

Annual Comprehensive Financial Report

Hernando County, Florida

for the Fiscal Year Ended September 30, 2024

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HERNANDO COUNTY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE
FISCAL YEAR ENDED
SEPTEMBER 30, 2024

PRINCIPAL OFFICIALS

as of September 30, 2024

BOARD OF COUNTY COMMISSIONERS

Elizabeth Narverud, *Chair* - District 1
Brian Hawkins, *Vice Chair* - District 2
John Allococo - District 3
Jerry Campbell - District 4
Steve Champion - District 5

TAX COLLECTOR

Sally L. Daniel, CFC

SHERIFF

Al Nienhuis

PROPERTY APPRAISER

John C. Emerson, CFA

SUPERVISOR OF ELECTIONS

Shirley Anderson

CLERK OF COURT AND COMPTROLLER

Doug Chorvat, Jr.

Prepared by the Office of the Clerk of Court and Comptroller, Department of Financial Services

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INTRODUCTORY SECTION

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Doug Chorvat, Jr.

Clerk of Circuit Court & Comptroller, Hernando County FL
20 N. Main Street, Brooksville FL, 34601 (352) 754-4201

June 26, 2025

To the Citizens of Hernando County:

The Annual Comprehensive Financial Report of Hernando County, Florida, for the fiscal year ended September 30, 2024, is respectfully submitted. This report was prepared by the Clerk of Circuit Court and Comptroller, Department of Financial Services. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the Clerk of Circuit Court and Comptroller (Clerk and Comptroller) as Chief Financial Officer of Hernando County. To provide a reasonable basis in meeting this responsibility, a comprehensive internal control framework has been established that is designed both to protect the County's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The Management's Discussion and Analysis in the Financial Section of this report should be read in conjunction with this Letter of Transmittal.

Profile of the County

Hernando County, population 210,577, is located in the west central region of the State of Florida, allowing easy access to the Tampa and Orlando metropolitan areas. As part of the Tampa Bay Region, it is bound by the Gulf of America on the west, Citrus County to the north, Sumter County to the east, and Pasco County to the south.

Hernando County, established in 1843, covers 473 square miles and is named in honor of Spanish explorer Hernando De Soto, who led an expedition through the county in 1539. Hernando County has one incorporated city: the City of Brooksville, the county seat, with a population of 9,752, rich in history and traditions. Hernando County's unincorporated areas include Weeki Wachee, Ridge Manor, Bayport, Aripeka, Lake Lindsey, Istachatta/Nobleton, Masaryktown, Hernando Beach, and most notably, Spring Hill. Spring Hill located in the southwest part of the County, is the largest unincorporated Hernando County community.

Hernando County is the heart of the Sunshine State's renowned Nature Coast. Hernando County offers scenic rolling hills, spectacular parks and waterways, some of the best paved bike trails in Florida, and eight locations along the Great Florida Birding Trail. Activities of the Nature Coast include hunting, camping, bird watching and hiking, as well as fishing, boating, paddling, and kayaking on the County's many waterways.

Situated at the geographic center of the state with easy access to major highways like the Veterans/Suncoast Parkway, Interstate 75, State Road 50 and US Highway 41 make Hernando County a strategic business location. Hernando County is unique in the Tampa Bay area with its variety of industrial and manufacturing site options including a vibrant general aviation airport and business complex, private land, and existing buildings with significant room for growth. Major industries include manufacturing, precision machining, distribution and healthcare. Growing retail trade and a wide selection of professional services enables Hernando County to offer significant choices for its residents.

Hernando County government provides a full range of services including law enforcement, emergency medical services, fire protection, public and mass transportation services, health and social services, cultural and recreational services, water, wastewater, solid waste disposal and business development.

The Hernando County Board of County Commissioners, as the legislative body for Hernando County, budgets and provides all of the funding used by its departments and the separate Constitutional Officers with the exception of certain fees collected by the Tax Collector, Clerk and Comptroller, Property Appraiser and Sheriff. Hernando County operates under a five-member policymaking elected Board. The Board appoints a county administrator who in turn appoints various department managers. All five Board members and the five constitutional officers are elected to four-year terms. Under the direction of the Clerk and Comptroller, the Department of Financial Services maintains the accounting system for the Board of County Commissioners and the Clerk and Comptroller. The Tax Collector, Property Appraiser, Supervisor of Elections and Sheriff maintain their own accounting systems. All of the Constitutional Officers invest their funds independently. The Clerk and Comptroller manages the investments of the Board of County Commissioners and the Clerk and Comptroller.

Formal budgetary integration is employed as a management control device during the year for all significant funds. The Board of County Commissioners adopts budgets on a basis consistent with Generally Accepted Accounting Principles (GAAP). The adoption and amendment of the budget is done consistent with the laws of Florida. The legal level of control is established on a fund basis; however, operational control is maintained during the year at the lower of the department or fund level. Budgetary control is maintained through the use of encumbrances.

Factors Affecting Financial and Economic Conditions

Local Economy. Following are some highlights of the County's economic status:

- The population of the County is currently approximately 210,577 which is an increase of 20.4% over what it was 10 years ago. The County's population is projected to be almost 225,000 by 2030 and over 250,000 by 2040.
- As part of the Tampa Bay region, Hernando County enjoys being a part of the largest consumer market in Florida.
- The Building Department had a total of 19,469 permits in 2023-24, averaging 77 permits per day. Total permits included 1,647 single family home permits and 63 commercial permits.
- Both residential and commercial development remain steady. The inventory of lots in existing developed subdivisions continues to decrease and new phases are being developed. Commercial development continues to be steady along SR 50 in Spring Hill, a major shopping corridor in the County. In addition, a significant number of large mixed-use developments previously approved by the County have retained the approved vested rights and are expected to be of interest to developers as the economy continues to improve.
- The County consistently manages 25-30 projects at various stages. To recruit industry to the County, Team Hernando met with various prospective investors at Business Facilities LiveXchange, SelectUSA Investment Summit, and Logistics Development Forum

Long Term Financial Planning. The County prepares a five-year Capital Improvement Plan which is adopted by the Board with the annual budget approval. It identifies all public capital facilities, public infrastructure, and equipment, with a value over \$50,000 and a useful life over ten years. The plan identifies the funding source (taxes, grants, impact fees, etc.) for each project.

Major Initiatives. Hernando County government takes pride in its accomplishments for the fiscal year. The County is proud of the infrastructure, public facilities and programs that have been realized for the citizens of our County. Following is a list of some of our achievements for the year:

- Hernando County Utilities Department was selected as the winner of the Southwest District's 2024 Environmental Stewardship Award for the Department of Environmental Protection
- Hernando County Parks and Recreation Completed the Lake Townsen ADA Access Project
- Aquatic Services and Waterways began baseline monitoring for the sites selected as part of the Artificial Reef project. Baseline monitoring is anticipated to focus on metrics such as recreational usage, fish communities, and benthic macroinvertebrate communities
- UF/IFAS Hernando County Extension Office had volunteers dedicate an impressive 22,980 hours to support Extension programs, contributing services valued at \$726,398
- Hernando County Veteran Services Served 1,496 clients in person, answered 1,511 telephone assistance calls, responded to 617 client emails, and assisted 12 clients with direct outreach
- The Tourist Development Tax Revenue has increased by 4.3% to \$2,375,369
- Hernando County Fire Rescue responded to over 38,862 calls, performed 4,547 annual and new construction fire inspections, and performed 4,264 fire hydrants flow tests
- Hernando County finalized construction of the Judicial Center Renovations and hosted a Ribbon Cutting for the completion of the project
- Hernando County Economic Development hosted a Groundbreaking for Gunnery Backstop WWII Memorial to honor those who trained and lost their lives at BKV

Hernando County has adopted many budgetary and financial policies and continually monitors them for adherence and relevance. The establishment of budgetary and financial policies enables the Board, management, and the community to monitor County performance. Following are some of the more significant budgetary policies: The Board annually adopts a balanced budget; fund balances anticipated at the end of a fiscal year are budgeted as the beginning fund balance for the following year; any variance between budgeted fund balance forward and actual fund balance forward is adjusted through a budget amendment; the Board has adopted a Budget Reserve Policy and Reserve Stabilization Policy. The Budget Reserve Policy requires reserves in the General Fund to be maintained at 18.5%. See the Management Discussion and Analysis and Note A of the financial statements for more information.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Hernando County for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Hernando County has received a Certificate of Achievement for the last thirty-nine consecutive years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

Acknowledgments

This report is the product of the dedication of the Department of Financial Services of the Clerk of Circuit Court and Comptroller of Hernando County as Auditor and Comptroller to the Board of County Commissioners.

We would like to express our appreciation and thanks to the Financial Services team, the County Administration and Budget Offices, and the firm of Forvis Mazars, LLP, who helped us with their comments and advice throughout the year.

Respectfully submitted,



Doug Chorvat, Jr.
Clerk of Circuit Court and Comptroller



Joshua Stringfellow, CPA
Chief Financial Officer

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Hernando County, Florida for its annual comprehensive financial report for the fiscal year ended September 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Hernando County has received a Certificate of Achievement for the last thirty-eight consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.



