities Net Position	197,868,081	201,061,839	210,757,298	213,215,664
Total Primary Government Net Position	\$ 197,868,081	\$ 201,061,839	\$ 210,757,298	\$ 213,215,664

Source: District records

Table 1 (Continued)

Fiscal Year Ending					
June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
\$ 268,410,915	\$ 277,874,189	\$ 281,484,392	\$ 286,623,238	\$ 319,451,372	\$ 356,835,362
35,433,091	38,946,428	56,297,775	38,946,428	104,400,855	118,341,645
(77,641,488)	(90,465,475)	(101,836,853)	(39,510,225)	(81,136,821)	(104,559,379)
226,202,518	226,355,142	235,945,314	286,059,441	342,715,406	370,617,628
<u>\$ 226,202,518</u>	<u>\$ 226,355,142</u>	<u>\$ 235,945,314</u>	<u>\$ 286,059,441</u>	<u>\$ 342,715,406</u>	<u>\$ 370,617,628</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, 2015	June 30, 2016	June 30, 2017
Expenses			
Governmental Activities:			
Instruction	\$ 106,464,738	\$ 105,595,214	\$ 108,581,464
Student Personnel Services	9,271,687	8,570,746	8,978,591
Instructional Media Services	2,189,442	1,832,370	1,580,760
Instruction and Curriculum Development Services	4,611,206	4,345,473	4,606,251
Instructional Staff Training Services	2,834,048	2,992,562	3,366,519
Instruction Related Technology	1,495,715	740,282	634,787
Board	480,877	501,111	485,796
General Administration	1,391,321	1,297,242	1,646,718
School Administration	11,254,519	11,166,980	11,297,615
Facility Services - Non-Capitalized	2,430,003	2,470,261	2,188,737
Fiscal Services	1,107,565	778,107	854,703
Food Services	10,428,835	10,358,424	11,602,638
Central Services	1,538,384	1,381,116	1,841,843
Student Transportation Services	7,905,288	6,980,040	7,033,814
Operation of Plant	14,866,067	14,482,370	14,972,754
Maintenance of Plant	4,715,632	5,201,852	5,374,764
Administrative Technology Services	2,140,357	2,580,640	2,734,734
Community Services	20,549	6,104	1,452
Unallocated Interest on Long-Term Debt	5,804,308	6,102,038	4,042,505
Unallocated Deprecation	12,079,806	12,090,214	11,339,724
Total Governmental Activities Expenses	203,030,347	199,473,146	203,166,169
Program Revenues			
Governmental Activities:			
Charges for Services			
Food Service	2,143,141	1,858,156	1,796,468
Transportation	152,795	152,003	150,590
Instruction	86,746	84,512	87,244
Operating Grants and Contributions	8,909,622	9,842,901	9,731,565
Capital Grants and Contributions	1,063,330	1,549,777	1,536,802
Total Governmental Activities Program Revenues	12,355,634	13,487,349	13,302,669
Net Expenses Governmental Activities	(190,674,713)	(185,985,797)	(189,863,500)
Total Primary Government Net Expenses	(190,674,713)	(185,985,797)	(189,863,500)
General Revenues and Other Changes in Net Assets			
Governmental Activities:			
Property Taxes			
Levied for Operational Purposes	45,018,129	46,435,418	44,718,926
Levied for Capital Projects	11,912,140	12,229,002	12,489,651
Local Sales Tax	5,284,711	4,955,233	10,391,995
Grants and Contributions not restricted to specific programs	117,033,440	120,575,310	127,269,757
Unrestricted Investment Earnings	(121,985)	276,542	305,927
Miscellaneous	2,661,570	4,708,050	4,382,703
Total Governmental Activities	181,788,005	189,179,555	199,558,959
Total Primary Government General Revenues and Other Changes in Net Position	181,788,005	189,179,555	199,558,959
Change in Net Position			
Governmental Activities	(8,886,708)	3,193,758	9,695,459
Total Primary Government	\$ (8,886,708)	\$ 3,193,758	\$ 9,695,459

Source: District records

TABLE 2 (Continued)

Fiscal Year Ending						
June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
\$ 112,178,899	\$ 116,734,406	\$ 122,952,772	\$ 129,183,841	\$ 130,337,600	\$ 152,965,493	\$ 169,682,034
9,475,910	9,629,463	10,305,339	10,743,255	9,040,183	12,656,091	14,750,491
1,670,186	1,406,550	1,499,407	1,354,828	1,467,257	1,978,781	2,251,330
4,984,827	5,487,994	5,909,931	5,844,572	3,432,563	8,359,120	9,497,832
3,187,021	3,238,748	3,158,097	4,043,552	1,012,114	2,052,126	2,364,542
615,107	708,413	599,914	566,717	500,444	856,719	1,169,597
702,006	569,835	549,206	555,285	504,153	724,051	1,077,590
1,385,010	1,136,961	2,135,155	2,242,723	2,109,594	2,931,482	4,500,329
11,885,259	12,578,189	12,665,115	12,927,212	12,956,441	14,762,989	17,835,073
6,876,093	541,797	1,115,028	781,908	411,563	1,888,596	4,699,925
859,712	857,653	1,008,056	2,228,554	5,333,919	937,136	1,163,280
12,811,088	12,700,237	13,692,564	14,812,812	14,293,656	14,892,762	18,419,936
2,076,296	2,127,534	2,555,810	2,709,875	3,913,540	4,577,833	4,626,260
7,522,704	8,227,042	8,070,432	7,855,689	8,742,051	10,198,208	11,728,762
16,363,264	16,987,276	18,265,529	19,049,816	17,905,368	21,535,181	25,920,175
5,412,786	5,885,546	7,227,468	6,539,336	7,215,558	8,778,105	8,450,007
2,889,131	2,939,278	4,592,787	3,115,093	2,287,312	3,129,258	3,987,751
983	1,420	10,358	11,424	14,358	18,909	20,245
3,781,555	3,606,715	3,391,682	3,315,159	3,170,428	3,127,133	2,955,043
12,024,965	12,888,627	13,334,789	14,169,364	14,594,703	16,695,695	18,245,254
216,702,802	218,253,684	233,039,439	242,051,015	239,242,805	283,065,668	323,345,456
1,394,814	709,880	355,162	83,477	347,192	517,800	481,587
167,416	148,583	84,271	48,475	111,047	107,183	131,646
107,632	151,301	118,511	496,167	103,514	771,661	480,297
11,623,384	14,072,478	12,519,029	13,037,352	17,525,053	17,981,563	17,655,934
3,131,121	1,624,966	948,688	1,195,883	2,506,667	9,511,718	3,045,661
16,424,367	16,707,208	14,025,661	14,861,354	20,593,473	28,889,925	21,795,125
(200,278,435)	(201,546,476)	(219,013,778)	(227,189,661)	(218,649,332)	(254,175,743)	(301,550,331)
(200,278,435)	(201,546,476)	(219,013,778)	(227,189,661)	(218,649,332)	(254,175,743)	(301,550,331)
45,514,011	45,800,900	47,671,751	48,974,618	63,091,303	77,205,187	83,826,470
13,334,037	14,191,789	15,329,228	16,643,434	18,003,490	23,083,928	26,034,083
11,353,186	11,015,453	11,578,748	13,157,697	16,754,625	19,150,406	18,599,588
130,386,623	135,980,854	136,360,977	150,721,592	159,590,773	173,718,335	176,632,470
431,310	1,098,468	328,709	78,700	173,776	4,047,804	7,187,827
4,041,105	6,445,866	7,896,989	5,278,081	11,149,492	13,809,052	17,172,115
205,060,272	214,533,330	219,166,402	234,854,122	268,763,459	311,014,712	329,452,553
205,060,272	214,533,330	219,166,402	234,854,122	268,763,459	311,014,712	329,452,553
4,781,837	12,986,854	152,624	7,664,461	50,114,127	56,838,969	27,902,222
\$ 4,781,837	\$ 12,986,854	\$ 152,624	\$ 7,664,461	\$ 50,114,127	\$ 56,838,969	\$ 27,902,222

