



Hernando County, FL Board of County Commissioners Fiscal Year 2025-2026 Annual Budget

Debt Management & Summary

Hernando County finances certain capital projects and equipment with funds borrowed in the form of bonds, revenue notes, line of credit draws and lease purchase agreements. Hernando County does not borrow money for day-to-day operations. Debt related limitations and procedures are detailed in Hernando County's Debt Policy, included in this document. The Constitution of the State of Florida, Florida Statute 200.181, and Hernando County set no legal debt limit.

This section provides information regarding Hernando County's outstanding bonded debt and principal debt service, as of September 30, 2023. A more detailed analysis is available in the Hernando County, Florida Annual Comprehensive Financial Report (ACFR), Note I, fiscal year ending September 2023.

The following table shows a breakdown of the County debt including outstanding balances:

Measures of Debt Levels and Debt Issuance Limits

For the fiscal year 2026, pledged revenues in the amount of \$43 million provided a coverage ratio of 21.17 times the annual debt service for the combined Non-Ad Valorem Refunding Revenue.

Bonds, Series 2010 and the Non-Ad Valorem Refunding Revenue Note, Series 2012. The Series 2022 Bonds & Series 2023 Note will start to be measured during FY24 and included within the FY23 Annual Comprehensive Financial Report.

The Taxable Water and Sewer Refunding Revenue Bonds, Series 2021A, and Water and Sewer Refunding Revenue Bonds, Series 2021B are payable solely from and secured by a lien upon and pledge of Net Revenues and Connection Fees of the System. For the fiscal year 2022, Pledged Funds in the amount of \$23 million provided a coverage ratio of 4.02 times the annual debt service for the combined bonds.

General Obligation Bonds shall have debt ratios necessary to maintain sound credit ratings. Revenue Bonds shall maintain specific coverage ratios not less than the following:

- Utility System Net Revenues excluding connection fees should be at least equal to 110% of maximum combined debt service, and 120% including connection fees.
- Public Service Tax Revenues should be at least 135% of combined debt service.
- Sales Tax Revenues should be at least 125% of debt service.
- State Revenue Sharing moneys should be at least equal to 110% of maximum combined debt service.
- Local Option Gas Tax Revenues should be at least 150% of the combined maximum debt service requirement.

The images below are derived from the Annual Comprehensive Financial Report (ACFR), note I - Long-Term Liabilities, starting on page 89 of the financial audit report. That report, along with other financial reports, can be found here: <https://hernandoclerk.com/finance-reports/>.

Bond Ratings Derived from the Annual Comprehensive Financial Report (ACFR)

Following are the County's underlying ratings on bonds outstanding as of September 30, 2024:

	Moody's	Fitch	S&P
Taxable Water and Sewer Refunding Revenue Bonds Series 2021A	Aa2	AAA	NR
Taxable Water and Sewer Refunding Revenue Bonds Series 2021B	Aa2	AAA	NR
Non-Ad Valorem Revenue Bonds Series 2022	NR	NR	AA-

NR represents No Rating. Additional information on Hernando County's long-term debt can be found in Note I to the basic financial statements.

Bond Ratings Scale by Rating Agency

Credit Rating Scales by Agency, Long-Term

Moody's	S&P	Fitch	
Aaa	AAA	AAA	Prime
Aa1	AA+	AA+	High grade
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	Upper medium grade
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	Lower medium grade
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	
Ba1	BB+	BB+	Non-investment grade speculative
Ba2	BB	BB	
Ba3	BB-	BB-	
B1	B+	B+	Highly speculative
B2	B	B	
B3	B-	B-	
Caa1	CCC+	CCC	Substantial risk
Caa2	CCC		Extremely speculative
Caa3	CCC-		Default imminent with little prospect for recovery
Ca	CC	CC	
	C	C	
C			In default
/	D	D	
/			

"Junk"



HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE I – LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable from direct					
borrowings/direct placements	\$ 31,710,000	\$ -	\$ 425,000	\$ 31,285,000	\$ -
Net Bond Premium	934,289	-	47,181	887,108	45,017
Total Bonds Payable	32,644,289	-	472,181	32,172,108	45,017
Loans & Notes from direct					
borrowings/direct placements	23,983,337	4,765,000	4,267,925	24,480,412	4,325,345
Leases Payable	4,479,405	786,617	358,230	4,907,792	351,945
SBITA Payable	276,949	640,798	797,537	120,210	120,210
Compensated Absences	11,414,718	2,824,060	-	14,238,778	8,343,911
Other Post Employment Benefits	20,991,524	564,215	-	21,555,739	1,280,848
Net Pension Liability	164,340,287	3,931,764	-	168,272,051	-
Claims Liability	7,649,547	24,108,188	24,786,359	6,971,376	3,921,376
Total Governmental Activities	\$ 265,780,056	\$ 37,620,642	\$ 30,682,232	\$ 272,718,466	\$ 18,388,652
Business-Type Activities					
Bonds Payable from direct					
borrowings/direct placements	\$ 74,379,950	\$ -	\$ 4,400,000	\$ 69,979,950	\$ 4,554,950
Net Bond Premium	7,711,280	-	554,582	7,156,698	554,582
Total Bonds Payable	82,091,230	-	4,954,582	77,136,648	5,109,532
Loans & Notes from direct					
borrowings/direct placements	432,676	-	212,179	220,497	220,497
Leases Payable	-	2,641,797	-	2,641,797	1,134,932
Compensated Absences	1,330,217	-	48,275	1,281,942	159,209
Other Post Employment Benefits	2,848,937	75,215	-	2,924,152	169,177
Net Pension Liability	10,800,685	22,507	-	10,823,192	-
Landfill Closure/ Postclosure Liability	11,440,437	674,774	-	12,115,211	-
Total Business-Type Activities	\$ 108,944,182	\$ 3,414,293	\$ 5,215,036	\$ 107,143,439	\$ 6,793,347
	Water & Sewer District	Aviation Operations	Waste Management	Building Department	Total
Business-Type Activities					
Bonds Payable from direct					
borrowings/direct placements	\$ 51,449,950	\$ -	\$ 18,530,000	\$ -	\$ 69,979,950
Net Bond Premium	6,491,485	-	665,213	-	7,156,698
Total Bonds Payable	57,941,435	-	19,195,213	-	77,136,648
Loans & Notes from direct					
borrowings/direct placements	-	220,497	-	-	220,497
Leases Payable	-	-	2,641,797	-	2,641,797
Compensated Absences	809,701	68,287	180,432	223,522	1,281,942
Other Post Employment Benefits	1,893,090	96,828	460,120	474,114	2,924,152
Net Pension Liability	7,048,687	428,498	1,755,782	1,590,225	10,823,192
Landfill Closure/ Postclosure Liability	-	-	12,115,211	-	12,115,211
Total Business-Type Activities	\$ 67,692,913	\$ 814,110	\$ 36,348,555	\$ 2,287,861	\$ 107,143,439

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See Note J for a discussion of the Net Pension Liability. See Note K for a discussion of the liability for Other Post-Employment Benefits. See Note N for a discussion of the liability for Claims Liabilities. See Note O for a discussion of the liability for landfill closure/postclosure.