Government Finance Officers Association

Certificate of
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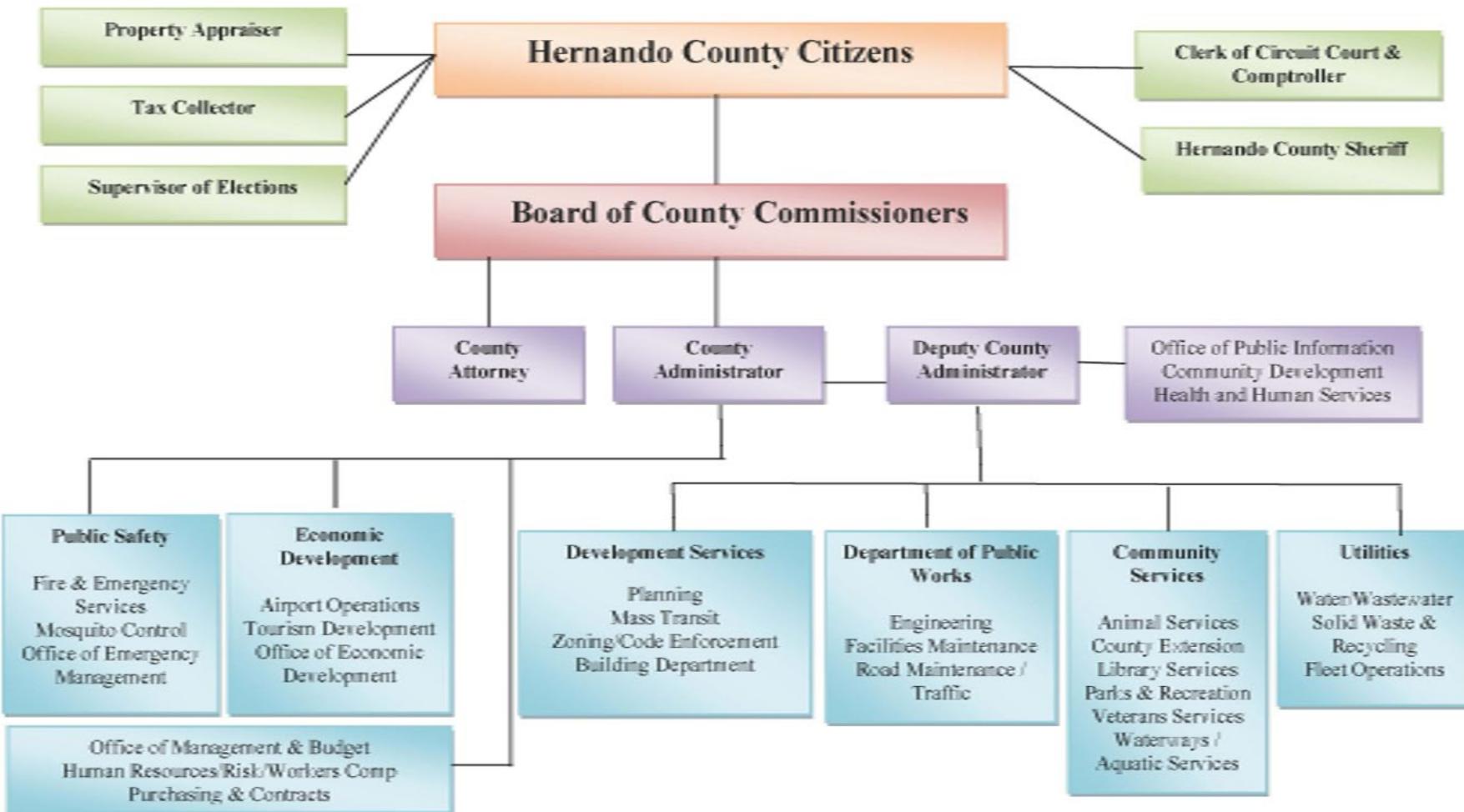
**County of Hernando
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrell

Executive Director/CEO



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FINANCIAL SECTION

This section contains the following:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Notes to the Financial Statements

Required Supplementary Information

Combining and Individual Fund Statements and Schedules

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Independent Auditor's Report

Honorable Board of County Commissioners
Hernando County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Hernando County, Florida (the "County") as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the County as of September 30, 2024, and the respective changes in its financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and each major special revenue fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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 County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 opinion. 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 County'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 County'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 the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits 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 County's basic financial statements as a whole. The combining and individual non-major fund financial statements and schedules and the Schedule of Deepwater Horizon Oil Spill Related Receipts and Expenditures, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements and schedules and the Schedule of Deepwater Horizon Oil Spill Related Receipts and Expenditures are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and Schedule of Deepwater Horizon Oil Spill Related Receipts and Expenditures are fairly stated, in all material respects, in relation to the 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 the statistical sections and the Bond Compliance information 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 June 26, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 County's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Tampa, Florida
June 26, 2025

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HERNANDO COUNTY, FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Hernando County's financial statements provides an overview of the financial activity of the County for the fiscal year ended September 30, 2024. We encourage reading this narrative in conjunction with the Transmittal Letter in the Introductory Section.

FINANCIAL HIGHLIGHTS

At the close of the most recent fiscal year, September 30, 2024, the County's assets and deferred outflows exceeded its liabilities and deferred inflows by \$865,738,505 representing net position. This represents an increase in net position of \$95,537,684 over the prior year adjusted net position. Of the \$865,738,505 net position, \$101,311,384 was unrestricted.

Net position of governmental activities increased \$52,216,935 over prior year net position. Net position of business-type activities increased \$43,320,749 over prior year net position. Accordingly, net position of both the governmental activities and business-type activities increased a total of \$95,537,684.

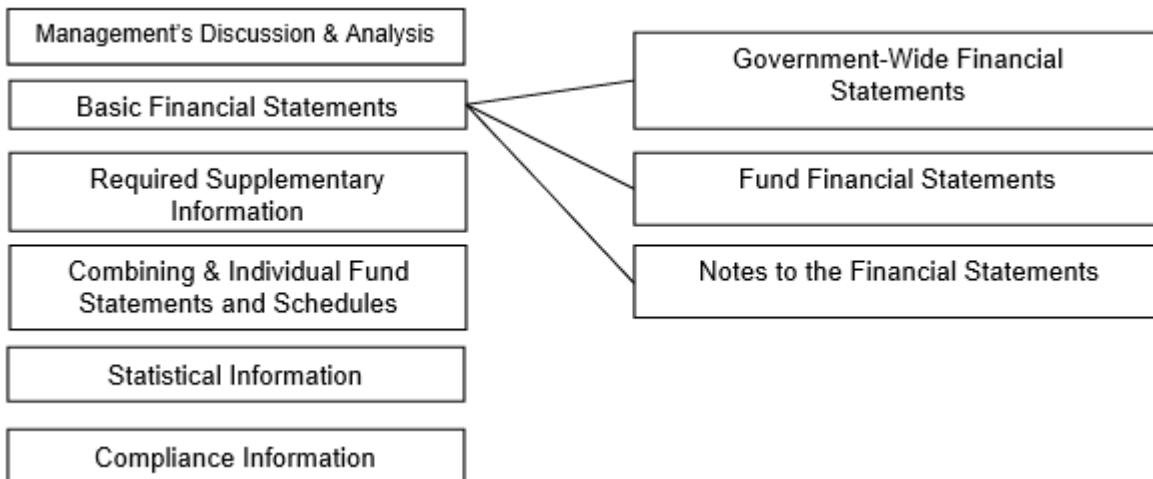
As of September 30, 2024, unassigned fund balance in the governmental funds was \$61,915,465, representing a 1.0% decrease from the previous year unassigned fund balance of \$62,570,792. The net change in fund balances in the governmental funds decreased from \$48,571,207 for the fiscal year 2022-23 to \$13,249,836 for the fiscal year 2023-24. General Fund had an increase in fund balance of \$25,361,142 for fiscal year 2022-23 compared to an increase of \$213,951 in the current year. There was a decrease in the fund balance of Transportation Trust and Gas Taxes fund of \$708,883 compared to an increase of \$6,539,631 in the prior year. There was a decrease in the fund balance of Hernando County Fire Rescue-Fire of \$13,338 compared to an increase of \$1,274,143 in the prior year. There was an increase in the fund balance of Hernando County Fire Rescue-Rescue of \$2,799,016 compared to an increase of \$8,377,385 in the prior year. There was also an increase in fund balance of \$9,713,798 for Nonmajor Governmental Funds.

The County's largest enterprise fund, the Water & Sewer District, had an increase in net position of \$34,061,478 for the year compared to an increase of \$29,632,689 in the prior year. Aviation Operations had an increase in net position of \$2,234,537 for the year compared to an increase of \$2,550,514 in the prior year. Waste Management had an increase in net position of \$6,839,274 for the year compared to an increase of \$4,662,024 in the prior year. The Building Department had an increase in net position of \$185,460 for the year compared to an increase of \$526,489 in the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's Annual Comprehensive Financial Report (Annual Report) consists of seven parts: an introductory section; management's discussion and analysis (this overview); the basic financial statements; required supplementary information; combining statements for non-major governmental funds, internal service funds and certain individual fund financial statements; statistical information; and compliance information. The basic financial statements consist of three parts: government-wide financial statements, fund financial statements and notes to the financial statements. Following is a diagram of the components of the Annual Report:

HERNANDO COUNTY, FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS



Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of Hernando County's finances using a governmental or business-type classification. The government-wide financial statements include a statement of net position and a statement of activities. The government-wide financial statements distinguish between functions that are principally supported by taxes and intergovernmental revenues (governmental activities) and those that are principally supported by user fees and charges (business-type activities). The government-wide financial statements are prepared using an economic resources measurement focus and the accrual basis of accounting.