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, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Property Taxes:				
Levied for Operational Purposes	\$ 45,018,129	\$ 46,435,418	\$ 44,718,926	\$ 45,514,011
Levied for Capital Projects	11,912,140	12,229,002	12,489,651	13,334,037
Local Sales Taxes (1)	5,284,711	4,955,233	10,391,995	11,353,186
Total	\$ 62,214,980	\$ 63,619,653	\$ 67,600,572	\$ 70,201,234

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

Source: District records

TABLE 3 (Continued)

June 30, 2019	June 30, 2020	June 30, 2021	Fiscal Year Ending		June 30, 2024
			June 30, 2022	June 30, 2023	
\$ 45,800,900	\$ 47,671,751	\$ 48,974,618	\$ 68,091,303	\$ 77,205,187	\$ 83,826,470
14,191,789	15,329,228	16,643,434	18,003,490	23,083,928	26,034,083
11,015,453	11,578,748	13,157,697	16,754,625	19,150,406	18,599,588
<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>	<u>\$ 128,460,141</u>

TABLE 4

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

	Fiscal Year Ending			
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
General Fund				
Fund Balances:				
Non-Spendable	\$ 1,373,299	\$ 1,570,675	\$ 1,343,934	\$ 1,465,072
Spendable:				
Restricted	1,779,073	966,179	659,550	553,807
Assigned	1,435,474	923,563	4,208,679	5,220,275
Unassigned	1,814,821	6,575,155	13,288,610	18,369,962
Total General Fund	<u>\$ 6,402,667</u>	<u>\$ 10,035,572</u>	<u>\$ 19,500,773</u>	<u>\$ 25,609,116</u>
All Other Governmental Funds				
Fund Balances:				
Non-Spendable	\$ 109,867	\$ 132,059	\$ 141,688	\$ 119,702
Spendable:				
Restricted	35,224,108	36,379,446	26,286,195	27,870,166
Assigned	-	-	7,902,438	4,091,654
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 35,333,975</u>	<u>\$ 36,511,505</u>	<u>\$ 34,330,321</u>	<u>\$ 32,081,522</u>
Total Combined All Governmental funds	<u>\$ 41,736,642</u>	<u>\$ 46,547,077</u>	<u>\$ 53,831,094</u>	<u>\$ 57,690,638</u>

Source: District records

Table 4 (Continued)