1. LOANS & NOTES FROM DIRECT BORROWINGS/DIRECT PLACEMENTS

Summary of Loans & Notes

	Governmental Activities	Business-Type Activities
Non-revolving Lines of Credit	\$ 14,416,000	\$ 220,497
Other Loans and Notes	10,064,412	-
Total	<u>\$ 24,480,412</u>	<u>\$ 220,497</u>

Governmental Activities

The following are summaries of Non-Revolving Lines of Credit at September 30, 2024:

Governmental Activities - Governmental Funds

Non-revolving line of credit dated August 4, 2014 with a bank for \$10,000,000 to be used to finance improvement projects. The minimum draw for a project is \$50,000 and the resulting note is to be amortized over 3, 5, 7, 10, 15 years, as determined at the time of the draw. Payment of principal and interest on these notes is secured by covenant to budget and appropriate legally available non-ad valorem revenues or special assessments levied and collected for the project. The master notes and the draws are secured by and payable solely from Non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance. The term to make draws from this line of credit has expired, and thus there is no unused amount available to the County. As of year-end the following notes had been executed under this agreement:

Courthouse Energy Performance Study. Applicable rate of interest: 2.8% until January 1, 2018 then 3.40%. Average annual principal payment of \$62,848 due until May 1, 2029. Interest is paid semi-annually May 1 and November 1. \$ 289,477

Hancock Lake Paving. Applicable rate of interest: 2.44% until January 1, 2018 then 2.96%. Average annual principal payments of \$14,079 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1. 13,744

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Crum Paving. Applicable rate of interest: 2.44% until January 1, 2018 then 2.96%. Average annual principal payments of \$8,529 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	8,326
Hernando County Fire Department Fire Engine. Applicable rate of interest: 2.52% until January 1, 2018 then 3.06%. Average annual principal payment of \$147,080 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	143,465
Hernando County Fire Department Emergency Services Equipment. Applicable rate of interest: 2.52% until January 1, 2018 then 3.06%. Average annual principal payment of \$42,265 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	41,227
	\$ 496,239
<p>Non-revolving line of credit dated October 22, 2015 with a bank for \$15,000,000 to be used to finance improvement projects. The minimum draw for a project is \$50,000 and the resulting note is to be amortized over 3, 5, 7, 10 or 15 years, as determined at the time of the draw. Payment of principal and interest on these notes is secured by covenant to budget and appropriate legally available non-ad valorem revenues or special assessments levied and collected for the project. The master notes and the draws are secured by and payable solely from Non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance. The term to make draws from this line of credit has expired, and thus there is no unused amount available to the County. As of year-end the following notes had been executed under this agreement:</p>	
Royal Highlands Area C Paving. Applicable rate of interest: 2.73% until January 1, 2018 then 3.32%. Average annual principal payments of \$46,817 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	\$ 45,573
Royal Highlands Area E Paving. Applicable rate of interest: 2.73% until January 1, 2018 then 3.32%. Average annual principal payments of \$27,923 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	27,181
Royal Highlands Area F Paving. Applicable rate of interest: 2.73% until January 1, 2018 then 3.32%. Average annual principal payments of \$11,372 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	11,070
Royal Highlands Area G Paving. Applicable rate of interest: 2.34% until January 1, 2018 then 2.84%. Average annual principal payments of \$34,880 due until May 1, 2026. Interest is paid semi-annually May 1 and November 1.	75,539

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Royal Highlands Area B Paving. Applicable rate of interest: 2.34% until January 1, 2018 then 2.84%. Average annual principal payments of \$15,372 due until May 1, 2026. Interest is paid semi-annually May 1 and November 1.	332,899
Golden Warbler Paving. Applicable rate of interest: 2.34% until January 1, 2018 then 2.84%. Average annual principal payments of \$4,690 due until May 1, 2026. Interest is paid semi-annually May 1 and November 1.	10,157
Paramount Area Paving. Applicable rate of interest: 2.34% until January 1, 2018 then 2.84%. Average annual principal payments of \$7,309 due until May 1, 2026. Interest is paid semi-annually May 1 and November 1.	15,828
Pine Warbler Paving. Applicable rate of interest: 2.81% until January 1, 2018 then 3.42%. Average annual principal payments of \$14,095 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.	40,013
Mexican Canary Paving. Applicable rate of interest: 2.81% until January 1, 2018 then 3.42%. Average annual principal payments of \$9,308 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.	26,422
Godwit Paving. Applicable rate of interest: 2.81% until January 1, 2018 then 3.42%. Average annual principal payments of \$6,872 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.	19,564
Pelican Paving. Applicable rate of interest: 2.81% until January 1, 2018 then 3.42%. Average annual principal payments of \$5,225 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.	14,833
Furley Paving. Applicable rate of interest: 2.81% until January 1, 2018 then 3.42%. Average annual principal payments of \$6,243 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.	17,722
Royal Highlands Area I Paving. Applicable rate of interest: 3.92%. Average annual principal payments of \$37,859 due until May 1, 2028. Interest is paid semi-annually May 1 and November 1.	168,048
Royal Highlands Driveway Aprons. Applicable rate of interest: 3.92%. Average annual principal payments of \$8,391 due until May 1, 2028. Interest is paid semi-annually May 1 and November 1.	37,246

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Maberly Paving. Applicable rate of interest: 3.92%. Average annual principal payments of \$13,124 due until May 1, 2028. Interest is paid semi-annually May 1 and November 1.	58,257
Taylor St Millings. Applicable rate of interest: 3.86%. Average annual principal payments of \$5,904 due until May 1, 2028. Interest is paid semi-annually May 1 and November 1.	26,000
Sweetgum Road Millings. Applicable rate of interest: 3.86%. Average annual principal payments of \$9,233 due until May 1, 2028. Interest is paid semi-annually May 1 and November 1.	40,663
Painted Bunting Paving. Applicable rate of interest: 3.86%. Average annual principal payments of \$10,101 due until May 1, 2028. Interest is paid semi-annually May 1 and November 1.	44,486
Carnes Area Paving. Applicable rate of interest: 3.86%. Average annual principal payments of \$20,090 due until May 1, 2028. Interest is paid semi-annually May 1 and November 1.	88,481
Jackdaw Road Paving. Applicable rate of interest: 4.09%. Average annual principal payments of \$4,928 due until May 1, 2029. Interest paid semi-annually May 1 and November 1.	24,481
Jaybird Road Paving. Applicable rate of interest: 4.09%. Average annual principal payments of \$15,289 due until May 1, 2029. Interest paid semi-annually May 1 and November 1.	75,953
Kodiak Wren Road Paving. Applicable rate of interest: 4.09%. Average annual principal payments of \$6,478 due until May 1, 2029. Interest paid semi-annually May 1 and November 1.	32,182
Old Squaw Avenue Paving. Applicable rate of interest: 4.09%. Average annual principal payments of \$12,859 due until May 1, 2029. Interest paid semi-annually May 1 and November 1.	63,881
Quill Paving. Applicable rate of interest: 4.09%. Average annual principal payments of \$3,396 due until May 1, 2029. Interest paid semi-annually May 1 and November 1.	16,871
Wood Owl Road Paving. Applicable rate of interest: 3.14%. Average annual principal payments of \$14,010 due until May 1, 2029. Interest paid semi-annually May 1 and November 1.	75,165
Tinamou Area Paving. Applicable rate of interest: 3.14%. Average annual principal payments of \$19,150 due until May 1, 2029. Interest paid semi-annually May 1 and November 1.	102,742