The **statement of net position** presents information on all assets (plus deferred outflows) and liabilities (plus deferred inflows) of the County, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Hernando County is improving or deteriorating.

The **statement of activities** presents information on all revenues and expenses of the County and the change in net position. This statement provides the expenses of a given function or activity offset by related program revenues resulting in the net expense or revenue for the function or activity. General revenues, such as taxes, are then presented resulting in a final change in net position. All revenues and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's major funds individually. 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. Hernando County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required by state or local law, bond covenants or the County's desire to control, manage and account for designated revenues or expenses separately. All the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting, which measures current assets and liabilities, changes in current financial resources, and current available resources.

Because the focus of governmental fund financial statements is based on accounting for resources on a more current basis, it is useful to compare with information presented for governmental activities which

HERNANDO COUNTY, FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

focus more on long-term resource accounting. Reconciliations of fund balance in governmental funds and changes in fund balance to net position and changes in net position of governmental activities are provided with the governmental fund financial statements.

Proprietary fund financial statements consist of two fund types: Enterprise Funds and Internal Service Funds. Proprietary funds use an economic resources measurement focus and the accrual basis of accounting, which measures all assets and liabilities, changes in economic resources, and total economic resources.

Fiduciary fund financial statements provide information concerning assets held in trust by the County on behalf of others. Fiduciary funds use the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

Notes to the Financial Statements

The notes provide additional detail concerning the financial activities and balances of the County and are essential for the reader to have a full understanding of the statements.

ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

Hernando County's Net Position

| | Governmental Activities | | Business-type Activities | | Totals | |
|--------------------------------|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 |
| Current and other assets | \$ 330,207,521 | \$ 345,335,076 | \$ 177,184,115 | \$ 197,994,529 | \$ 507,391,636 | \$ 543,329,605 |
| Capital assets | 368,591,223 | 406,253,919 | 312,556,720 | 331,545,853 | 681,147,943 | 737,799,772 |
| Other long term assets | 6,021,932 | 14,721,676 | 26,819,087 | 29,032,302 | 32,841,019 | 43,753,978 |
| Total Assets | 704,820,676 | 766,310,671 | 516,559,922 | 558,572,684 | 1,221,380,598 | 1,324,883,355 |
| Deferred Outflows of Resources | 42,744,857 | 54,490,565 | 2,601,960 | 3,293,926 | 45,346,817 | 57,784,491 |
| Non-Current liabilities | 248,705,189 | 254,329,814 | 103,282,775 | 100,350,092 | 351,987,964 | 354,679,906 |
| Other liabilities | 75,817,811 | 74,625,240 | 21,480,286 | 21,383,298 | 97,298,097 | 96,008,538 |
| Total liabilities | 324,523,000 | 328,955,054 | 124,763,061 | 121,733,390 | 449,286,061 | 450,688,444 |
| Deferred Inflows of Resources | 19,404,854 | 35,991,568 | 27,835,679 | 30,249,329 | 47,240,533 | 66,240,897 |
| Net Position: | | | | | | |
| Net invested in capital assets | 340,222,933 | 369,995,503 | 244,667,332 | 267,115,770 | 584,890,265 | 637,111,273 |
| Restricted | 146,197,864 | 67,828,192 | 16,855,062 | 59,487,656 | 163,052,926 | 127,315,848 |
| Unrestricted | (82,783,118) | 18,030,919 | 105,040,748 | 83,280,465 | 22,257,630 | 101,311,384 |
| Total Net Position | \$ 403,637,679 | \$ 455,854,614 | \$ 366,563,142 | \$ 409,883,891 | \$ 770,200,821 | \$ 865,738,505 |

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Hernando County, net position was \$865,738,505 at the close of the most recent fiscal year. This represents an increase of \$95,537,684 or 12.4% from the prior year.

The largest portion of Hernando County's net position (73%) reflects its investment in capital assets (e.g., land, infrastructure, buildings, improvements, construction in progress, intangible assets, equipment, and right-to-use assets), less any accumulated depreciation or amortization and related debt used to acquire those assets that is still outstanding. Hernando County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Hernando County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

HERNANDO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

An additional portion of the County's net position (15%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the County's net position (12%) is unrestricted.

Herndon County's Change in Net Position

| | Governmental Activities | | Business-type Activities | | Totals | |
|--------------------------------------|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 |
| | | | | | | |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for Services | \$ 89,375,715 | \$ 98,919,910 | \$ 65,951,091 | \$ 70,017,129 | \$ 155,326,806 | \$ 168,937,039 |
| Operating Grants and Contributions | 18,343,043 | 29,447,667 | 1,566,391 | 2,661,749 | 19,909,434 | 32,109,416 |
| Capital Grants and Contributions | 961,305 | 1,161,098 | 18,314,185 | 18,735,793 | 19,275,490 | 19,896,891 |
| General revenues: | | | | | | |
| Property taxes | 113,236,325 | 123,976,335 | - | - | 113,236,325 | 123,976,335 |
| Other taxes | 38,795,361 | 36,344,860 | - | - | 38,795,361 | 36,344,860 |
| Investment earnings (loss) | 10,479,792 | 21,157,464 | 5,785,611 | 11,947,376 | 16,265,403 | 33,104,840 |
| Other | 1,828,193 | 3,464,804 | 2,581,869 | 1,127,139 | 4,410,062 | 4,591,943 |
| Total revenues | 273,019,734 | 314,472,138 | 94,199,147 | 104,489,186 | 367,218,881 | 418,961,324 |
| Expenses | | | | | | |
| General government | 43,222,337 | 43,023,441 | - | - | 43,222,337 | 43,023,441 |
| Public safety | 140,779,650 | 144,352,781 | - | - | 140,779,650 | 144,352,781 |
| Physical environment | 9,580,043 | 10,177,123 | - | - | 9,580,043 | 10,177,123 |
| Transportation | 31,621,436 | 32,533,750 | - | - | 31,621,436 | 32,533,750 |
| Economic environment | 2,962,319 | 3,448,692 | - | - | 2,962,319 | 3,448,692 |
| Human services | 9,308,710 | 9,488,667 | - | - | 9,308,710 | 9,488,667 |
| Culture and recreation | 8,063,677 | 8,575,222 | - | - | 8,063,677 | 8,575,222 |
| Court operations | 8,494,483 | 9,257,350 | - | - | 8,494,483 | 9,257,350 |
| Interest on long-term debt | 2,393,800 | 2,306,378 | - | - | 2,393,800 | 2,306,378 |
| Water and sewer | - | - | 37,609,653 | 40,881,234 | 37,609,653 | 40,881,234 |
| Aviation operations | - | - | 3,260,374 | 3,296,174 | 3,260,374 | 3,296,174 |
| Waste management | - | - | 10,226,275 | 10,617,265 | 10,226,275 | 10,617,265 |
| Building department | - | - | 4,894,260 | 5,465,563 | 4,894,260 | 5,465,563 |
| Total expenses | 256,426,455 | 263,163,404 | 55,990,562 | 60,260,236 | 312,417,017 | 323,423,640 |
| Change in net position | | | | | | |
| before transfers | 16,593,279 | 51,308,734 | 38,208,585 | 44,228,950 | 54,801,864 | 95,537,684 |
| Transfers | 836,869 | 908,201 | (836,869) | (908,201) | - | - |
| Change in net position | 17,430,148 | 52,216,935 | 37,371,716 | 43,320,749 | 54,801,864 | 95,537,684 |
| Net position - beginning | 384,757,347 | 403,637,679 | 329,191,426 | 366,563,142 | 713,948,773 | 770,200,821 |
| Adjustment to beginning net position | 1,450,184 | - | - | - | 1,450,184 | - |
| Net position - ending | \$ 403,637,679 | \$ 455,854,614 | \$ 366,563,142 | \$ 409,883,891 | \$ 770,200,821 | \$ 865,738,505 |

HERNANDO COUNTY, FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Net position of the governmental activities increased \$52,216,935 or 12.9% from prior year adjusted net position balance. Program revenues in the amount of \$ 129,528,675 were used to offset program expenses of \$266,842,855 resulting in a net program loss of \$137,314,180. General revenues and transfers totaling \$185,851,664 offset the difference in those program expenses and resulted in a total net increase of \$48,537,484.

Program revenues increased 19.2% from prior year. Charges for services increased 10.7% from the prior year. Grants and Contributions increased 58.6%.

Property taxes increased \$10,740,010 or 9.5% due to an increase in the taxable value of property in the County.

Investment earnings increased \$10,677,672 from the prior year due to sustained higher interest rates.