June 30, 2019	June 30, 2020	June 30, 2021	Fiscal Year Ending		June 30, 2024
			June 30, 2022	June 30, 2023	
\$ 1,342,406	\$ 1,451,517	\$ 1,220,315	\$ 1,293,614	\$ 1,104,803	\$ 1,373,604
1,173,775	1,043,221	1,970,831	5,148,267	5,357,323	6,281,565
4,935,020	14,719,921	13,849,562	17,562,507	17,025,312	26,016,726
22,945,943	12,745,823	17,337,550	18,543,759	24,667,145	14,833,034
<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>	<u>\$ 48,504,929</u>
\$ 80,796	\$ 377,058	\$ 227,849	\$ 181,367	\$ 46,474	\$ 213,225
34,259,316	37,383,820	54,099,095	78,912,964	99,043,535	111,846,855
-	4,716,605	-	-	-	-
-	-	-	-	-	-
<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>\$ 112,060,080</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>	<u>\$ 160,565,009</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, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Revenues				
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 214,600	\$ 212,975	\$ 204,649	\$ 199,442
Miscellaneous Federal Direct	-	-	5,527	4,705
Total Federal Direct	214,600	212,975	210,176	204,147
Federal Through State and Local Sources				
Food Service	7,980,511	8,925,859	8,805,504	10,707,799
Donated Foods and Cash in Lieu of	787,997	780,408	794,049	787,894
Other Federal Through State and Local Grants	14,004,179	12,497,218	13,393,272	14,539,840
Total Federal Through State and Local Sources	22,772,687	22,203,485	22,992,825	26,035,533
State Sources:				
Florida Education Finance Program (FEFP)	77,610,844	82,146,741	87,411,334	88,568,231
Other Categoricals	588,486	1,251,270	388,271	814,639
Class Size Reduction	23,277,212	23,405,339	23,665,654	23,526,247
District Discretionary Lottery Funds	76,689	74,859	363,643	38,604
Motor Vehicle License Tax (Capital Outlay and Debt Service)	890,774	871,031	891,311	891,291
Gross Receipts Tax (Public Education Capital Outlay)	171,925	678,746	645,305	435,038
Food Services	141,114	136,634	132,012	127,689
Other State Sources and State Grants	1,259,137	1,265,011	1,837,593	3,019,837
Total State Sources	104,016,181	109,829,631	115,335,123	117,421,576
Local Sources:				
Ad Valorem Taxes	56,930,269	58,664,420	57,208,577	58,848,048
Food Services Sales	2,143,141	1,853,722	1,796,468	1,394,814
Sales Taxes	5,284,711	4,955,233	10,391,995	11,353,186
Impact Fees	-	-	1,631,051	1,748,325
Investment Income	(121,985)	75,400	304,548	431,310
Local Grants and Other Local Sources	2,324,313	4,583,457	2,728,271	3,705,566
Total Local Sources	66,560,449	70,132,232	74,060,910	77,481,249
Total Revenues	193,563,917	202,378,323	212,599,034	221,142,505
Expenditures				
Current:				
Instruction	108,232,447	106,537,953	105,150,370	108,971,048
Student Personnel Services	9,427,045	8,647,264	8,694,875	9,205,158
Instructional Media	2,227,387	1,848,730	1,530,809	1,622,464
Instruction & Curriculum Development Services	4,694,020	4,384,269	4,460,697	4,841,452
Instructional Staff Training Services	2,887,886	3,019,279	3,260,140	3,095,004
Instruction Related Technology	1,518,686	746,891	614,729	597,531
Board	489,759	505,584	470,445	681,947
General Administration	1,408,320	1,308,823	1,446,155	1,336,897
School Administration	11,449,262	11,266,677	10,940,618	11,545,666
Facility Services - Non-Capitalized	2,483,626	2,530,237	261,216	6,862,457
Fiscal Services	1,127,499	785,054	827,696	835,148
Food Services	10,606,646	10,447,569	11,231,422	12,427,740
Central Services	1,563,721	1,393,002	1,782,914	2,016,197
Student Transportation Services	8,020,090	7,040,108	6,809,430	7,305,505
Operation of Plant	15,141,503	14,607,003	14,496,847	15,892,768
Maintenance of Plant	4,793,969	5,247,754	5,199,010	5,251,839
Administrative Technology Services	2,179,690	2,602,849	2,647,241	2,805,435
Community Services	21,017	6,159	1,406	956
Fixed Capital Outlay:				
Facilities Acquisition & Construction	534,263	5,584,160	15,650,703	10,977,330
Other Capital Outlay	1,004,850	875,413	321,446	648,085
Debt Service:				
Principal	12,283,682	5,164,115	4,711,753	6,073,736
Interest	5,882,626	3,541,896	4,680,315	4,419,363
Dues and Fees	13,494	642,355	153,375	8,791
Miscellaneous	-	632	-	-
Total Expenditures	207,991,488	198,733,776	205,343,612	217,422,517
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,427,571)	3,644,547	7,255,422	3,719,988
Other Financing Sources (Uses)				
Refunding Note Payable Issued	-	-	-	-
Refunding Bonds Issued	1,299,000	90,645,000	-	-
Premium on Refunding Bonds	123,525	11,553,598	-	-
Insurance Loss Recoveries	87,923	59,145	28,595	126,856
Payments to Refunding Bonds Escrow Agent	(1,778,601)	(101,091,855)	-	-
Transfers In	20,582,195	24,921,175	9,891,305	14,749,455
Transfers Out	(20,582,195)	(24,921,175)	(9,891,306)	(14,749,455)
Total Other Financing Sources (Uses)	(268,153)	1,165,888	28,594	139,556
Net Change in Fund Balance	(14,695,724)	4,810,435	7,284,016	3,859,544
Debt Service as a Percentage of Non-Capital Expenditures	8.8%	4.5%	5.0%	5.1%
Beginning Fund Balance	56,432,366	41,736,642	46,547,078	53,831,094
Adjustment to Fund Balance	-	-	-	-
Restated Beginning Fund Balance	56,432,366	41,736,642	46,547,078	53,831,094
Ending Fund Balance	\$ 41,736,642	\$ 46,547,077	\$ 53,831,094	\$ 57,690,638

Source: District records

Table 5 (Continued)

Fiscal Year Ending					
June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
\$ 204,705	\$ 207,672	\$ 223,901	\$ 227,294	\$ 240,537	\$ 225,017
61,743	77,228	217,530	223,242	49,773	-
266,448	284,900	441,431	450,536	290,309	225,017
13,046,405	11,237,891	12,931,434	15,896,064	17,171,986	16,497,247
892,106	1,124,155	1,086,531	1,136,010	1,116,862	975,122
15,239,374	14,451,098	20,454,458	26,785,599	40,950,790	38,656,349
29,177,885	26,813,144	34,472,423	43,817,673	59,239,638	56,128,718
93,120,031	97,631,835	100,134,574	101,742,394	105,546,861	111,196,625
565,063	573,537	-	612,537	472,860	838,774
23,919,919	24,039,718	24,305,383	23,264,260	23,861,944	22,721,527
75,470	22,391	-	-	-	-
905,266	936,148	239,682	1,001,454	1,028,091	1,044,991
440,908	-	-	1,664,776	222,298	2,250,636
133,967	156,983	186,330	188,114	188,223	183,565
3,979,185	1,308,368	2,536,753	1,306,936	10,209,126	2,744,212
123,139,809	124,668,980	127,402,722	129,780,471	141,529,403	140,980,330
59,992,688	62,930,323	65,618,052	81,094,793	99,610,398	109,860,553
709,880	372,581	83,477	344,695	517,800	481,587
11,015,453	11,636,400	13,157,697	16,754,625	19,150,406	18,599,588
2,427,403	2,153,894	3,767,707	6,748,927	5,553,709	5,053,012
1,098,465	905,006	75,493	176,982	3,907,735	7,187,827
3,090,070	4,077,705	7,024,051	9,890,873	9,850,747	12,196,735
78,333,959	82,075,909	89,726,477	115,010,896	138,590,795	153,379,302
230,918,101	233,842,933	252,043,053	289,059,576	339,650,145	350,713,367
112,707,854	115,928,362	119,531,768	130,435,870	153,060,784	155,789,334
9,297,311	9,716,584	10,049,020	11,760,634	12,663,969	13,542,796
1,358,033	1,413,745	1,267,135	3,366,945	1,980,013	2,067,004
5,298,695	5,572,290	5,454,926	3,616,321	8,364,324	8,720,197
3,127,033	2,977,672	3,745,518	3,305,382	2,053,404	2,170,945
683,977	565,640	530,295	613,519	857,253	1,073,836
550,179	517,829	519,598	531,142	724,502	989,362
1,399,321	1,879,884	2,098,585	2,664,260	2,922,029	4,123,968
11,835,587	11,941,545	12,096,392	13,650,044	14,772,178	16,374,828
522,988	1,051,204	2,125,888	875,864	2,426,969	3,347,649
828,070	950,464	4,010,033	5,619,462	937,720	1,068,037
12,256,971	12,905,046	13,855,274	15,052,429	14,895,060	16,904,815
2,053,324	2,408,961	2,534,836	4,122,027	4,579,576	4,246,376
7,940,862	7,606,933	7,348,871	9,342,974	10,201,330	10,765,235
16,398,181	17,218,820	17,430,751	18,860,015	21,544,359	23,793,725
5,675,832	6,807,784	6,111,917	7,593,551	8,774,570	7,749,139
2,836,674	4,329,162	2,913,586	2,408,255	3,129,570	3,659,609
1,372	9,768	10,690	15,122	18,844	18,587
19,014,189	13,741,576	16,736,877	19,802,867	40,168,689	42,108,277
-	-	793,440	-	-	8,882,674
5,868,985	7,483,165	4,736,872	4,866,977	6,166,953	6,697,890
4,244,523	4,083,318	3,942,783	3,798,052	3,754,757	3,582,667
7,418	141,364	11,914	12,054	11,271	8,601
-	-	-	-	-	-
223,907,379	229,251,116	237,856,969	262,313,766	314,008,124	337,685,551
7,010,722	4,591,817	14,186,084	26,745,810	25,642,021	13,027,816
-	4,674,633	-	5,960,850	-	-
-	-	-	-	-	-
-	-	-	-	-	-
35,896	29,612	21,055	47,612	48,913	292,601
-	(902,705)	-	-	-	-
13,003,285	13,216,414	9,528,702	10,680,785	17,925,210	14,753,483
(13,003,285)	(13,216,414)	(9,528,702)	(10,680,785)	(17,925,210)	(14,753,483)
35,896	3,801,540	21,055	6,008,462	48,913	292,601
7,046,618	8,393,357	14,207,139	32,754,272	25,690,934	13,320,417
4.9%	5.4%	3.9%	3.6%	3.6%	3.6%
57,690,638	64,737,256	73,130,613	88,705,202	121,459,474	147,244,592
-	-	1,233,061	-	94,184	-
57,690,638	64,737,256	74,363,674	88,705,202	121,553,658	147,244,592
\$ 64,737,256	\$ 73,130,613	\$ 88,570,813	\$ 121,459,474	\$ 147,244,592	\$ 160,565,009