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Alberta Street Paving. Applicable rate of interest: 3.14%. Average annual principal payments of \$10,860 due until May 1, 2029. Interest paid semi-annually May 1 and November 1.	58,265	
White Road Paving. Applicable rate of interest: 3.03%. Average annual principal payments of \$18,592 due until May 1, 2029. Interest paid semi-annually May 1 and November 1.	<u>99,048</u>	\$ 1,648,570
<p>Non-revolving line of credit dated March 11, 2020 with a bank for \$15,000,000 to be used to finance improvement projects. The minimum draw for a project is \$50,000 and the resulting note is to be amortized over 3, 5, 7, 10, or 15 years, as determined at the time of the draw. Payment of principal and interest on these notes is secured by a covenant to budget and appropriate legally available non-ad valorem revenues or special assessments levied and collected for the project. The master notes and the draws are secured by and payable solely from non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance. The term to make draws from this line of credit has expired, and thus there is no unused amount available to the County. As of year-end the following notes had been executed under this agreement:</p>		
Marsh Wren Avenue Paving. Applicable rate of interest: 2.327%. Average annual principal payments of \$5,961 due until May 1, 2030. Interest is paid semi-annually May 1 and November 1.	\$ 37,330	
Nordica Road Paving. Applicable rate of interest: 2.327%. Average annual principal payments of \$4,968 due until May 1, 2030. Interest is paid semi-annually May 1 and November 1.	31,113	
Piping Plover Area Road Paving. Applicable rate of interest: 2.327%. Average annual principal payments of \$17,752 due until May 1, 2030. Interest is paid semi-annually May 1 and November 1.	111,170	
Royal Highlands Area L Road Paving. Applicable rate of interest: 2.327%. Average annual principal payments of \$18,782 due until May 1, 2030. Interest is paid semi-annually May 1 and November 1.	117,624	
Dolqueib Lane Area Road Paving. Applicable rate of interest: 2.327%. Average annual principal payments of \$19,424 due until May 1, 2030. Interest is paid semi-annually May 1 and November 1.	121,646	
Michigan Avenue Road Paving. Applicable rate of interest: 2.06%. Average annual principal payments of \$16,017 due until May 1, 2031. Interest is paid semi-annually May 1 and November 1.	113,834	
Hurricane Drive Road Paving. Applicable rate of interest: 2.06%. Average annual principal payments of \$14,737 due until May 1, 2031. Interest is paid semi-annually May 1 and November 1.	104,735	

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Pleasant Area Road Paving. Applicable rate of interest: 3.63%. Average annual principal payments of \$44,041 due until May 1, 2032. Interest is paid semi-annually May 1 and November 1.	358,546	
Mandrake/Canary Road Paving. Applicable rate of interest: 3.2847%. Average annual principal payments of \$13,109 due until May 1, 2032. Interest is paid semi-annually May 1 and November 1.	106,555	
Station 5 - Fire. Applicable rate of interest: 2.06%. Average annual principal payments of \$490,000 due until May 1, 2031. Interest is paid semi-annually May 1 and November 1.	3,482,459	
Station 6 - Fire. Applicable rate of interest: 2.06%. Average annual principal payments of \$50,000 due until May 1, 2031. Interest is paid semi-annually May 1 and November 1.	<u>355,353</u>	\$ 4,940,365

Non-Ad Valorem Refunding Revenue Note, Series 2012 dated November 13, 2012 with a bank for \$24,430,000 is a direct borrowing to be used to refinance Capital Improvement and Refunding Bonds, Series 2002 and a portion of Capital Improvement and Refunding Bonds, Series 2004. Payment of principal and interest on this note is secured by and payable solely from Non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance.

Applicable rate of interest: 2.572%. Average annual principal payments of \$1,987,624 due until February 1, 2028. Interest is paid semi-annually February 1 and August 1.

\$ 5,887,000

Governmental Activities - Internal Service Funds Funds

Non-revolving line of credit dated October 22, 2015 with a bank for \$15,000,000 to be used to finance improvement projects. The minimum draw for a project is \$50,000 and the resulting note is to be amortized over 3, 5, 7, 10 or 15 years, as determined at the time of the draw. Payment of principal and interest on these notes is secured by covenant to budget and appropriate legally available non-ad valorem revenues or special assessments levied and collected for the project. The master notes and the draws are secured by and payable solely from Non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance. The term to make draws from this line of credit has expired, and thus there is no unused amount available to the County. As of year-end the following notes had been executed under this agreement:

Vehicle purchases. Applicable rate of interest: 2.16% until January 1, 2018 then 2.63%. Average annual principal payments of \$200,000 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.	\$ 196,089	
Vehicle purchases. Applicable rate of interest 3.723%. Average annual payments of \$140,571 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	<u>156,180</u>	\$ 352,269

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Non-revolving line of credit dated March 11, 2020 with a bank for \$15,000,000 to be used to finance improvement projects. The minimum draw for a project is \$50,000 and the resulting note is to be amortized over 3, 5, 7, 10, or 15 years, as determined at the time of the draw. Payment of principal and interest on these notes is secured by a covenant to budget and appropriate legally available non-ad valorem revenues or special assessments levied and collected for the project. The master notes and the draws are secured by and payable solely from non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance. The term to make draws from this line of credit has expired, and thus there is no unused amount available to the County. As of year-end the following notes had been executed under this agreement:

Vehicle purchases. Applicable rate of interest: 2.104%. Average annual principal payments of \$252,280 due until May 1, 2030. Interest is paid semi-annually May 1 and November 1.	\$ 1,580,738
Vehicle purchases. Applicable rate of interest: 1.73%. Average annual principal payments of \$60,820 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.	188,254
Vehicle purchases. Applicable rate of interest: 1.98%. Average annual principal payments of \$99,024 due until May 1, 2030. Interest is paid semi-annually May 1 and November 1.	615,471
Vehicle purchases. Applicable rate of interest: 3.2921%. Average annual principal payments of \$47,729 due until May 1, 2029. Interest is paid semi-annually May 1 and November 1.	<div style="border-top: 1px solid black; display: inline-block;">242,506</div>
	\$ 2,626,969
Non-Ad Valorem Revenue Note, Series 2023 dated June 20, 2023 with a bank for \$4,062,000 is a direct borrowing to be used to finance vehicle purchases. Payment of principal and interest on this note is secured by and payable solely from Non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance.	
Vehicle purchases. Applicable rate of interest: 3.9%. Average annual principal payments of \$406,200 due until May 1, 2033. Interest is paid semi-annually May 1 and November 1.	<div style="border-top: 1px solid black; display: inline-block;">3,764,000</div>
Vehicle purchases. Applicable rate of interest: 4.0%. Average annual principal payments of \$476,500 due until May 1, 2034. Interest is paid semi-annually May 1 and November 1.	<div style="border-top: 1px solid black; display: inline-block;">4,765,000</div>
Total Governmental Activities Loans and Notes	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block;">\$ 24,480,412</div>

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Below is a summary of debt service requirements until maturity for the Governmental Activities Loans & Notes Payable:

Year ended September 30	Principal	Interest	Total
2025	\$ 4,325,346	\$ 765,474	\$ 5,090,820
2026	3,996,175	617,974	4,614,149
2027	3,873,730	495,768	4,369,498
2028	3,794,964	376,628	4,171,592
2029	2,202,287	283,451	2,485,738
2030-2034	6,287,910	564,737	6,852,647
	<u>\$ 24,480,412</u>	<u>\$ 3,104,032</u>	<u>\$ 27,584,444</u>

Business-Type Activities

The following is a summary of Loans & Notes at September 30, 2024:

Aviation Operations

Non-revolving line of credit dated October 22, 2015 with a bank for \$15,000,000 to be used to finance improvement projects. The minimum draw for a project is \$50,000 and the resulting note is to be amortized over 3, 5, 7, 10 or 15 years, as determined at the time of the draw. Payment of principal and interest on these notes is secured by covenant to budget and appropriate legally available non-ad valorem revenues or special assessments levied and collected for the project. The master notes and the draws are secured by and payable solely from Non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance. The term to make draws from this line of credit has expired, and thus there is no unused amount available to the County. As of year-end the following notes had been executed under this agreement:

Construction of multiple T-Hanger buildings known as Southeast T-Hanger Construction Phase III. Applicable rate of interest: 3.92%. Average annual principal payments of \$190,000 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.