Program expenses increased 2.6% from the prior year. The most significant changes were increases in General Government and Public Safety expenditures.

General Government expenses decreased 0.5%.

The increase in Public Safety expenses of 2.5% from prior year is attributed to normal cost increases for personnel and other operating expenses experienced across the organizations.

Business-Type Activities

Net position of the business-type activities increased \$43,320,749 or 11.8% over prior year net position balance. Program revenues in the amount of \$91,414,671 were used to offset program expenses of \$60,260,236 resulting in net program income of \$31,154,435. General revenues of \$13,074,515 less transfers in the amount of \$908,201 resulted in a total net increase of \$43,320,749.

Water and Sewer charges for services increased \$1,972,980 or 4.2%. This is associated with the fifth year of rate increases as part of a five-year rate plan. Expenditures did not vary significantly from prior year.

Aviation Operations charges for services increased \$134,707, or 7.3. Grant funding is generally received for airport improvements and vary from year to year. Operating revenues and expenses were consistent with prior year.

Charges for services revenue increased for Waste Management by \$1,842,989 or 16.2%. Expenses increased 3.8% mainly due to the annual adjustment for long term care and closure costs for the landfill. Estimated costs are recalculated annually and will fluctuate from year to year.

The Building Department experienced an increase of \$73,044 or 1.5% in revenue from licenses and permits.

HERNANDO COUNTY, FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

ANALYSIS OF THE FUND FINANCIAL STATEMENTS

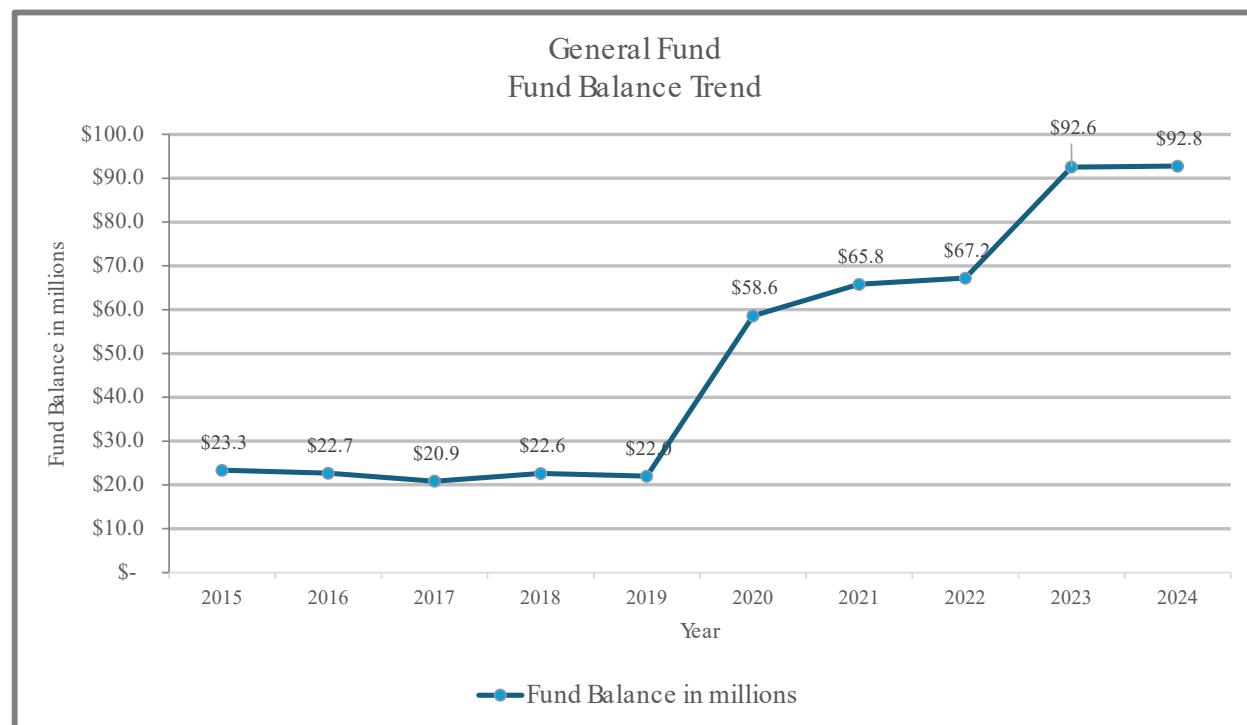
As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Following is a discussion of the financial statements on a fund accounting level.

Governmental Funds

As previously discussed, governmental funds measure current assets and liabilities and current or spendable resources. A fund's unassigned fund balance may provide a useful measure of the fund's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Hernando County governmental funds reported fund balances of \$251,140,794, an increase of \$13,249,836 or 5.6% from prior year balances. Of the \$251,140,794 fund balance in governmental funds, \$61,915,465 constitutes unassigned fund balance, which is available for spending at the County's discretion and \$ 520,696 which is non-spendable. The remainder of fund balance available for spending consists of the following: \$156,070,461 in 'Restricted Fund Balance' which is restricted by law or externally imposed requirements; \$15,739,125 in 'Committed Fund Balance' which is committed for a specific purpose by the Board; and \$16,895,047 in 'Assigned Fund Balance' which is assigned for a specific purpose by the Board without formal approval. See Note A, Governmental Fund Balance Classifications, for more information.

Governmental funds are comprised of the General Fund, Special Revenue Funds, Debt Service Funds and a Capital Project Fund. The General Fund is the chief operating fund of the County. As of the end of the fiscal year, total fund balance for the General Fund was \$92,786,515. Following is a chart of the fund balance trend over the past ten years for the General Fund.



HERNANDO COUNTY, FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

In the **General Fund**, the fund balance increased \$213,951, or 0.2% from prior year. General Fund revenues increased \$15,113,700, or 10.3%. Revenue from taxes increased \$7,465,751, or 8.3%, from the prior year due to an increase in the taxable value of property. Intergovernmental revenue increased \$3,932,531, or 11.8%, from prior year. This was primary due to increases in State Revenue Sharing and Local Govt 1/2 Cent allocations. Investment revenues increased to \$8,143,063 in fiscal year 2023-24 due to sustained higher interest rates.

General Fund expenditures increased \$25,780,825, or 19.5%, from prior year. General Government expenditures increased \$6,513,820, or 20.2%, from prior year. This increase was largely due to normal cost increases for personnel and other operating expenses experienced across the organizations.

Public Safety expenditures increased \$9,467,889, or 13.6%. This is mainly due to an increase to normal cost increases for personnel and other operating expenses experienced across the organizations.

The fund balance of **Transportation Trust Fund** decreased \$708,833, or 1.7%, from prior year. Tax revenue increased \$1,468,018, or 7.4%, due to an increase in ad valorem due to increase in property taxable values. Investment income increased to \$2,997,038 due to sustained higher interest rates.

The **Hernando County Fire Rescue-Fire** fund balance decreased \$13,338 or 0.1% from prior year. Special Assessment revenue increased \$4,515,648, or 15.8%, from prior year due to an increase in the taxable value of property in the County.

The **Hernando County Fire Rescue-Rescue** fund balance increased \$2,799,016, or 14.5%. Tax revenue increased \$1,565,876, or 13.6%, due to an increase in the taxable value of property in the County.

The **American Rescue Plan Act** fund balance increased from a (\$125,693) in 2022-23 to \$1,119,599 in 2023-24 due to investment revenue of \$1,560,744 due to sustained higher interest rates.

Proprietary Funds

Proprietary fund statements provide the same information as the business-type activities in the government-wide financial statements, but in greater detail, and on a fund basis for enterprise funds.

The **Water and Sewer District** experienced an increase in net position of \$34,061,478, or 12.0%. Operating revenues of \$49,666,339 less operating expenses of \$39,580,822 resulted in operating income of \$10,085,517. The fund experienced an increase of \$2,057,725, or 4.3%, in operating revenue, which is associated with the fourth year of rate increases as part of a five-year rate plan. Operating expenses increased \$3,365,358, or 9.3%, due to an increase from Septic Upgrade Incentive Program funded by grants as well as a sharp increase in the FRS pension expense for the period. Non-operating revenues and expenses increased \$4,509,733, from prior year. This is driven by investment income in FY24 due to continued higher interest rates.

Aviation Operations experienced an increase in net position of \$2,234,537, or 5.3%. Operating revenues of \$2,355,511 less operating expenses of \$3,279,213 resulted in an operating loss of \$923,702. Non-operating revenues and expenses increased \$306,506, or 27.7%, from prior year. This is driven by investment income in FY24 due to continued higher interest rates.

The **Waste Management** fund had an increase in net position of \$6,839,274, or 19.6%. Other services and charges expenses increased 8.5% mainly due to the annual adjustment for long term care and closure costs for the landfill. Estimated costs are recalculated annually and will fluctuate from year to year. Non-operating revenues and expenses increased \$2,422,382, from prior year. This is driven by investment income in FY24 due to continued higher interest rates.

Building Department experienced an increase in net position of 185,460, or 4.3%. Operating revenues increased 2.1%. The Building Department experienced an increase of \$73,044 or 1.5% in revenue from licenses and permits.