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		
2023-2024	\$ 83,826,470	\$ 26,034,083	\$ 18,599,588		\$ 128,460,141
2022-2023	77,205,187	22,405,211	19,150,406		118,760,804
2021-2022	63,091,303	18,002,490	16,754,625		97,848,418
2020-2021	48,974,618	16,643,434	13,157,697		78,775,749
2019-2020	47,658,751	15,329,228	11,578,748		74,566,727
2018-2019	45,800,900	14,191,789	11,015,453		71,008,142
2017-2018	45,514,011	13,334,037	11,353,186		70,201,234
2016-2017	44,718,926	12,489,651	10,391,995		67,600,572
2015-2016	46,435,418	12,229,002	4,955,233		63,619,653
2014-2015	45,018,129	11,912,140	5,284,711		62,214,980

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

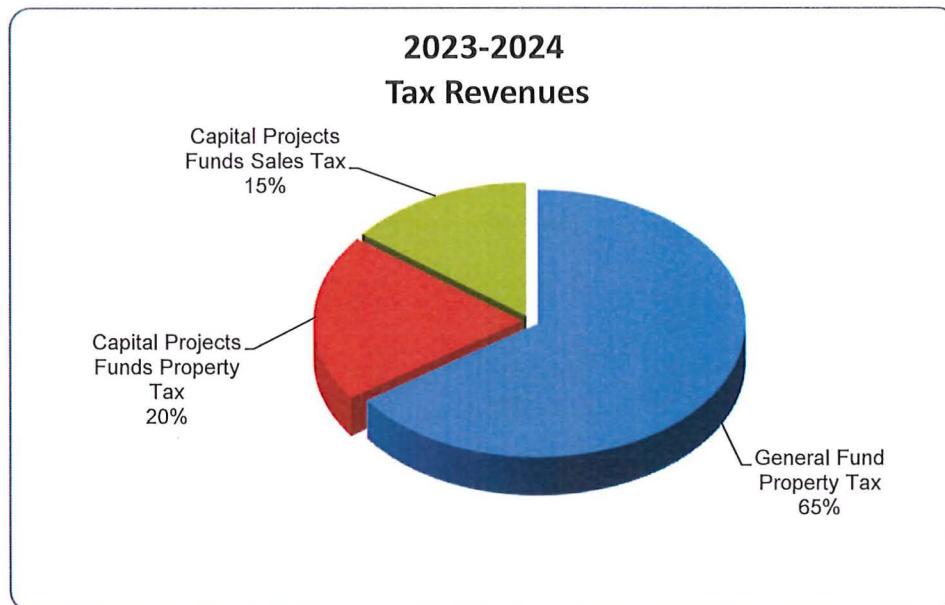


TABLE 7

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		
2023-2024	\$28,928,102	\$2,059,564	\$20,517,643	\$2,026,581	\$3,976,279	\$ 639,703	\$16,541,364	\$ 1,386,877	\$ 11,184	\$17,939,426	79.57%	14.1633
2022-2023	24,884,231	1,883,804	17,783,757	1,857,269	3,355,249	617,692	14,428,508	1,239,576	10,937	15,679,022	79.83%	14.6615
2021-2022	17,656,641	1,817,025	14,122,219	1,790,065	2,875,800	608,847	11,246,419	1,181,218	9,948	12,437,585	78.16%	15.3910
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

(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 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

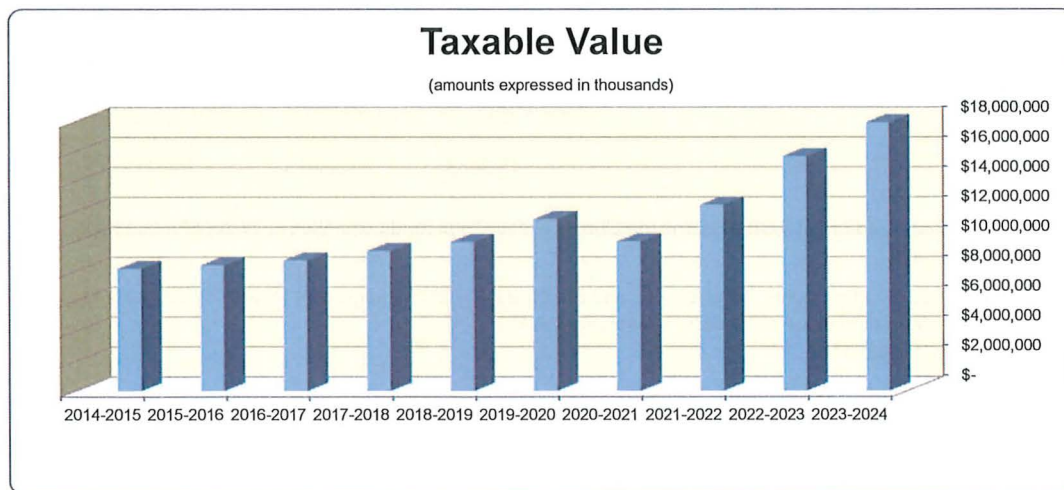


TABLE 8

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

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

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

Source: Hernando County Property Appraiser

TABLE 8 (Continued)