\$ 220,497

Below is a summary of debt service requirements until maturity for the Business-Type Activities Loans & Notes:

Year ended September 30	Principal	Interest	Total
2025	\$ 220,497	\$ 8,643	\$ 229,140

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2. LEASES PAYABLE

Governmental Activities

The County is a lessee for noncancellable leases of land, building and equipment. At September 30, 2024, the County's Long-term Lease payable was composed of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Land	\$ 3,654,763	\$ -	\$ 79,553	\$ 3,575,210	\$ 88,866
Building	824,642	786,617	278,677	1,332,582	263,079
Equipment	-	-	-	-	-
Total Long-Term Leases	<u>\$ 4,479,405</u>	<u>\$ 786,617</u>	<u>\$ 358,230</u>	<u>\$ 4,907,792</u>	<u>\$ 351,945</u>

The County has entered into land lease agreements. The lease agreements qualify as other than short-term leases under GASB 87 and , therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The lease terms range from 2027 to 2054. There are no variable components of the lease. The leases liability is measured at discount rates ranging from 3.42% to 3.90% representing the County's incremental borrowing rate based on the time each lease was established. As a result of the leases, the County has recorded right-to-use assets with a total net book value of \$3,283,278 at September 30, 2024.

The future minimum lease obligations and the net present value of the minimum lease payments as of September 30, 2024 were as follows:

Year ended September 30	Principal	Interest
2025	\$ 88,866	\$ 120,906
2026	98,343	117,719
2027	63,846	114,895
2028	71,196	112,907
2029	79,594	110,032
2030-2034	535,564	501,389
2035-2039	814,811	387,302
2040-2044	791,179	234,978
2045-2049	699,518	121,074
2050-2054	332,293	17,009
Total	<u>\$ 3,575,210</u>	<u>\$ 1,838,211</u>

The County has entered into building lease agreements. The lease agreements qualify as other than short-term leases under GASB 87 and , therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The lease terms range from 2025 to 2031. There are no variable components of the lease. The leases liability is measured at discount rates ranging from 3.42% to 3.90% representing the County's incremental borrowing rate based on the time each lease was established. As a result of the leases, the County has recorded right-to-use assets with a total net book value of \$1,295,992 at September 30, 2024.

HERNANDO COUNTY, FLORIDA
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The future minimum lease obligations and the net present value of the minimum lease payments as of September 30, 2024 were as follows:

Year ended September 30	Principal	Interest
2025	\$ 263,078	\$ 45,798
2026	267,637	35,822
2027	238,472	26,389
2028	175,781	18,444
2029	179,486	11,665
2030-2031	208,128	4,930
Total	<u>\$ 1,332,582</u>	<u>\$ 143,048</u>

Business-Type Activities

The County is a lessee for noncancellable leases of equipment. At September 30, 2024, the County's Long-term Lease payable was \$2,641,797.

The County has entered into equipment lease agreements. The lease agreements qualify as other than short-term leases under GASB 87 and , therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The lease terms extend thru 2027. There are no variable components of the lease. The leases liability is measured at a discount rate of 4.00% representing the County's incremental borrowing rate based on the time these leases were established. As a result of the leases, the County has recorded right-to-use assets with a total net book value of \$2,646,272 at September 30, 2024.

The future minimum lease obligations and the net present value of the minimum lease payments as of September 30, 2024 were as follows:

Year ended September 30	Principal	Interest
2025	\$ 1,134,932	\$ 85,010
2026	1,181,202	38,740
2027	325,663	2,323
Total	<u>\$ 2,641,797</u>	<u>\$ 126,073</u>

3. Subscription Based Information Technology Arrangements (SBITAs)

Governmental Activities

The County has various subscription-based information technology arrangements with various terms under long-term, non-cancelable agreements. The lease payments end in 2025. The SBITA liability is measured at a discount rate of 3.90% to 4.00% representing the County's incremental borrowing rate based on the time each SBITA was established.

The future minimum payments and the net present value of the minimum payments as of September 30, 2024 were as follows:

Year ended September 30	Principal	Interest
2025	120,211	4,789

**HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

4. BONDS PAYABLE

Governmental Activities

NON-AD VALOREM REVENUE BONDS, SERIES 2022

Non-Ad Valorem Revenue Bonds, Series 2022 dated October 12, 2022 in the aggregate amount of \$50,700,000 were issued as a direct placement during the fiscal year ended September 30, 2023. Of the total bonds issued, the portion attributable to Governmental Funds is \$31,285,000. The bonds were issued to fund the capital projects of the Hernando County Judicial Renovations, Hernando County Westside Tax Collector Building, and the Hernando County Fire Station #2 and to pay certain costs and expenses relating to the issuance of the Series 2022 Bonds.

The Series 2022 Bonds are payable solely from the County's covenant to budget and appropriate in its annual budget Non-Ad Valorem revenues sufficient to pay principal and interest when due. For the fiscal year 2024, pledged revenues in the amount of \$56.2 million provided a coverage ratio of 10.74 times the annual debt service for the Non-Ad Valorem Refunding Revenue Note, Series 2012, and the Non-Ad Valorem Revenue Bonds, Series 2022.

Interest on the bonds is payable December 1 and June 1 of each year, commencing December 2022. The bonds carry interest rates varying from 4.0% to 5.0%, depending upon maturity date. Bonds maturing on or before June 1, 2032 are not subject to optional redemption prior to their respective stated dates of maturity. Bonds maturing on June 1, 2032 and thereafter are subject to redemption prior to their respective dates of maturity.

The following are the debt service requirements until maturity for the governmental activity bonds outstanding as of September 30, 2024:

Year	Non-Ad Valorem Refunding Revenue Bonds Series 2022 (Governmental Portion)	
	Principal	Interest
2025	\$ -	\$ 1,540,868
2026	-	1,540,869
2027	-	1,540,868
2028	-	1,540,869
2029	-	1,540,869
2030-2034	2,840,000	7,567,843
2035-2039	5,685,000	6,553,231
2040-2044	7,070,000	5,162,850
2045-2049	9,050,000	3,177,164
2050-2052	6,640,000	698,201
Total	<u>\$ 31,285,000</u>	<u>\$ 30,863,632</u>

**HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Business-Type Activities

Water & Sewer District

HOLLAND SPRINGS BONDS

Revenue bonds ("Series E Bonds") were issued to finance the construction of the Holland Springs water project, in the amount of \$659,450. The direct placement bonds were scheduled to mature April 1, 2025 with interest thereon at the rate of 7% per year payable each April 1 and October 1 beginning October 1, 1985. During the fiscal year ended September 30, 1989, an amended agreement was executed whereby \$619,500 of these revenue bonds were canceled in exchange for connection fee credits to the developer in a like amount. The remaining \$39,950 of bonds remain outstanding and payable in accordance with the original bond provisions. The bonds are payable from Net Revenues only up to an amount per annum equal to twenty-five percent (25%) of that portion of the revenues in the immediately preceding fiscal year derived from the Holland Springs system in excess of \$20,000, as certified by the Consulting Engineer.

In the event that insufficient revenues to pay principal of and interest on the Series E Bonds are so derived from the Holland Springs system at the maturity date of the Series E Bonds, the lien of the Series E Bonds on Net Revenues shall be extinguished, and the County shall be under no obligation to provide for the payment of the principal or interest on the Series E Bonds. As of year-end, insufficient revenues have been generated to require payment of principal or interest on these bonds. As such, these bonds have not been included in the following schedule of debt service requirements.

WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 2021 BONDS

Taxable Water and Sewer Refunding Revenue Bonds, Series 2021A in the amount of \$25,565,000, and Water and Sewer Refunding Revenue Bonds, Series 2021B in the amount of \$37,135,000 (collectively the "Series 2021 Bonds") dated April 15, 2021, were issued as a direct placement during the fiscal year ended September 30, 2021.