**HERNANDO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

BUGETARY HIGHLIGHTS -- GENERAL FUND

Budget and actual comparison statements are provided in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual for the General Fund and all major special revenue funds with annually appropriated budgets. See page 47 of this report for the financial statement discussed below. This statement shows the original budget, final budget, actual amounts, and the variances between actual and final budgeted amounts. Budget amendments are approved throughout the year. Budgets are revised for a variety of reasons, such as new grant awards, unanticipated revenue sources, new bond or loan proceeds, unforeseen expenditures, etc. Below are a variety of explanations of the notable variances between the original and final budget, and the final budget and actual amounts in the General Fund:

- Final budgeted Capital Outlay increased \$25,472,801 compared to original budget. This is primarily due to the carry forward of funding for the Tax collector building.
- Investment revenues exceeded budget by \$7,527,788 due to sustained higher interest rates in 2023-24. The County typically appropriates Investment Income once realized.
- General Government expenditures were less than budget by \$8,563,466 primarily driven by various personnel vacancies throughout the year.
- Actual Transportation expenditures were \$6,147,604 less than budgeted as final expenses were under budget due to several capital projects that were not completed in fiscal year 2023-24. These projects were re-budgeted in fiscal year 2024-25.
- Actual Capital Outlay expenditures were \$24,358,599 less than budgeted. The funding for the Tax Collector building of approx. \$15M moved forward with design but was largely unexecuted in fiscal year 2023-24.

HERNANDO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Hernando County's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$737,799,772 net of accumulated depreciation. This investment in capital assets includes land, buildings, infrastructure, improvements other than buildings, equipment, construction in progress, intangible assets, equipment and right-to-use assets. The total increase in Hernando County's investment in capital assets from the prior year was 8.3% which is comprised of a 10.2% increase for Governmental Activities and a 6.1% increase for Business-Type Activities.

Following is a schedule of the County's capital assets, net of accumulated depreciation, as of September 30, 2023, and 2024:

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 |
| Land | \$ 33,622,020 | \$ 36,984,946 | \$ 10,429,374 | \$ 10,780,018 | \$ 44,051,394 | \$ 47,764,964 |
| Buildings | 65,290,330 | 61,718,450 | 13,654,004 | 13,013,264 | 78,944,334 | 74,731,714 |
| Infrastructure | 185,011,298 | 188,971,262 | 2,491,363 | 2,402,105 | 187,502,661 | 191,373,367 |
| Improvements other than Buildings | 10,478,450 | 9,835,255 | 234,415,762 | 239,976,085 | 244,894,212 | 249,811,340 |
| Equipment | 34,503,578 | 38,608,857 | 3,110,986 | 3,742,022 | 37,614,564 | 42,350,879 |
| Construction in Progress | 33,488,749 | 63,229,350 | 48,375,318 | 58,238,255 | 81,864,067 | 121,467,605 |
| Intangible Assets | 217,618 | 217,618 | 79,913 | 747,832 | 297,531 | 965,450 |
| Right-to-Use Assets | <u>5,979,180</u> | <u>6,688,181</u> | <u>-</u> | <u>2,646,272</u> | <u>5,979,180</u> | <u>9,334,453</u> |
| Totals | <u>\$ 368,591,223</u> | <u>\$ 406,253,919</u> | <u>\$ 312,556,720</u> | <u>\$ 331,545,853</u> | <u>\$ 681,147,943</u> | <u>\$ 737,799,772</u> |

Additional information on Hernando County's capital assets can be found in Note G to the basic financial statements. The change in capital asset activity in Governmental Activities for 2024 is mainly due to additions to Construction in Progress driven by the Courthouse Improvement project. The decrease in buildings and infrastructure in Governmental Activities was attributable to depreciation expense exceeding additions during the year. The increase in capital asset activity for Business-Type Activities is due to improvements to water and wastewater plants and force mains. Also, construction in progress increased due to the construction of the Waste Management Cell 4 landfill.

HERNANDO COUNTY, FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt Administration

Loans and notes payable amounted to \$24,700,909 of which \$24,480,412 is for Governmental Activities and \$220,497 is for Business-Type Activities.

Hernando County had total bonded debt outstanding of \$109,308,756. All of these bonds represent bonds secured solely by specified non-ad valorem revenue sources (i.e., revenue bonds).

Following is the activity of combined governmental and business-type debt for the fiscal year ended September 30, 2024:

| | Beginning Balance | Additions | Reductions | Ending Balance |
|-----------------------|-----------------------|---------------------|----------------------|-----------------------|
| Loans & Notes Payable | \$ 24,416,013 | \$ 4,765,000 | \$ 4,480,104 | \$ 24,700,909 |
| Revenue Bonds | 114,735,519 | - | 5,426,763 | 109,308,756 |
| Leases Payable | 4,479,405 | 3,428,414 | 358,230 | 7,549,589 |
| SBITA Payable | 276,949 | 640,798 | 797,537 | 120,210 |
| | <u>\$ 143,907,886</u> | <u>\$ 8,834,212</u> | <u>\$ 11,062,634</u> | <u>\$ 141,679,464</u> |

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.

HERNANDO COUNTY, FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Local, state and national economic factors influence the County's revenues in a variety of ways. Positive economic growth correlates with increased revenues from property taxes, sales taxes, fuel taxes, charges for services, state revenue sharing as well as state and federal grants. Depressed economic growth correlates with decreases in the same revenue sources.

Economic growth may be measured by a variety of indicators such as employment growth, unemployment, new construction and assessed values, diversification of the property tax base, enterprise fund revenue and net asset growth.

- Hernando County's population grew from 176,819 in 2015 to 210,577 in 2024, a 19% increase over the period.
- Total taxable property value has increased 123% from 2015 to 2024. The ten largest taxpayers accounted for 7.0% of the total taxable assessed value in 2024 compared to 11.7% of total taxable value in 2015.

For fiscal year 2024-25 budget, certified taxable property values increased 11.2% to \$16.5 billion. The General Fund millage rate was decreased from 6.6997 to 6.4497; however, the County was able to maintain General Fund reserves to adopted policy levels.

TO OBTAIN FURTHER INFORMATION

This financial report was designed to provide an overview of the County's finances. If you have any questions concerning budgets, long-term financial planning, or other subjects related to the management of County operations, please contact the County Administrator at the following:

Hernando County
15470 Flight Path Drive
Spring Hill, Florida 34604
(352) 754-4000
administration@hernandocounty.us

If you have any questions concerning financial reports or other accounting information in this report, please contact the Office of the Clerk and Comptroller, Financial Services Director at the following:

Hernando County 20 N. Main Street
Brooksville, Florida 34601
(352) 754-4201
clerkfinance@hernandoclerk.org

It is also suggested you visit our website at www.hernandocounty.us for general information about the County, and www.hernandoclerk.com for additional financial information.

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Basic Financial Statements

HERNANDO COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

| | Governmental Activities | Business-Type Activities | Total |
|--|------------------------------------|-------------------------------------|-------------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 26,044,623 | \$ 29,609 | \$ 26,074,232 |
| Pooled Cash and Investments | 297,748,288 | 131,060,588 | 428,808,876 |
| Restricted Cash and Investments: | | | |
| Pooled Cash and Investments | - | 505,167 | 505,167 |
| Cash with Fiscal Agent | 5,149 | - | 5,149 |
| Accounts Receivable (net) | 12,114,254 | 6,809,481 | 18,923,735 |
| Accrued Interest Receivable | 438,126 | 183,850 | 621,976 |
| Leases Receivable | 113,646 | 432,191 | 545,837 |
| Internal Balances | (72,644) | 72,644 | - |
| Due from Other Governments | 8,678,965 | 2,951,566 | 11,630,531 |
| Inventories | 195,773 | 224,873 | 420,646 |
| Prepaid Items | 68,896 | - | 68,896 |
| Total Current Assets | <u>345,335,076</u> | <u>142,269,969</u> | <u>487,605,045</u> |
| Non-Current Assets | | | |
| Restricted Assets: | | | |
| Pooled Cash and Investments | - | 50,165,318 | 50,165,318 |
| Cash with Fiscal Agent | - | 5,559,242 | 5,559,242 |
| Leases Receivable | 14,721,676 | 29,032,302 | 43,753,978 |
| Capital Assets, not being depreciated | 100,214,296 | 69,018,273 | 169,232,569 |
| Capital Assets, being depreciated, net | <u>306,039,623</u> | <u>262,527,580</u> | <u>568,567,203</u> |
| Total Non-Current Assets | <u>420,975,595</u> | <u>416,302,715</u> | <u>837,278,310</u> |
| Total Assets | \$ 766,310,671 | \$ 558,572,684 | \$ 1,324,883,355 |
| Deferred Outflows of Resources | \$ 54,490,565 | \$ 3,293,926 | \$ 57,784,491 |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable | 19,866,357 | 4,201,305 | 24,067,662 |
| Retainage Payable | 2,413,296 | 722,898 | 3,136,194 |
| Accrued Liabilities | 8,290,479 | 1,736,201 | 10,026,680 |
| Due to Other Governments | 2,281,504 | 75,862 | 2,357,366 |
| Unearned Revenue | 23,083,585 | 1,944,097 | 25,027,682 |
| Deposits | 301,367 | 5,909,588 | 6,210,955 |
| Due Within One Year | 18,388,652 | 6,793,347 | 25,181,999 |
| Total Current Liabilities | <u>74,625,240</u> | <u>21,383,298</u> | <u>96,008,538</u> |
| Non-Current Liabilities: | | | |
| Due in More Than One Year | 254,329,814 | 88,234,881 | 342,564,695 |
| Accrued Landfill closure/Postclosure | - | 12,115,211 | 12,115,211 |
| Total Non-Current Liabilities | <u>254,329,814</u> | <u>100,350,092</u> | <u>354,679,906</u> |
| Total Liabilities | \$ 328,955,054 | \$ 121,733,390 | \$ 450,688,444 |
| Deferred Inflows of Resources | \$ 35,991,568 | \$ 30,249,329 | \$ 66,240,897 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 369,995,503 | 267,115,770 | 637,111,273 |
| Restricted for: | | | |
| Grant Funded Programs | 7,809,633 | - | 7,809,633 |
| Court Programs | 6,489,308 | - | 6,489,308 |
| Special Assessment Projects | 4,460,602 | - | 4,460,602 |
| Environment Conservation | 5,276,687 | - | 5,276,687 |
| Bond Covenants or Debt Service | 943,812 | - | 943,812 |
| Public Safety | 5,424,279 | - | 5,424,279 |
| Capital Projects | 23,003,597 | 49,269,245 | 72,272,842 |
| Renewal and Replacement | - | 10,218,411 | 10,218,411 |
| Other Purposes | 14,420,274 | - | 14,420,274 |
| Unrestricted (Deficit) | 18,030,919 | 83,280,465 | 101,311,384 |
| Total Net Position | \$ 455,854,614 | \$ 409,883,891 | \$ 865,738,505 |