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

TABLE 9

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

Taxpayer	2023-2024				2014-2015			
	Type of Business	Taxable Value	Rank	Percent of Taxable Value (1)	Type of Business	Taxable Value	Rank	Percent of Taxable Value (1)
Cemex, Inc.	Cement Manufacturing	\$ 321,391,774	1	1.79%	Cement Manufacturing	\$ 284,834,378	1	3.96%
Withlacoochee River Electric Co-op	Public Utility	268,466,118	2	1.50%	Public Utility	176,804,201	2	2.46%
Duke Energy (Florida Power Corporation)	Public Utility	126,699,838	3	0.71%	Public Utility	74,457,309	4	1.04%
Wal-Mart Regional Distribution	Retail Sales	102,840,864	4	0.57%				
HCA Healthcare Services of FL, Inc	Health Care	84,587,089	5	0.47%	Hospital/Healthcare	46,812,722	6	0.65%
BW Hibiscus Springs LLC	Apartments	67,726,300	6	0.38%				
Wal-Mart Stores, Inc.	Retail Sales	63,173,221	7	0.35%	Retail Sales	115,458,182	3	1.61%
Florida Gas Transmission Co.	Utilities	48,227,123	8	0.27%	Public Utility	49,076,101	5	0.68%
Oak Hill Hospital	Hospital	43,941,815	9	0.24%				
Wal-Mart Stores East LP	Retail Sales	34,999,941	10	0.20%				
AT&T Florida					Telecommunications	42,574,559	7	0.59%
Bright House Networks					Cable Utility	31,323,378	8	0.44%
Millennium Venture Limited					Senior Care	22,279,542	9	0.31%
MIC SCV LLC					Apartments	21,983,596	10	0.31%

(1) Percentage of Taxable Value to County Total Taxable Value.

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		Delinquent Collections (1)	Collected in Fiscal Year	
		Current Tax Collections (1)	Percent of Levy		Total Collections (1)	Percent of Levy
2023-2024	\$ 113,735,966	\$ 109,848,171	96.58%	\$ 12,382	\$ 109,860,553	96.59%
2022-2023	102,305,623	97,345,787	95.15%	2,943,329	100,289,116	98.03%
2021-2022	84,289,516	81,094,793	96.21%	7,410	81,102,203	96.22%
2020-2021	67,923,876	65,584,390	96.56%	33,665	65,618,055	96.61%
2019-2020	65,075,469	62,872,668	96.62%	57,655	62,930,323	96.70%
2018-2019	60,056,599	59,887,615	99.72%	52,537	59,940,152	99.81%
2017-2018	59,304,391	58,741,901	99.05%	106,147	58,848,048	99.23%
2016-2017	59,970,401	57,007,130	95.06%	201,447	57,208,577	95.39%
2015-2016	60,506,513	58,492,947	96.67%	171,473	58,664,420	96.96%
2014-2015	58,585,003	56,797,930	96.95%	132,339	56,930,269	97.18%

(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	Installment- Purchase Payable	Notes	Total Primary Government	Per Capita (2)	Percentage of Per Capita Income (2)	
2023-2024	\$ -	\$ 625,436	\$ 83,817,158	\$ 3,367,616	\$ 3,643,442	\$ -	\$ 91,453,652	418	0.90%	
2022-2023	-	787,414	89,699,838	8,277,894	-	-	98,765,146	477	1.04%	
2021-2022	-	994,393	95,024,953	9,526,359	-	-	105,545,705	530	1.15%	
2020-2021	-	1,194,371	100,211,610	3,659,456	-	-	105,065,437	540	1.31%	
2019-2020	-	1,384,348	105,263,162	3,768,403	-	-	110,415,913	575	1.51%	
2018-2019	-	1,688,760	110,178,385	1,935,000	-	1,002,622	114,804,767	610	1.65%	
2017-2018	-	1,967,869	114,976,325	2,040,000	-	2,313,347	121,297,541	654	1.81%	
2016-2017	-	2,607,978	119,648,434	2,140,000	-	3,598,654	127,995,066	703	2.09%	
2015-2016	-	3,217,089	111,464,668	2,235,000	-	4,860,255	121,777,012	674	2.08%	
2014-2015	-	3,877,466	123,451,185	2,325,000	-	6,097,551	135,751,202	764	2.43%	

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

Source:

(1) District Records

(2) Total Primary Government Debt divided by Population and Per Capita Income from Table 17.

TABLE 12

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2024
(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	\$ 8,605,875			100%	\$ 8,605,875
Non-Ad Valorem Refunding Bonds, Series 2010	425,000			100%	425,000
Non-Ad Valorem Refunding Bonds, Series 2012	7,266,000			100%	7,266,000
Non-Ad Valorem Refunding Bonds, Series 2022	31,285,000			100%	31,285,000
Subtotal Overlapping Debt	47,581,875				47,581,875
District School Board of Hernando County:					
State Board of Education Bonds, Series 2014A Refunding	35,000	100%	\$ 35,000	100%	35,000
State Board of Education Bonds, Series 2020A Refunding	494,000	100%	494,000	100%	494,000
Bonds Payable - Unamortized Premium	96,436	100%	96,436	100%	96,436
Installment-Purchase Payable	3,643,442	100%	3,643,442	100%	3,643,442
Certificates of Participation, Series 2016A	76,885,000	100%	76,885,000	100%	76,885,000
Certificates of Participation - Unamortized Premium	6,932,158	100%	6,932,158	100%	6,932,158
Capital Improvement Bonds, Series 2020 Refunding	3,135,000	100%	3,135,000	100%	3,135,000
Capital Improvement Bonds - Unamortized Premium	232,616	100%	232,616	100%	232,616
Subtotal Direct Debt	91,453,652		91,453,652		91,453,652
Totals	\$ 139,035,527		\$ 91,453,652		\$ 139,035,527

(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, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Taxable Value (1)	<u>\$ 8,174,271</u>	<u>\$ 8,408,354</u>	<u>\$ 8,730,587</u>	<u>\$ 9,346,958</u>
Debt Limit - 10% of Taxable Value (2)	<u>\$ 817,427</u>	<u>\$ 840,834</u>	<u>\$ 873,058</u>	<u>\$ 934,696</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>\$ 817,427</u>	<u>\$ 840,834</u>	<u>\$ 873,058</u>	<u>\$ 934,696</u>
Total Debt Applicable to the Debt Limit as a Percentage of the Debt Limit	0.00%	0.00%	0.00%	0.00%