The Series 2021 Bonds are payable solely from and secured by a lien upon and pledge of Net Revenues and Connection Fees of the System. For the fiscal year 2024, Pledged Funds in the amount of \$31 million provided a coverage ratio of 5.29 times the annual debt service for the combined bonds.

Taxable Water and Sewer Refunding Revenue Bonds, Series 2021A

The Taxable Water and Sewer Refunding Revenue Bonds, Series 2021A were issued to provide funds together with other legally available monies of the County, sufficient to refund all outstanding Water and Sewer Refunding Revenue Bonds, Series 2013A, and to pay certain costs and expenses relating to the issuance of the Series 2021A Bonds.

Interest on the Series 2021 Bonds is payable June 1 and December 1 of each year, commencing December 2021. The bonds carry interest varying from .315% to 2.441% depending upon maturity date. The Series 2021 Bonds maturing before June 1, 2032 are not subject to optional redemption prior to their respective stated dates of maturity. Bonds maturing on or after June 1, 2032 are subject to redemption prior to their respective stated dates of maturity at the option of the County.

HERNANDO COUNTY, FLORIDA
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Water and Sewer Refunding Revenue Bonds, Series 2021B

Water and Sewer Refunding Revenue Bonds, Series 2021B were issued to provide funds, together with other legally available monies of the County, sufficient to prepay all the County's outstanding loans with the Florida Department of Environmental Protection under the State Revolving Fund program, and to pay certain costs and expenses relating to the issuance of the Series 2021B bonds.

Interest on the bonds is payable June 1 and December 1 of each year, commencing December 2021. The bonds carry interest rates varying from 3.0% to 5.0%, depending upon maturity date. Bonds maturing on or before June 1, 2023 are not subject to optional redemption prior to their respective stated dates of maturity. Bonds maturing after June 1, 2032 are subject to redemption prior to their respective dates of maturity at the option of the County.

The following are the debt service requirements until maturity for the Hernando County Water and Sewer District revenue bonds, excluding the Holland Springs Bonds, as noted previously:

Year	Taxable Water and Sewer Refunding Revenue Bonds Series 2021A		Water and Sewer Refunding Revenue Bonds Series 2021B		Water and Sewer Refunding Revenue Bonds Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,865,000	\$ 378,611	\$ 2,325,000	\$ 1,365,400	\$ 4,190,000	\$ 1,744,011
2026	1,885,000	359,699	2,415,000	1,272,400	4,300,000	1,632,099
2027	1,910,000	336,816	2,540,000	1,151,650	4,450,000	1,488,466
2028	1,940,000	307,898	2,665,000	1,024,650	4,605,000	1,332,548
2029	1,970,000	274,647	2,795,000	891,400	4,765,000	1,166,047
2030-2034	10,485,000	737,473	13,300,000	2,370,100	23,785,000	3,107,573
2035-2037	-	-	5,315,000	283,800	5,315,000	283,800
Total	<u>\$ 20,055,000</u>	<u>\$ 2,395,144</u>	<u>\$ 31,355,000</u>	<u>\$ 8,359,400</u>	<u>\$ 51,410,000</u>	<u>\$ 10,754,544</u>

Waste Management

NON-AD VALOREM REVENUE BONDS, SERIES 2022

Non-Ad Valorem Revenue Bonds, Series 2022 dated October 12, 2022 in the aggregate amount of \$47,515,000 were issued as a direct placement during the fiscal year ended September 30, 2023. Of the total bonds issued, the portion attributable to the Waste Management Enterprise Funds is \$19,415,000. The bonds were issued to fund the capital project of the Hernando County Class I Cell 4 and to pay certain costs and expenses relating to the issuance of the Series 2022 Bonds.

The Series 2010 Bonds are payable solely from the County's covenant to budget and appropriate in its annual budget Non-Ad Valorem revenues sufficient to pay principal and interest when due. For the fiscal year 2024, pledged revenues in the amount of \$56.2 million provided a coverage ratio of 10.74 times the annual debt service for the Non-Ad Valorem Refunding Revenue Note, Series 2012, and the Non-Ad Valorem Revenue Bonds, Series 2022.

Interest on the bonds is payable December 1 and June 1 of each year, commencing December 2022. The bonds carry interest rates varying from 4.0% to 5.0%, depending upon maturity date. Bonds maturing on or before June 1, 2032 are not subject to optional redemption prior to their respective stated dates of maturity. Bonds maturing on June 1, 2032 and thereafter are subject to redemption prior to their respective dates of maturity.

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

The following are the debt service requirements until maturity for the Hernando County Non-Ad Valorem Revenue Bonds, Series 2022 attributable to the Waste Management Fund:

Year	Non-Ad Valorem Refunding Revenue Bonds Series 2022 (Waste Management Portion)	
	Principal	Interest
2025	\$ 325,000	\$ 915,131
2026	345,000	898,881
2027	360,000	881,631
2028	380,000	863,631
2029	395,000	844,631
2030-2034	2,300,000	3,905,405
2035-2039	2,885,000	3,325,819
2040-2044	3,585,000	2,619,977
2045-2049	4,590,000	1,613,476
2050-2052	3,365,000	354,688
Total	<u>\$ 18,530,000</u>	<u>\$ 16,223,270</u>

5. DEFEASED BONDS

In prior years, the County defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on old bonds. Accordingly, the trust account assets and the liability for the defeased bonds were not included in the County's financial statements. As of September 30, 2024, there were no defeased bonds.

6. DEBT COMPLIANCE

Various bond indentures contain significant limitations and restrictions on the County regarding annual debt service requirements, the use of certain restricted accounts, minimum sinking fund balances, and minimum revenue bond coverage. Management believes that the County has complied with all material financial related covenants.

7. CONDUIT DEBT OBLIGATIONS

Periodically, Hernando County has issued Industrial Revenue Development Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Hernando County is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