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

HERNANDO COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| Function/Program Activities | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | | |
|---------------------------------------|-----------------------|-----------------------|------------------------------------|----------------------------------|---|--------------------------|-------------------------|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total | |
| Government Activities: | | | | | | | | |
| General Government | \$ 43,023,441 | \$ 17,614,921 | \$ 12,060,643 | \$ - | \$ (13,347,877) | \$ - | \$ (13,347,877) | |
| Public Safety | 144,352,781 | 57,469,804 | 2,485,152 | - | (84,397,825) | - | (84,397,825) | |
| Physical Environment | 10,177,123 | 8,395,927 | 361,120 | - | (1,420,076) | - | (1,420,076) | |
| Transportation | 32,533,750 | 7,134,387 | 4,575,850 | 1,161,098 | (19,662,415) | - | (19,662,415) | |
| Economic Environment | 3,448,692 | 38,394 | 2,759,582 | - | (650,716) | - | (650,716) | |
| Human Services | 9,488,667 | 195,359 | 61,117 | - | (9,232,191) | - | (9,232,191) | |
| Culture and Recreation | 8,575,222 | 1,610,274 | 559,452 | - | (6,405,496) | - | (6,405,496) | |
| Court Operations | 9,257,350 | 6,460,844 | 6,584,751 | - | 3,788,245 | - | 3,788,245 | |
| Interest on Long-term Debt | 2,306,378 | - | - | - | (2,306,378) | - | (2,306,378) | |
| Total Government Activities | 263,163,404 | 98,919,910 | 29,447,667 | 1,161,098 | (133,634,729) | - | (133,634,729) | |
| Business-type Activities: | | | | | | | | |
| Water and Sewer District | 40,881,234 | 49,267,524 | 2,057,415 | 16,961,810 | - | 27,405,515 | 27,405,515 | |
| Aviation Operations | 3,296,174 | 1,975,348 | 39,816 | 1,773,983 | - | 492,973 | 492,973 | |
| Waste Management | 10,617,265 | 13,231,052 | 557,407 | - | - | 3,171,194 | 3,171,194 | |
| Building Department | 5,465,563 | 5,543,205 | 7,111 | - | - | 84,753 | 84,753 | |
| Total Business-Type Activities | 60,260,236 | 70,017,129 | 2,661,749 | 18,735,793 | - | 31,154,435 | 31,154,435 | |
| Total | \$ 323,423,640 | \$ 168,937,039 | \$ 32,109,416 | \$ 19,896,891 | \$ (133,634,729) | \$ 31,154,435 | \$ (102,480,294) | |
| General Revenues: | | | | | | | | |
| Property Taxes | | | | 123,976,335 | - | 123,976,335 | | |
| Fuel Tax | | | | 11,706,713 | - | 11,706,713 | | |
| Sales Tax | | | | 12,801,255 | - | 12,801,255 | | |
| Other Taxes | | | | 3,904,973 | - | 3,904,973 | | |
| State Shared Revenue - Unrestricted | | | | 7,931,919 | - | 7,931,919 | | |
| Investment Earnings (Loss) | | | | 21,157,464 | 11,947,376 | 33,104,840 | | |
| Gain on Sale of Capital Assets | | | | 105,200 | 212,421 | 317,621 | | |
| Miscellaneous | | | | 3,359,604 | 914,718 | 4,274,322 | | |
| Transfers | | | | 908,201 | (908,201) | - | | |
| Total General Revenues and Transfers | | | | 185,851,664 | 12,166,314 | 198,017,978 | | |
| Change in Net Position | | | | 52,216,935 | 43,320,749 | 95,537,684 | | |
| Net Position - Beginning | | | | 403,637,679 | 366,563,142 | 770,200,821 | | |
| Net Position - Ending | | | | \$ 455,854,614 | \$ 409,883,891 | \$ 865,738,505 | | |

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

HERNANDO COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENT FUNDS
SEPTEMBER 30, 2024

| | General Fund | Transportation Trust and Gas Taxes | Hernando County Fire Rescue-Fire |
|---|-----------------------|--|-------------------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 9,683,448 | \$ 395 | \$ 150 |
| Pooled Cash and Investments | 88,520,320 | 43,288,923 | 17,100,877 |
| Cash with Fiscal Agent | - | - | - |
| Accounts Receivable (net) | 69,658 | 44,550 | 32,486 |
| Accrued Interest Receivable | 438,126 | - | - |
| Leases Receivable | 113,646 | - | - |
| Due from Other Funds | 61,011 | - | - |
| Due from Other Governments | 6,030,325 | 1,550,380 | 57,899 |
| Advances to Other Funds | 450,000 | - | - |
| Inventories | - | - | - |
| Prepaid Items | 68,870 | - | - |
| Lease Receivable, Non-Current | 14,721,676 | - | - |
| Total Assets | \$ 120,157,080 | \$ 44,884,248 | \$ 17,191,412 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts Payable | \$ 6,727,702 | \$ 2,100,089 | \$ 407,740 |
| Retainage Payable | 169,173 | 208,375 | 460,503 |
| Accrued Liabilities | 5,203,261 | 341,464 | 861,358 |
| Due to Other funds | - | - | - |
| Due to Other Governments | 343,703 | - | - |
| Unearned Revenue | 135,200 | 1,817 | - |
| Deposits | 78,635 | 3,120 | - |
| Advances from Other Funds | - | - | - |
| Total Liabilities | 12,657,674 | 2,654,865 | 1,729,601 |
| Deferred Inflows of Resources | | | |
| Unavailable Revenues | 4,200 | 335,064 | 3,974 |
| Leases | 14,708,691 | - | - |
| Total Deferred Inflows of Resources | 14,712,891 | 335,064 | 3,974 |
| Fund Balances | | | |
| Nonspendable: | | | |
| Advances | 450,000 | - | - |
| Inventories | - | - | - |
| Prepaid Items | 68,870 | - | - |
| Restricted For: | | | |
| Grant Funded Programs | 791,127 | - | - |
| Court Programs | - | - | - |
| Special Assessment Projects | - | - | - |
| Environment Conservation | - | - | - |
| Bond covenants or debt service | - | 63,084 | - |
| Public Safety | - | - | 15,457,837 |
| Capital Projects | 15,097,229 | 33,659,829 | - |
| Other Purposes | - | - | - |
| Committed to: | | | |
| Budgeted Emergency and Contingency Reserves | 7,287,887 | - | - |
| Budgeted Stabilization Reserves | 6,376,901 | - | - |
| Other Purposes | - | - | - |
| Assigned to: | | | |
| Public Safety | - | - | - |
| Capital Projects | 779,942 | 8,171,406 | - |
| Other Purposes | - | - | - |
| Unassigned | | | |
| Total Fund Balances | 61,934,559 | - | - |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 120,157,080 | \$ 44,884,248 | \$ 17,191,412 |