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

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

Source: District Records

TABLE 13 (Continued)

Fiscal Year Ending					
June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
\$ 9,949,228	\$ 9,980,807	\$ 11,477,508	12,437,585	\$ 15,679,022	\$ 17,939,426
\$ 994,923	\$ 998,081	\$ 1,147,751	1,243,759	\$ 1,567,902	\$ 1,793,943
\$ -	\$ -	\$ -	-	\$ -	\$ -
-	-	-	-	-	-
\$ -	\$ -	\$ -	-	\$ -	\$ -
\$ 994,923	\$ 998,081	\$ 1,147,751	1,243,759	\$ 1,567,902	\$ 1,793,943
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	Net General Bonded Debt	Ratio of Net General Bonded Debt to Taxable Value	Per Capita
2023-2024	218,766	\$ 17,939,426	\$ -	\$ -	\$ -	0.00%	
2022-2023	206,896	15,679,022	-	-	-	0.00%	
2021-2022	199,207	12,437,585	-	-	-	0.00%	
2020-2021	194,515	11,477,508	-	-	-	0.00%	
2019-2020	192,186	9,980,807	-	-	-	0.00%	
2018-2019	188,358	9,949,228	-	-	-	0.00%	
2017-2018	182,114	9,346,958	-	-	-	0.00%	
2016-2017	182,114	8,730,587	-	-	-	0.00%	
2015-2016	180,777	8,408,354	-	-	-	0.00%	
2014-2015	177,584	8,174,271	-	-	-	0.00%	

(1) Hernando County Monthly Demographics Update Summary - through July 1, 2023.

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

Source: District records

TABLE 15

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

Fiscal Year	Taxable Value	Taxable Assessed Value	Annual Lease Payment	Millage Levy to Provide 1.00x Coverage (1)
2023-2024	\$ 17,939,426	\$ 17,222	\$ 9,911	0.575 Mills
2022-2023	15,679,022	15,052	8,241	0.548 Mills
2021-2022	12,437,585	11,940	8,243	0.690 Mills
2020-2021	11,477,508	11,018	8,680	0.788 Mills
2019-2020	9,980,807	9,582	8,236	0.860 Mills
2018-2019	9,949,228	9,551	8,245	0.863 Mills
2017-2018	9,346,958	8,973	8,241	0.918 Mills
2016-2017	8,730,587	8,381	7,144	0.852 Mills
2015-2016	8,408,354	8,072	5,891	0.730 Mills
2014-2015	8,174,271	7,847	9,254	1.179 Mills

(1) Millage rate calculated using 96 percent of the taxable value.

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

Source: District records

TABLE 16

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

Fiscal Year	10-Year Sales Tax Revenue (1)	Principal	Interest and Dues & Fees	Annual Debt Service on Sales Tax Revenue Bonds	Sales Tax Revenue Coverage (2)
2023-2024	\$ 18,599,588	\$ -	\$ -	\$ -	
2022-2023	19,150,405	-	-	-	
2021-2022	16,754,625	-	-	-	
2020-2021	13,157,697	-	-	-	
2019-2020	11,578,748	-	-	-	
2018-2019	11,015,453	-	-	-	
2017-2018	11,353,186	-	-	-	
2016-2017	10,391,995	-	-	-	
2015-2016	4,955,233	-	-	-	
2014-2015	5,284,711	6,415,000	118,175	6,533,175	0.81

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

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

Source: District records

TABLE 17

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

Fiscal Year	Estimated Population (1)	Personal Income (2)	Per Capita Income (1)	Public School Enrollment (3)	Percentage of Students on Free and Reduced Lunch (5)	Labor Force (1)	Unemployment Rate % (1)	Median Age (1)	Citizens With a Bachelor's Degree (4)
2023-2024	218,766	\$10,192,527	\$ 46,591	24,163	65.4%	78,797	3.8%	47.4	20.0%
2022-2023	206,896	9,533,768	46,080	25,805	60.9%	81,263	3.6%	47.3	19.4%
2021-2022	199,207	9,179,459	46,080	25,554	60.2%	77,274	5.1%	48.8	19.1%
2020-2021	194,515	8,050,003	41,385	24,450	58.3%	76,582	8.3%	49.6	18.4%
2019-2020	192,186	7,345,925	38,223	22,398	57.3%	70,615	4.2%	49.4	17.5%
2018-2019	188,358	6,946,266	36,878	23,357	57.0%	71,547	3.2%	47.7	17.5%
2017-2018	185,604	6,711,626	36,161	23,340	65.0%	63,757	4.2%	49.2	17.1%
2016-2017	182,114	6,131,050	33,666	23,950	66.9%	67,842	5.9%	47.7	16.4%
2015-2016	180,777	5,843,436	32,324	23,621	69.3%	67,937	6.2%	47.7	15.5%
2014-2015	177,584	5,580,044	31,422	22,444	65.1%	66,785	7.0%	47.7	15.5%

Source:

- (1) Hernando County Monthly Demographics Update Summary - through December 2024
- (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, 2024
- (5) Bureau of Economic and Business Research, University of Florida
- (4) U.S. Census Bureau - State & County Quickfacts
- (7) Population and Per Capita amounts for the prior fiscal years were adjusted to reflect actual statistics from the Hernando County Monthly Demographics Update Summary - through September 30, 2010
- Bachelor's degree or higher, % of persons 25+ 2015-2019
- (5) Food & Nutrition Data as of April 30, 2024 (Free 58.93% Reduced 6.48% = 65.41%)

TABLE 18

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

Employer / Type of Business	2023-2024			2022-2023	
	Number of Employees	Rank	% (1)	Number of Employees	Rank
Oak Hill Hospital Healthcare	1,800	1	2.4%	1,675	1
Wal-Mart Distribution Center Distribution Center	1,027	2	1.3%	1,000	2
Bravera Health (formerly Bayfront Health) Healthcare	1,018	3	1.3%	859	3
Healthsouth Healthcare	355	4	0.5%		
Barrette Outdoor Living Supplier	350	5	0.5%	320	4
Cemex Manufacturer	250	6	0.3%	292	5
HPH Hospice Healthcare	221	7	0.3%		
Micro-Matic Supplier	205	8	0.3%	205	7
Accuform Signs, Inc. Manufacturer	194	9	0.3%	215	6
Sparton Electronics Manufacturer	135	10	0.2%	180	8
Total	<u>5,555</u>		<u>7.4%</u>	<u>4,746</u>	

(1) Percentage shown represents the number of employees as a percent of Hernando County's total labor force of 76,457.