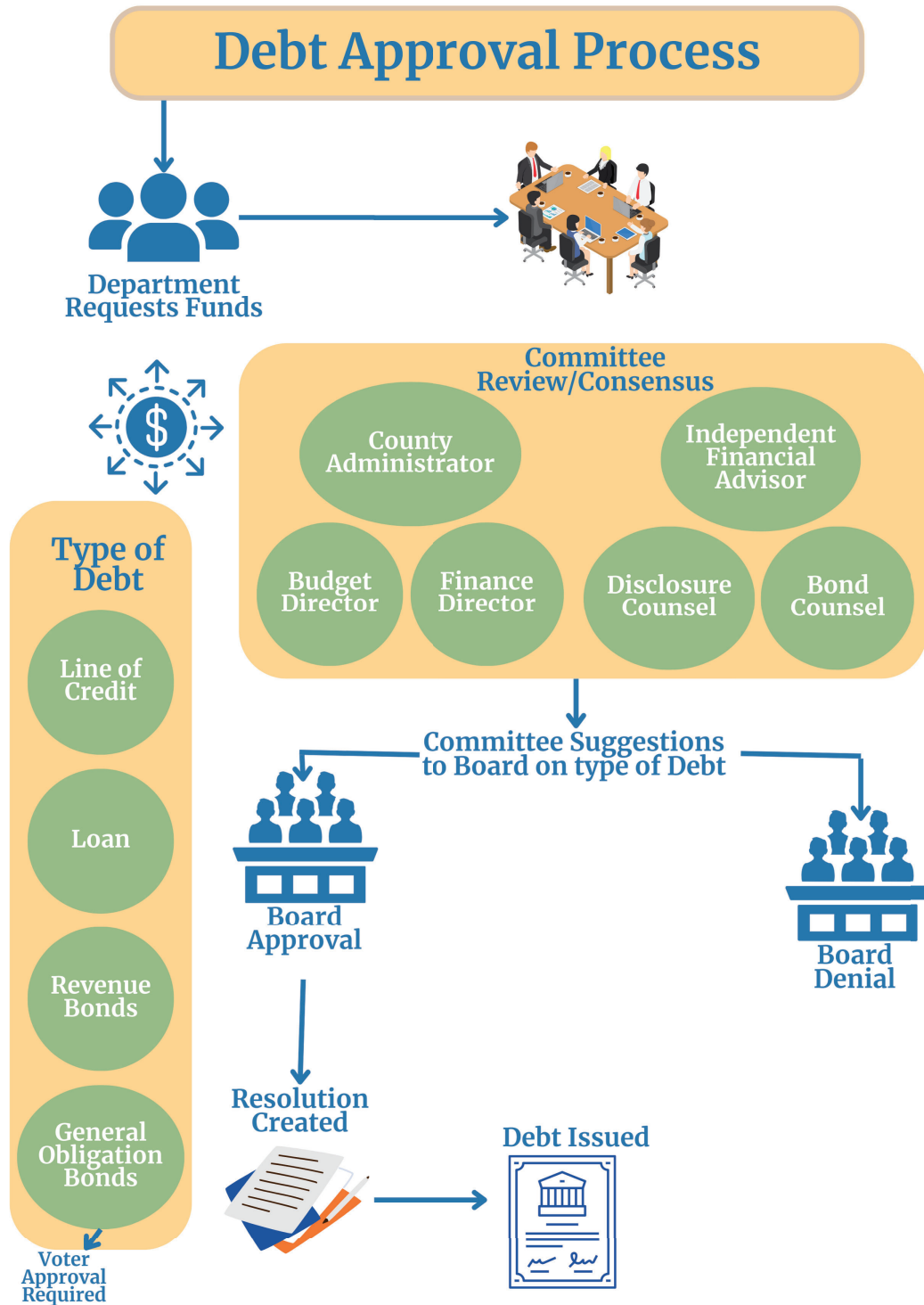
As of September 30, 2024 there was one series of outstanding Industrial Revenue Development Bonds, with an outstanding principal amount of \$7,720,833.



Hernando County, FL

Board of County Commissioners

Fiscal Year 2025-2026 Annual Budget





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Non-Ad Val Rev Note 2012 (Fund: 2081)

Non-Ad Val Rev Note 2012 (Fund: 2081) is a debt related department that solely tracks the debt payments until the debt is paid in full. The debt schedule below shows that the payments end in calendar year 2028 and the payment breakdown, on a percentage basis, is shown below the payment schedule.

Hernando County, Florida Non-Ad Valorem Refunding Revenue Note, Series 2012 Dated: November 13, 2012						
Fiscal Year	Period End Date	Outstanding Principal	Principal Payment	Interest Due	Total Payment	Fiscal Year Total
2018	8/1/2018	\$ 18,280,000.00	\$ -	\$ 283,364.42	\$ 283,364.42	\$ 283,364.42
	2/1/2019	\$ 18,280,000.00	\$ 2,724,000.00	\$ 288,061.07	\$ 3,012,061.07	
2019	8/1/2019	\$ 15,556,000.00	\$ -	\$ 241,138.78	\$ 241,138.78	\$ 3,253,199.85
	2/1/2020	\$ 15,556,000.00	\$ 2,780,000.00	\$ 245,135.56	\$ 3,025,135.56	
2020	8/1/2020	\$ 12,776,000.00	\$ -	\$ 199,139.24	\$ 199,139.24	\$ 3,224,274.80
	2/1/2021	\$ 12,776,000.00	\$ 2,856,000.00	\$ 201,327.58	\$ 3,057,327.58	
2021	8/1/2021	\$ 9,920,000.00	\$ -	\$ 153,773.25	\$ 153,773.25	\$ 3,211,100.83
	2/1/2022	\$ 9,920,000.00	\$ 1,312,000.00	\$ 156,321.98	\$ 1,468,321.98	
2022	8/1/2022	\$ 8,608,000.00	\$ -	\$ 133,435.50	\$ 133,435.50	\$ 1,601,757.48
	2/1/2023	\$ 8,608,000.00	\$ 1,342,000.00	\$ 135,647.14	\$ 1,477,647.14	
2023	8/1/2023	\$ 7,266,000.00	\$ -	\$ 112,632.71	\$ 112,632.71	\$ 1,590,279.85
	2/1/2024	\$ 7,266,000.00	\$ 1,379,000.00	\$ 114,499.55	\$ 1,493,499.55	
2024	8/1/2024	\$ 5,887,000.00	\$ -	\$ 91,760.54	\$ 91,760.54	\$ 1,585,260.09
	2/1/2025	\$ 5,887,000.00	\$ 1,415,000.00	\$ 92,768.90	\$ 1,507,768.90	
2025	8/1/2025	\$ 4,472,000.00	\$ -	\$ 69,321.97	\$ 69,321.97	\$ 1,577,090.87
	2/1/2026	\$ 4,472,000.00	\$ 1,454,000.00	\$ 70,470.96	\$ 1,524,470.96	
2026	8/1/2026	\$ 3,018,000.00	\$ -	\$ 46,783.03	\$ 46,783.03	\$ 1,571,253.99
	2/1/2027	\$ 3,018,000.00	\$ 1,491,000.00	\$ 47,558.44	\$ 1,538,558.44	
2027	8/1/2027	\$ 1,527,000.00	\$ -	\$ 23,670.54	\$ 23,670.54	\$ 1,562,228.98
2028	2/1/2028	\$ 1,527,000.00	\$ 1,527,000.00	\$ 24,062.87	\$ 1,551,062.87	\$ 1,551,062.87
		\$ -	\$ 18,280,000.00	\$ 2,730,874.03	\$ 21,010,874.03	\$ 21,010,874.03

Debt Service - Fund 2081 - FY 2026

Non Ad Valorem Refunding Revenue Note 2012
Combined Refunding of Series 2002 & Series 2004

General Fund (0011-05091)	\$1,225,582.80	78.00%
Public Bldg. Impact Fees (3321)	\$157,125.99	10.00%
Library Impact Fees (3351)	\$62,850.41	4.00%
Vehicle Maintenance (5071)	\$62,850.41	4.00%
Transportation Trust (1011)	\$62,850.41	4.00%
	\$1,571,260.00	100.00%

Non-Ad Val Rev Note 2012

	PRIOR YEAR BUDGET		BUDGET		
	FY2024	FY2025	FY2026	Increase (Decrease)	Percentage Increase (Decrease)
Expenses					
Operating Expense	\$20	\$20	\$25	\$5	25%
Debt Service	\$1,585,262	\$1,577,091	\$1,571,255	(\$5,836)	0%
Budget Reserves	\$9,091	\$53,681	\$53,681	\$0	0%
EXPENSES TOTAL	\$1,594,373	\$1,630,792	\$1,624,961	(\$5,831)	0%
Revenues					
Transfers	\$1,585,264	\$1,577,093	\$1,571,262	(\$5,831)	0%
Other Sources	\$9,109	\$53,699	\$53,699	\$0	0%
REVENUES TOTAL	\$1,594,373	\$1,630,792	\$1,624,961	(\$5,831)	0%

Non-Ad Valorem Revenue Note 2012 is a debt-focused fund dedicated to tracking debt payments until the obligation is fully satisfied. The proceeds from this note were used for road improvements, library renovations, and vehicle acquisitions.



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Hernando County, FL

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Non-Ad Val Bond Series 2022 (Fund: 2083)

The Series 2022 Bond Resolution allowed the County to issue debt to acquire the funds needed for the projects below.