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

| Hernando County Fire Rescue- Rescue | American Rescue Plan Act | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-----------------------------|-----------------------------------|--------------------------------|
| \$ - | \$ - | \$ 6,736,620 | \$ 16,420,613 |
| 20,565,110 | 22,289,059 | 79,496,825 | 271,261,114 |
| - | - | 5,149 | 5,149 |
| 11,758,557 | - | 203,610 | 12,108,861 |
| - | - | - | 438,126 |
| - | - | - | 113,646 |
| - | - | - | 61,011 |
| 258,853 | - | 767,582 | 8,665,039 |
| - | - | - | 450,000 |
| 1,800 | - | - | 1,800 |
| - | - | 26 | 68,896 |
| - | - | - | 14,721,676 |
| \$ 32,584,320 | \$ 22,289,059 | \$ 87,209,812 | \$ 324,315,931 |

| | | | |
|------------------|-------------------|------------------|-------------------|
| \$ 681,029 | \$ - | \$ 3,246,419 | \$ 13,162,979 |
| 236,841 | 450,000 | 888,404 | 2,413,296 |
| 551,273 | - | 287,778 | 7,245,134 |
| - | - | 133,655 | 133,655 |
| 8,101 | - | 1,929,700 | 2,281,504 |
| 183 | 20,719,460 | 2,226,925 | 23,083,585 |
| - | - | 219,612 | 301,367 |
| - | - | 450,000 | 450,000 |
| 1,477,427 | 21,169,460 | 9,382,493 | 49,071,520 |
| 9,051,529 | - | 159 | 9,394,926 |
| - | - | - | 14,708,691 |
| 9,051,529 | - | 159 | 24,103,617 |

| | | | |
|----------------------|----------------------|----------------------|-----------------------|
| - | - | - | 450,000 |
| 1,800 | - | - | 1,800 |
| - | - | 26 | 68,896 |
| - | - | 7,809,633 | 8,600,760 |
| - | - | 6,489,308 | 6,489,308 |
| - | - | 4,460,602 | 4,460,602 |
| - | - | 5,276,687 | 5,276,687 |
| - | - | 943,812 | 1,006,896 |
| 22,053,564 | - | 5,424,279 | 42,935,680 |
| - | 1,119,599 | 23,003,597 | 72,880,254 |
| - | - | 14,420,274 | 14,420,274 |
| - | - | - | 7,287,887 |
| - | - | - | 6,376,901 |
| - | - | 2,074,337 | 2,074,337 |
| - | - | 7,346,977 | 7,346,977 |
| - | - | - | 8,951,348 |
| - | - | 596,722 | 596,722 |
| - | - | (19,094) | 61,915,465 |
| 22,055,364 | 1,119,599 | 77,827,160 | 251,140,794 |
| \$ 32,584,320 | \$ 22,289,059 | \$ 87,209,812 | \$ 324,315,931 |

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HERNANDO COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

| | |
|---|------------------------------|
| Fund Balances - Total Governmental Funds | \$ 251,140,794 |
| Amounts reported for Governmental Activities in the Statement of Net Position are different because: | |
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds: | |
| | |
| Capital Assets, not being depreciated | \$ 100,186,946 |
| Capital Assets, net of accumulated depreciation | <u>281,291,823</u> |
| | 381,478,769 |
| Unavailable revenue and deferred outflows of resources are not available to pay for current-period expenditures and are therefore not reported in the governmental funds: | |
| | |
| Unavailable taxes and fees | \$ 9,394,926 |
| Deferred Outflows related to Debt Refunding | 242,455 |
| Deferred Outflows related to Net Pension Liability | 48,449,084 |
| Deferred Outflows related to Other Post Employment Benefits | <u>5,543,473</u> |
| | 63,629,938 |
| Long-term liabilities are not due and payable in the current period, and therefore are not reported in the governmental funds: | |
| | |
| Accrued Liabilities - Interest | \$ (811,890) |
| Loans and Notes Payable | (12,972,173) |
| Leases Payable | (4,555,643) |
| SBITA Payable | (120,210) |
| Bonds Payable | (32,172,108) |
| Compensated Absences | (14,171,080) |
| Other Post Employment Benefits | (21,310,939) |
| Net Pension Liability | <u>(167,402,661)</u> |
| | (253,516,704) |
| Deferred inflows of resources apply to a future period and will not be recognized as revenue until then: | |
| | |
| Deferred Inflows related to Net Pension Liability | \$ (17,847,941) |
| Deferred Inflows related to Other Post Employment Benefits | <u>(3,267,708)</u> |
| | (21,115,649) |
| Internal Service Funds are used by management to charge the costs of certain activities to the individual funds: | |
| | |
| Net position of the Internal Service Funds that is reported in the Governmental Activities portion of the Statement of Net Position | <u>34,237,466</u> |
| Net Position of Governmental Activities | <u><u>\$ 455,854,614</u></u> |

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

HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | General Fund | Transportation Trust and Gas Taxes | Hernando County Fire Rescue-Fire |
|---|----------------------|---|---|
| Revenues | | | |
| Taxes | \$ 97,750,234 | \$ 21,243,362 | \$ 1,999 |
| Licenses and Permits | 663,393 | - | 189,573 |
| Intergovernmental | 37,307,614 | 4,604,037 | 105,079 |
| Charges for Services | 16,697,013 | 1,769,970 | 157,366 |
| Fines and Forfeitures | 278,651 | - | - |
| Special Assessments | - | - | 33,019,260 |
| Impact Fees | - | - | - |
| Investment Income (Loss) | 8,143,063 | 2,997,038 | 1,527,332 |
| Miscellaneous | 1,322,389 | 165,739 | 473,871 |
| Total Revenues | 162,162,357 | 30,780,146 | 35,474,480 |
| Expenditures | | | |
| Current | | | |
| General Government | 38,790,674 | - | - |
| Public Safety | 78,923,080 | 51,314 | 30,433,623 |
| Physical Environment | 754,622 | - | - |
| Transportation | 4,145,973 | 16,609,873 | - |
| Economic Environment | 764,569 | - | - |
| Human Services | 5,957,841 | - | - |
| Culture and Recreation | 7,770,715 | - | - |
| Court Operations | 2,077,649 | - | - |
| Debt Service | | | |
| Principal | 1,140,635 | - | 475,074 |
| Interest and Fiscal Charges | 158,294 | - | 65,901 |
| Capital Outlay | <u>17,799,178</u> | <u>13,581,595</u> | <u>3,806,568</u> |
| Total Expenditures | 158,283,230 | 30,242,782 | 34,781,166 |
| Excess of Revenues Over (Under) Expenditures | 3,879,127 | 537,364 | 693,314 |
| Other Financing Sources (Uses) | | | |
| Transfers In | 1,482,182 | 477,959 | 383,054 |
| Transfers Out | (6,574,773) | (1,724,206) | (1,089,706) |
| Lease financing | 786,617 | - | - |
| SBITA financing | 640,798 | - | - |
| Total Other Financing Sources (Uses) | (3,665,176) | (1,246,247) | (706,652) |
| Net Change in Fund Balances | 213,951 | (708,883) | (13,338) |
| Fund Balances at Beginning of Year | 92,572,564 | 42,603,202 | 15,471,175 |
| Fund Balances at End of Year | \$ 92,786,515 | \$ 41,894,319 | \$ 15,457,837 |

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

| Hernando County Fire Rescue-Rescue | American Rescue Plan Act | Nonmajor Government Funds | Total Governmental Funds |
|---|-------------------------------------|--|---|
| \$ 13,051,975 | \$ - | \$ 5,613,440 | \$ 137,661,010 |
| | | | 852,966 |
| 489,001 | 6,557,145 | 6,357,256 | 55,420,132 |
| 12,300,398 | - | 12,063,225 | 42,987,972 |
| - | - | 1,649,665 | 1,928,316 |
| - | - | 10,332,132 | 43,351,392 |
| - | - | 5,989,495 | 5,989,495 |
| 1,527,521 | 1,560,744 | 5,401,764 | 21,157,462 |
| 69,037 | - | 2,518,109 | 4,549,145 |
| 27,437,932 | 8,117,889 | 49,925,086 | 313,897,890 |
| <hr/> | | | |
| - | 267,726 | 2,077,816 | 41,136,216 |
| 20,370,752 | - | 5,994,619 | 135,773,388 |
| - | 43,495 | 9,031,027 | 9,829,144 |
| - | - | 1,436,373 | 22,192,219 |
| - | 16 | 2,701,450 | 3,466,035 |
| - | - | 1,938,263 | 7,896,104 |
| - | - | 297,261 | 8,067,976 |
| - | - | 7,070,499 | 9,148,148 |
| 231,163 | - | 2,565,212 | 4,412,084 |
| 35,149 | - | 1,867,608 | 2,126,952 |
| 3,599,057 | 6,561,360 | 9,589,202 | 54,936,960 |
| 24,236,121 | 6,872,597 | 44,569,330 | 298,985,226 |
| 3,201,811 | 1,245,292 | 5,355,756 | 14,912,664 |
| <hr/> | | | |
| 198,939 | - | 12,780,306 | 15,322,440 |
| (601,734) | - | (8,422,264) | (18,412,683) |
| - | - | - | 786,617 |
| - | - | - | 640,798 |
| (402,795) | - | 4,358,042 | (1,662,828) |
| 2,799,016 | 1,245,292 | 9,713,798 | 13,249,836 |
| 19,256,348 | (125,693) | 68,113,362 | 237,890,958 |
| \$ 22,055,364 | \$ 1,119,599 | \$ 77,827,160 | \$ 251,140,794 |

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HERNANDO COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 13,249,836