Source:

Hernando County ACFR for fiscal years ending September 30, 2023, and September 30, 2022, respectively.



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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	Relocatable Stations	Relocatable Student Stations (4)
Elementary Schools:							
Brooksville Elementary	1968	56	120,484	817	79.3%	6	114
Chocachatti Elementary (Magnet)	1998	26	111,288	737	100.3%	7	256
Deltona Elementary	1989	35	114,971	743	111.4%	6	134
Eastside Elementary	1973	51	93,669	736	88.6%	5	106
John D. Floyd Elementary	1986	38	108,313	696	137.1%	16	451
Moton Elementary	1989	35	95,943	755	75.4%	3	80
Pine Grove Elementary	1988	36	123,523	742	123.2%	12	332
Spring Hill Elementary	1980	44	95,285	588	157.1%	11	291
Suncoast Elementary	1994	30	132,340	876	101.7%	2	66
Westside Elementary	1972	52	85,475	634	87.9%	13	240
Total Elementary School Student Enrollment							
Middle Schools:							
Fox Chapel Middle School	1978	46	123,346	1,143	67.5%	10	198
D. S. Parrott Middle School	1988	36	147,522	1,156	57.2%		
Powell Middle School	1984	40	157,398	1,259	80.5%		
West Hernando Middle School	1993	31	198,184	1,321	52.2%	3	132
Total Middle School Student Enrollment							
Combination Schools:							
Challenger K-8 School of Science and Mathematics (Magnet)	2004	20	241,418	1,741	82.1%	1	44
Explorer K-8	2008	16	277,548	2,076	81.2%		
Winding Waters K-8	2012	12	196,980	1,845	74.7%	5	110
Total Combination School Student Enrollment							
High Schools:							
Central High School	1989	35	245,026	1,673	75.7%	4	100
Hernando High School	1962	62	253,164	1,661	69.9%	5	125
Nature Coast Technical High School (Magnet)	2001	23	255,290	1,440	101.2%		
Springstead High School	1975	49	239,826	1,683	102.4%	21	500
Weeki Wachee High School (Grades 9-12)	2011	13	243,290	1,715	74.5%		
Total High School Student Enrollment							
Specialty Schools:							
Endeavor Academy (formerly STAR Center)	1974	50	19,260	121	103.3%	4	70
Hernando eSchool	N/A		N/A	N/A	N/A	N/A	N/A
Incarcerated Youth Program	N/A		N/A	N/A	N/A	N/A	N/A
Stop Camp/Withlacoochee DJJ	N/A		N/A	N/A	N/A	N/A	N/A
Total Specialty Schools Student Enrollment							
Charter Schools:							
Best Academy	N/A		N/A	N/A	N/A	N/A	N/A
Gulf Coast Elementary School	N/A		N/A	N/A	N/A	N/A	N/A
Gulf Coast Middle School	N/A		N/A	N/A	N/A	N/A	N/A
Gulf Coast Academy of Science and Mathematics	N/A		N/A	N/A	N/A	N/A	N/A
Total Charter School Student Enrollment							
Total Pre-Kindergarten to Grade 12 Student Enrollment							
Adult Education:							
Wilton Simpson Technical College	2022	2	18,618	93	N/A	N/A	N/A
Heart Literacy	1986	38	3,782	N/A	N/A	N/A	N/A
Total Adult Student Enrollment							
District Total Pre-Kindergarten to Adult Student Enrollment							

(1) Year constructed date from the Florida Inventory of School Housing (FISH). This date does not reflect additions, renovations, replacements or remodeling

Average age of the schools 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	2023-2024
782	661	641	648	674	662	666	646	669	682
762	744	726	739	736	704	756	786	778	784
922	793	816	828	808	686	795	829	861	864
528	580	609	652	663	598	684	732	736	755
-	-	969	954	945	888	940	945	964	924
603	640	573	569	551	539	650	672	675	671
650	763	865	914	948	844	905	982	1,038	970
735	749	822	924	870	795	924	911	885	821
988	860	901	891	908	777	841	877	920	974
564	518	512	557	582	516	542	518	529	512
6,534	6,308	7,434	7,676	7,685	7,009	7,703	7,898	8,055	7,957
594	698	733	772	751	729	830	884	780	822
683	632	652	661	724	763	824	833	715	740
797	922	981	1,013	1,082	934	970	1,004	1,057	1,049
617	660	718	689	694	610	720	690	657	668
2,691	2,912	3,084	3,135	3,251	3,036	3,344	3,411	3,209	3,279
1,574	1,542	1,477	1,429	1,397	1,369	1,453	1,471	1,458	1,463
1,748	1,668	1,656	1,686	1,689	1,503	1,574	1,601	1,564	1,528
1,391	1,298	1,301	1,378	1,391	1,277	1,605	1,649	1,653	1,618
4,713	4,508	4,434	4,493	4,477	4,149	4,632	4,721	4,675	4,609
1,160	1,253	1,312	1,267	1,259	1,173	1,295	1,427	1,448	1,465
1,189	1,179	1,209	1,161	1,205	1,221	1,228	1,292	1,267	1,301
1,266	1,327	1,327	1,457	1,404	1,325	1,312	1,309	1,361	1,306
1,656	1,784	1,722	1,724	1,791	1,678	1,912	1,888	1,899	1,874
1,459	1,402	1,343	1,278	1,274	1,196	1,444	1,433	1,435	1,446
6,730	6,945	6,913	6,887	6,933	6,593	7,191	7,349	7,410	7,392
71	104	116	125	133	108	106	127	180	155
5	7	55	49	43	76	212	65	62	48
9	9	8	2	2	-	2	1	-	6
-	-	-	-	-	-	-	-	-	-
85	120	179	176	178	184	320	193	242	209
126	121	130	119	90	60	75	75	97	89
-	-	-	-	-	114	123	121	117	113
107	109	110	-	-	-	-	-	-	-
130	128	124	236	236	236	218	213	217	217
363	358	364	355	326	410	416	409	431	419
21,116	21,151	22,408	22,722	22,850	21,381	23,606	23,981	24,022	23,865
49	35	28	53	53	24	40	83	109	188
261	86	96	101	123	73	63	66	124	-
310	121	124	154	176	97	103	149	233	188
21,426	21,272	22,532	22,876	23,026	21,478	23,709	24,130	24,255	24,053