<u>Project</u>	<u>Bond Proceeds</u>
Judicial Center Renovation	\$ 9,775,000
Fire Station No. 2	\$ 6,845,000
SW Landfill Cell No. 4	\$ 19,415,000
Tax Collector Westside Location	\$ 14,665,000
Total	\$ 50,700,000

The payments for the Judicial Center Renovation and Tax Collector building are made from the General Fund - Fund: 0011. The Fire Station No. 2 payments are split between the Fire - Fund: 1661 and EMS - Fund: 1691. The payments for Cell No. 4 will be made from the Solid Waste - Fund: 4421. The applicable payment schedules are summarized below:

Oct 18, 2022 1:16 pm Prepared by Morgan Stanley/Saf (Finance 8.800 Hernando County:PRICING-PRICING) Page 19

BOND DEBT SERVICE				
Hernando County				
Non-Ad Valorem Revenue Bonds, Series 2022 (Fire Stations)				
	Dated Date	11/03/2022		
	Delivery Date	11/03/2022		
Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2023			194,772.51	194,772.51
09/30/2024			337,106.26	337,106.26
09/30/2025			337,106.26	337,106.26
09/30/2026			337,106.26	337,106.26
09/30/2027			337,106.26	337,106.26
09/30/2028			337,106.26	337,106.26
09/30/2029			337,106.26	337,106.26
09/30/2030			337,106.26	337,106.26
09/30/2031			337,106.26	337,106.26
09/30/2032	200,000	5.000%	337,106.26	537,106.26
09/30/2033	205,000	5.000%	327,106.26	532,106.26
09/30/2034	220,000	5.000%	316,856.26	536,856.26
09/30/2035	230,000	4.000%	305,856.26	535,856.26
09/30/2036	240,000	4.000%	296,656.26	536,656.26
09/30/2037	245,000	4.125%	287,056.26	532,056.26
09/30/2038	260,000	4.125%	276,950.00	536,950.00
09/30/2039	270,000	5.000%	266,225.00	536,225.00
09/30/2040	280,000	4.500%	252,725.00	532,725.00
09/30/2041	295,000	4.500%	240,125.00	535,125.00
09/30/2042	310,000	4.500%	226,850.00	536,850.00
09/30/2043	320,000	5.250%	212,900.00	532,900.00
09/30/2044	340,000	5.250%	196,100.00	536,100.00
09/30/2045	355,000	5.250%	178,250.00	533,250.00
09/30/2046	375,000	5.250%	159,612.50	534,612.50
09/30/2047	395,000	5.250%	139,925.00	534,925.00
09/30/2048	415,000	** %	119,187.50	534,187.50
09/30/2049	435,000	** %	97,725.00	532,725.00
09/30/2050	460,000	** %	75,212.50	535,212.50
09/30/2051	485,000	** %	51,437.50	536,437.50
09/30/2052	510,000	** %	26,375.00	536,375.00
	6,845,000		7,281,860.15	14,126,860.15

BOND DEBT SERVICE

Hernando County
Non-Ad Valorem Revenue Bonds, Series 2022 (Solid Waste)

Dated Date 11/03/2022
Delivery Date 11/03/2022

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2023	575,000	5.000%	554,309.17	1,129,309.17
09/30/2024	310,000	5.000%	930,631.26	1,240,631.26
09/30/2025	325,000	5.000%	915,131.26	1,240,131.26
09/30/2026	345,000	5.000%	898,881.26	1,243,881.26
09/30/2027	360,000	5.000%	881,631.26	1,241,631.26
09/30/2028	380,000	5.000%	863,631.26	1,243,631.26
09/30/2029	395,000	5.000%	844,631.26	1,239,631.26
09/30/2030	415,000	5.000%	824,881.26	1,239,881.26
09/30/2031	440,000	5.000%	804,131.26	1,244,131.26
09/30/2032	460,000	5.000%	782,131.26	1,242,131.26
09/30/2033	480,000	5.000%	759,131.26	1,239,131.26
09/30/2034	505,000	5.000%	735,131.26	1,240,131.26
09/30/2035	530,000	4.000%	709,881.26	1,239,881.26
09/30/2036	555,000	4.000%	688,681.26	1,243,681.26
09/30/2037	575,000	4.125%	666,481.26	1,241,481.26
09/30/2038	600,000	4.125%	642,762.50	1,242,762.50
09/30/2039	625,000	5.000%	618,012.50	1,243,012.50
09/30/2040	655,000	4.500%	586,762.50	1,241,762.50
09/30/2041	685,000	4.500%	557,287.50	1,242,287.50
09/30/2042	715,000	4.500%	526,462.50	1,241,462.50
09/30/2043	745,000	5.250%	494,287.50	1,239,287.50
09/30/2044	785,000	5.250%	455,175.00	1,240,175.00
09/30/2045	825,000	5.250%	413,962.50	1,238,962.50
09/30/2046	870,000	5.250%	370,650.00	1,240,650.00
09/30/2047	915,000	5.250%	324,975.00	1,239,975.00
09/30/2048	965,000	** %	276,937.50	1,241,937.50
09/30/2049	1,015,000	** %	226,950.00	1,241,950.00
09/30/2050	1,065,000	** %	174,362.50	1,239,362.50
09/30/2051	1,120,000	** %	119,200.00	1,239,200.00
09/30/2052	1,180,000	** %	61,125.00	1,241,125.00
	19,415,000		17,708,209.31	37,123,209.31

BOND DEBT SERVICE

Hernando County
Non-Ad Valorem Revenue Bonds, Series 2022 (Judicial Center)

Dated Date 11/03/2022
Delivery Date 11/03/2022

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2023			278,167.51	278,167.51
09/30/2024			481,443.76	481,443.76
09/30/2025			481,443.76	481,443.76
09/30/2026			481,443.76	481,443.76
09/30/2027			481,443.76	481,443.76
09/30/2028			481,443.76	481,443.76
09/30/2029			481,443.76	481,443.76
09/30/2030			481,443.76	481,443.76
09/30/2031			481,443.76	481,443.76
09/30/2032	285,000	5.000%	481,443.76	766,443.76
09/30/2033	295,000	5.000%	467,193.76	762,193.76
09/30/2034	310,000	5.000%	452,443.76	762,443.76
09/30/2035	325,000	4.000%	436,943.76	761,943.76
09/30/2036	340,000	4.000%	423,943.76	763,943.76
09/30/2037	355,000	4.125%	410,343.76	765,343.76
09/30/2038	370,000	4.125%	395,700.00	765,700.00
09/30/2039	385,000	5.000%	380,437.50	765,437.50
09/30/2040	405,000	4.500%	361,187.50	766,187.50
09/30/2041	420,000	4.500%	342,962.50	762,962.50
09/30/2042	440,000	4.500%	324,062.50	764,062.50
09/30/2043	460,000	5.250%	304,262.50	764,262.50
09/30/2044	485,000	5.250%	280,112.50	765,112.50
09/30/2045	510,000	5.250%	254,650.00	764,650.00
09/30/2046	535,000	5.250%	227,875.00	762,875.00
09/30/2047	565,000	5.250%	199,787.50	764,787.50
09/30/2048	595,000	** %	170,125.00	765,125.00
09/30/2049	625,000	** %	139,362.50	764,362.50
09/30/2050	655,000	** %	107,050.00	762,050.00
09/30/2051	690,000	** %	73,162.50	763,162.50
09/30/2052	725,000	** %	37,487.50	762,487.50
	9,775,000		10,400,255.15	20,175,255.15

BOND DEBT SERVICE

Hernando County
Non-Ad Valorem Revenue Bonds, Series 2022 (Tax Collector Westside Bldg)

Dated Date 11/03/2022
Delivery Date 11/03/2022

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2023			417,339.73	417,339.73
09/30/2024			722,318.76	722,318.76
09/30/2025			722,318.76	722,318.76
09/30/2026			722,318.76	722,318.76
09/30/2027			722,318.76	722,318.76
09/30/2028			722,318.76	722,318.76
09/30/2029			722,318.76	722,318.76
09/30/2030			722,318.76	722,318.76
09/30/2031			722,318.76	722,318.76
09/30/2032	405,000	5.000%	722,318.76	1,127,318.76
09/30/2033	450,000	5.000%	702,068.76	1,152,068.76
09/30/2034	470,000	5.000%	679,568.76	1,149,568.76
09/30/2035	495,000	4.000%	656,068.76	1,151,068.76
09/30/2036	510,000	4.000%	636,268.76	1,146,268.76
09/30/2037	535,000	4.125%	615,868.76	1,150,868.76
09/30/2038	550,000	4.125%	593,800.00	1,143,800.00
09/30/2039	575,000	5.000%	571,112.50	1,146,112.50
09/30/2040	605,000	4.500%	542,362.50	1,147,362.50
09/30/2041	635,000	4.500%	515,137.50	1,150,137.50
09/30/2042	660,000	4.500%	486,562.50	1,146,562.50
09/30/2043	690,000	5.250%	456,862.50	1,146,862.50
09/30/2044	725,000	5.250%	420,637.50	1,145,637.50
09/30/2045	765,000	5.250%	382,575.00	1,147,575.00
09/30/2046	805,000	5.250%	342,412.50	1,147,412.50
09/30/2047	845,000	5.250%	300,150.00	1,145,150.00
09/30/2048	890,000	** %	255,787.50	1,145,787.50
09/30/2049	940,000	** %	209,737.50	1,149,737.50
09/30/2050	990,000	** %	161,137.50	1,151,137.50
09/30/2051	1,035,000	** %	109,937.50	1,144,937.50
09/30/2052	1,090,000	** %	56,400.00	1,146,400.00
	14,665,000		15,612,664.87	30,277,664.87

PROOF OF ARBITRAGE YIELD

Hernando County
Non-Ad Valorem Revenue Bonds, Series 2022
FINAL

Date	Debt Service	Total	Present Value to 11/03/2022 @ 4.4720832581%
12/01/2022	194,463.90	194,463.90	193,796.10
06/01/2023	1,825,125.02	1,825,125.02	1,779,076.54
12/01/2023	1,235,750.02	1,235,750.02	1,178,226.03
06/01/2024	1,545,750.02	1,545,750.02	1,441,561.66
12/01/2024	1,228,000.02	1,228,000.02	1,120,181.28
06/01/2025	1,553,000.02	1,553,000.02	1,385,662.20
12/01/2025	1,219,875.02	1,219,875.02	1,064,626.38
06/01/2026	1,564,875.02	1,564,875.02	1,335,649.45
12/01/2026	1,211,250.02	1,211,250.02	1,011,364.32
06/01/2027	1,571,250.02	1,571,250.02	1,283,261.31
12/01/2027	1,202,250.02	1,202,250.02	960,418.62
06/01/2028	1,582,250.02	1,582,250.02	1,236,336.89
12/01/2028	1,192,750.02	1,192,750.02	911,605.97
06/01/2029	1,587,750.02	1,587,750.02	1,186,959.30
12/01/2029	1,182,875.02	1,182,875.02	864,945.08
06/01/2030	1,597,875.02	1,597,875.02	1,142,847.56
12/01/2030	1,172,500.02	1,172,500.02	820,265.57
06/01/2031	1,612,500.02	1,612,500.02	1,103,411.04
12/01/2031	1,161,500.02	1,161,500.02	777,414.78
06/01/2032	33,111,500.02	33,111,500.02	21,677,460.29
12/01/2032	330,487.52	330,487.52	211,631.63
06/01/2033	330,487.52	330,487.52	207,002.86
12/01/2033	330,487.52	330,487.52	202,475.52
06/01/2034	330,487.52	330,487.52	198,047.11
12/01/2034	330,487.52	330,487.52	193,715.55
06/01/2035	1,910,487.52	1,910,487.52	1,095,341.62
12/01/2035	298,887.52	298,887.52	167,613.66
06/01/2036	1,943,887.52	1,943,887.52	1,066,273.13
12/01/2036	265,987.52	265,987.52	142,710.05
06/01/2037	1,975,987.52	1,975,987.52	1,036,987.40
12/01/2037	230,718.75	230,718.75	118,431.75
06/01/2038	2,010,718.75	2,010,718.75	1,009,560.98
12/01/2038	194,006.25	194,006.25	95,278.06
06/01/2039	194,006.25	194,006.25	93,194.20
12/01/2039	194,006.25	194,006.25	91,155.92
06/01/2040	2,139,006.25	2,139,006.25	983,053.56
12/01/2040	150,243.75	150,243.75	67,539.45
06/01/2041	2,185,243.75	2,185,243.75	960,853.02
12/01/2041	104,456.25	104,456.25	44,924.94
06/01/2042	2,229,456.25	2,229,456.25	937,881.51
12/01/2042	56,643.75	56,643.75	23,307.67
06/01/2043	56,643.75	56,643.75	22,797.90
12/01/2043	56,643.75	56,643.75	22,299.18
06/01/2044	56,643.75	56,643.75	21,811.47
12/01/2044	56,643.75	56,643.75	21,334.62
06/01/2045	56,643.75	56,643.75	20,867.81
12/01/2045	56,643.75	56,643.75	20,411.40
06/01/2046	56,643.75	56,643.75	19,954.98
12/01/2046	56,643.75	56,643.75	19,528.32
06/01/2047	56,643.75	56,643.75	19,101.20
12/01/2047	56,643.75	56,643.75	18,683.44
06/01/2048	486,643.75	486,643.75	157,004.41
12/01/2048	46,431.25	46,431.25	14,652.34
06/01/2049	501,431.25	501,431.25	154,776.15
12/01/2049	35,625.00	35,625.00	10,755.82
06/01/2050	515,625.00	515,625.00	152,271.48
12/01/2050	24,225.00	24,225.00	6,997.52
06/01/2051	519,225.00	519,225.00	146,700.69
12/01/2051	12,468.75	12,468.75	3,445.94
06/01/2052	537,468.75	537,468.75	145,285.31
	79,534,851.98	79,534,851.98	52,420,939.95

Proceeds Summary

Delivery date	11/03/2022
Per Value	50,700,000.00
Premium (Discount)	1,720,939.95
Target for yield calculation	52,420,939.95

Morgan Stanley

Non-Ad Val Bond Series 2022

	PRIOR YEAR BUDGET		BUDGET		
	FY2024	FY2025	FY2026	Increase (Decrease)	Percentage Increase (Decrease)
Expenses					
Debt Service	\$2,781,504	\$2,781,505	\$1,540,874	(\$1,240,631)	(45%)
EXPENSES TOTAL	\$2,781,504	\$2,781,505	\$1,540,874	(\$1,240,631)	(45%)
Revenues					
Transfers	\$2,781,502	\$2,781,502	\$1,540,871	(\$1,240,631)	(45%)
Other Sources	\$2	\$3	\$3	\$0	0%
REVENUES TOTAL	\$2,781,504	\$2,781,505	\$1,540,874	(\$1,240,631)	(45%)

Non-Ad Valorem Bond Series 2022 (Fund 2083) is a debt-focused fund that exclusively tracks debt payments until the obligation is fully repaid.

The debt service amount decreases in FY26 because the solid waste portion of the payment will be made directly from the solid waste fund (4421), rather than through Fund 2083. However, the full applicable payment amount is still reflected in the summary above.



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