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
2023-2024	1,508	103	118	1,367	3,096	13.65
2022-2023	1,422	99	109	1,307	2,937	13.95
2021-2022	1,535	95	101	1,251	2,982	16.14
2020-2021	1,630	94	103	1,283	3,110	16.74
2019-2020	1,643	91	104	1,437	3,275	16.67
2018-2019	1,442	82	98	1,253	2,875	15.55
2017-2018	1,452	86	100	1,259	2,897	15.38
2016-2017	1,433	87	92	1,226	2,838	16.52
2015-2016	1,473	87	97	1,192	2,849	16.08
2014-2015	1,514	98	95	1,230	2,937	16.97

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

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

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

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

Source: District records

TABLE 21

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

Fiscal Year	Bachelor's	Master's	Specialist's	Doctorate
2023-2024	\$ 50,000	\$ 52,500	\$ 53,500	\$ 54,500
2022-2023	49,000	51,500	52,500	53,500
2021-2022	47,500	50,000	51,000	52,000
2020-2021	46,120	48,620	49,620	50,620
2019-2020	48,398	50,898	51,898	52,898
2018-2019	46,321	48,821	49,821	50,821
2017-2018	46,729	49,229	50,229	51,229
2016-2017	45,777	48,277	49,277	50,277
2015-2016	45,034	47,534	48,534	49,534
2014-2015	43,026	48,930	48,131	47,402

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
2023-2024	\$ 323,345,456	24,163	-6.4%	\$ 13,382	22.0%	1,508	6.0%	16.02
2022-2023	283,065,668	25,805	1.0%	10,969	15.9%	1,422	-7.4%	18.15
2021-2022	241,895,374	25,554	4.5%	9,466	-4.4%	1,535	-5.8%	16.65
2020-2021	242,051,015	24,450	9.2%	9,900	-4.9%	1,630	-0.8%	15.00
2019-2020	233,039,439	22,398	-4.8%	10,404	13.1%	1,643	13.9%	13.63
2018-2019	217,385,088	23,533	0.8%	9,237	-0.5%	1,442	-0.7%	16.32
2017-2018	216,702,802	23,340	-2.5%	9,285	9.5%	1,452	1.3%	16.07
2016-2017	203,166,169	23,950	1.4%	8,483	0.7%	1,433	-2.7%	16.71
2015-2016	199,052,650	23,621	5.2%	8,427	-6.8%	1,473	-2.7%	16.04
2014-2015	203,030,347	22,444	1.2%	9,046	-2.9%	1,514	0.5%	14.82

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

Source: District records

COMPLIANCE SECTION



HERNANDO
SCHOOL DISTRICT

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SCHOOL DISTRICT

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Compliance Section

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

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**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/Program or Cluster	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
Clustered			
Child Nutrition Cluster			
United States Department of Agriculture:			
Florida Department of Agriculture and Consumer Services:			
School Breakfast Program	10.553	24002	\$ 3,667,139
National School Lunch Program	10.555	24001, 24003	12,489,242
COVID-19 National School Lunch Program	10.555	23020	729,973
Total National School Lunch Program	10.555		<u>13,219,215</u>
Total Child Nutrition Cluster			<u>16,886,354</u>
Student Financial Assistance Cluster			
United States Department of Education:			
Federal Pell Grant Program	84.063	N/A	<u>252,117</u>
Special Education Cluster			
United States Department of Education			
Florida Department of Education:			
Special Education - Grants to States	84.027	262, 263	5,233,245
COVID-19 Special Education - Grants to States	COVID-19, 84.027	263	<u>486,082</u>
Total Special Education - Grants to States			<u>5,719,327</u>
Special Education - Preschool Grants	84.173	267	127,213
COVID-19 Special Education - Preschool Grants	COVID-19, 84.173	267	<u>12,561</u>
Total Special Education - Preschool Grants			<u>139,774</u>
Total Special Education Cluster			<u>5,859,101</u>
Not Clustered			
United States Department of Agriculture			
Florida Department of Health:			
Child and Adult Care Food Program	10.558	A-4575	<u>586,016</u>
United States Department of Defense			
Air Force Junior Reserve Officers Training Corps	12.UNK	N/A	145,096
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	<u>79,921</u>
Total United States Department of Defense			<u>225,017</u>
United States Department of Education:			
Florida Department of Education:			
Adult Education - Basic Grants to States	84.002	191,193	271,527
Title I Grants to Local Educational Agencies	84.010	212, 226	8,285,435
Career and Technical Education - Basic Grants to States	84.048	161	273,648
Education for Homeless Children and Youth	84.196	127	103,609
Charter Schools	84.282	298	63,878
English Language Acquisition State Grants	84.365	102	108,496
Supporting Effective Instruction State Grants	84.367	224	1,262,435
Student Support and Academic Enrichment Grants	84.424	241	478,354
Education Stabilization Fund:			
Elementary and Secondary School Emergency Relief Fund	COVID-19, 84.425D	124, 128	2,218,591
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	COVID-19, 84.425U	121	17,967,517
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth Fund	COVID-19, 84.425W	122	<u>130,807</u>
Total Education Stabilization Fund	84.425		<u>20,316,915</u>
Total United States Department of Education			<u>31,164,297</u>
Total Expenditures of Federal Awards			<u>\$ 54,972,902</u>

The notes below are an integral part of this Schedule.

Notes:

- 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, 2024. 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.
- 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.
- Indirect Cost Rate.** The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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



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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Hernando County District School Board as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 29, 2025, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
January 29, 2025
Audit Report No. 2025-099



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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



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

The President of the Senate, the Speaker of the
House of Representatives, and the
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Hernando County District School Board's 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 the District's major Federal program for the fiscal year ended June 30, 2024. The District's major Federal program is identified in **SECTION I – SUMMARY OF AUDITOR'S RESULTS** of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major Federal program for the fiscal year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 the

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.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major Federal program as a whole.

In performing an audit in accordance with GAAS, *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 noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 the 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 the 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, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal control over compliance* is a

deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the ***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.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
January 29, 2025
Audit Report No. 2025-099

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major Federal program:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for 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 major Federal program:	
Assistance Listing Numbers:	Name of Federal Program or Cluster:
10.553 and 10.555	Child Nutrition Cluster
Dollar threshold used to distinguish between type A and type B programs:	\$1,649,187
Auditee qualified as low risk auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters are reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

Audit Report No. (Finding No.)	Program/Area	Brief Description	Status	Comments
Purvis Gray (2020-01) (2017-1)	Financial Reporting - Inventory and tracking of Capital Assets and Construction in Progress	District procedures over capital assets need improvement.	Fully Corrected	Corrective action was taken.

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



HERNANDO
SCHOOL DISTRICT

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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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