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report Capital Outlays as Expenditures. In the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives. Donations of Capital Assets are not financial resources to Governmental Funds, however increase net position in the Statement of Activities. Governmental Funds report the sale of Capital Assets as a financial resource, however in the Statement of Activities, only the Gain/loss on the sale is reported:

| | |
|---------------------------------|---------------------|
| Expenditures for Capital Assets | \$ 49,791,363 |
| Less current year depreciation | <u>(15,911,913)</u> |
| | 33,879,450 |

Additions to Long-Term Debt provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal and payments to refunding escrow agents are expenditures/other financing uses in the Governmental Funds, but reduce long-term liabilities in the Statement of Net Position.

| | |
|----------------------------------|--------------------|
| Principal Payments | \$ 3,324,701 |
| Lease / SBITA Liabilities Issued | <u>(1,427,415)</u> |
| Lease / SBITA Principal Payments | <u>1,872,637</u> |
| | 3,769,923 |

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the Governmental Funds:

| | |
|---|----------------|
| Change in Accrued Interest on Long-Term Debt | \$ (147,155) |
| Amortization of current year Bond Discount/Premium | 47,181 |
| Amortization of current year Prepaid Bond Insurance | (81,529) |
| Change in Compensated Absences | (2,831,251) |
| Change in Accrued Other Post Employment Benefits | (830,494) |
| Change in Pension Expenses | <u>167,941</u> |
| | (3,675,307) |

Some revenues reported in the Statement of Activities do not provide a current financial resource, and therefore are not reported as revenue in the Governmental Funds:

| | |
|--|--------------------|
| Change in earned revenue from charges for services | \$ 2,767,931 |
| Change in earned revenue from taxes | <u>(2,193,683)</u> |
| | 574,248 |

Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The Change in Net Position of the Internal Service Funds is reported within Governmental Activities.

4,418,785

Change in Net Position of Governmental Activities \$ 52,216,935

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

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HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------------|----------------------|---|
| | | | Actual Amounts | |
| | Original | Final | Actual Amounts | |
| Revenues | | | | |
| Taxes | \$ 96,064,136 | \$ 96,064,136 | \$ 97,750,234 | \$ 1,686,098 |
| Licenses and Permits | 581,638 | 586,993 | 663,393 | 76,400 |
| Intergovernmental | 32,893,838 | 38,954,950 | 37,307,614 | (1,647,336) |
| Charges for Services | 16,053,239 | 16,811,247 | 16,697,013 | (114,234) |
| Fines and Forfeitures | 125,005 | 125,005 | 278,651 | 153,646 |
| Investment Income (Loss) | 65,275 | 615,275 | 8,143,063 | 7,527,788 |
| Miscellaneous | 1,697,013 | 2,129,730 | 1,322,389 | (807,341) |
| Total Revenues | <u>147,480,144</u> | <u>155,287,336</u> | <u>162,162,357</u> | <u>6,875,021</u> |
| Expenditures | | | | |
| Current | | | | |
| General Government | 43,063,903 | 47,994,938 | 38,790,674 | 9,204,264 |
| Public Safety | 80,499,599 | 80,787,553 | 78,923,080 | 1,864,473 |
| Physical Environment | 877,372 | 1,226,122 | 754,622 | 471,500 |
| Transportation | 7,183,059 | 10,293,577 | 4,145,973 | 6,147,604 |
| Economic Environment | 2,004,313 | 2,945,110 | 764,569 | 2,180,541 |
| Human Services | 6,299,041 | 6,587,963 | 5,957,841 | 630,122 |
| Culture and Recreation | 8,542,941 | 9,043,553 | 7,770,715 | 1,272,838 |
| Court Operations | 2,001,640 | 2,090,907 | 2,077,649 | 13,258 |
| Debt Service | | | | - |
| Principal | 53,252 | 53,252 | 1,140,635 | (1,087,383) |
| Interest and Fiscal Charges | 9,843 | 11,843 | 158,294 | (146,451) |
| Capital Outlay | 16,684,976 | 42,157,777 | 17,799,178 | 24,358,599 |
| Total Expenditures | <u>167,219,939</u> | <u>203,192,595</u> | <u>158,283,230</u> | <u>44,909,365</u> |
| Excess of Revenues Over Expenditures | (19,739,795) | (47,905,259) | 3,879,127 | 51,784,386 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 9,120,281 | 9,656,306 | 1,482,182 | (8,174,124) |
| Transfers Out | (7,215,855) | (8,185,892) | (6,574,773) | 1,611,119 |
| Lease financing | - | - | 786,617 | 786,617 |
| SBITA financing | - | - | 640,798 | 640,798 |
| Reserve for Contingencies | (37,513,524) | (45,318,949) | - | 45,318,949 |
| Total Other Financing Sources (Uses) | <u>(35,609,098)</u> | <u>(43,848,535)</u> | <u>(3,665,176)</u> | <u>40,183,359</u> |
| Net Change in Fund Balance | (55,348,893) | (91,753,794) | 213,951 | 91,967,745 |
| Fund Balance at Beginning of Year | 55,348,893 | 91,753,794 | 92,572,564 | 818,770 |
| Fund Balance at End of Year | \$ - | \$ - | \$ 92,786,515 | \$ 92,786,515 |

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

HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRANSPORTATION TRUST AND GAS TAXES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------------|----------------------|---|
| | Original | Final | Actual Amounts | |
| | | | | |
| Revenues | | | | |
| Taxes | \$ 20,326,625 | \$ 20,326,625 | \$ 21,243,362 | \$ 916,737 |
| Intergovernmental | 9,543,964 | 18,497,331 | 4,604,037 | (13,893,294) |
| Charges for Services | 1,234,805 | 1,234,805 | 1,769,970 | 535,165 |
| Investment Income (Loss) | - | - | 2,997,038 | 2,997,038 |
| Miscellaneous | 91,670 | 91,670 | 165,739 | 74,069 |
| Total Revenues | 31,197,064 | 40,150,431 | 30,780,146 | (9,370,285) |
| Expenditures | | | | |
| Current | | | | |
| Public Safety | - | 231,398 | 51,314 | 180,084 |
| Transportation | 18,770,355 | 20,758,217 | 16,609,873 | 4,148,344 |
| Capital Outlay | 24,730,390 | 45,281,283 | 13,581,595 | 31,699,688 |
| Total Expenditures | 43,500,745 | 66,270,898 | 30,242,782 | 36,028,116 |
| Excess of Revenues Over Expenditures | (12,303,681) | (26,120,467) | 537,364 | 26,657,831 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 104,000 | 5,699,267 | 477,959 | (5,221,308) |
| Transfers Out | (1,463,170) | (4,337,429) | (1,724,206) | 2,613,223 |
| Reserve for Contingencies | (20,081,154) | (17,604,496) | - | 17,604,496 |
| Total Other Financing Sources (Uses) | (21,440,324) | (16,242,658) | (1,246,247) | 14,996,411 |
| Net Change in Fund Balance | (33,744,005) | (42,363,125) | (708,883) | 41,654,242 |
| Fund Balance at Beginning of Year | 33,744,005 | 42,363,125 | 42,603,202 | 240,077 |
| Fund Balance at End of Year | \$ - | \$ - | \$ 41,894,319 | \$ 41,894,319 |

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

HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HERNANDO COUNTY FIRE RESCUE - FIRE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------------|----------------------|---|
| | Original | Final | Actual Amounts | |
| | \$ | \$ | \$ | |
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ 1,999 | \$ 1,999 |
| Licenses and Permits | 90,000 | 90,000 | 189,573 | 99,573 |
| Intergovernmental | 30,000 | 80,000 | 105,079 | 25,079 |
| Charges for Services | 150,000 | 150,000 | 157,366 | 7,366 |
| Special Assessments | 32,155,073 | 32,155,073 | 33,019,260 | 864,187 |
| Investment Income (Loss) | - - | - - | 1,527,332 | 1,527,332 |
| Miscellaneous | 451,140 | 451,140 | 473,871 | 22,731 |
| Total Revenues | 32,876,213 | 32,926,213 | 35,474,480 | 2,548,267 |
| Expenditures | | | | |
| Current | | | | |
| Public Safety | 32,911,883 | 32,467,770 | 30,433,623 | 2,034,147 |
| Debt Service | | | | |
| Principal | 472,148 | 475,148 | 475,074 | 74 |
| Interest and Fiscal Charges | 64,591 | 65,991 | 65,901 | 90 |
| Capital Outlay | 2,195,011 | 4,339,301 | 3,806,568 | 532,733 |
| Total Expenditures | 35,643,633 | 37,348,210 | 34,781,166 | 2,567,044 |
| Excess of Revenues Over Expenditures | (2,767,420) | (4,421,997) | 693,314 | 5,115,311 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 350,000 | 300,000 | 383,054 | 83,054 |
| Transfers Out | (898,173) | (1,303,514) | (1,089,706) | 213,808 |
| Reserve for Contingencies | (10,545,197) | (10,034,407) | - | 10,034,407 |
| Total Other Financing Sources (Uses) | (11,093,370) | (11,037,921) | (706,652) | 10,331,269 |
| Net Change in Fund Balance | (13,860,790) | (15,459,918) | (13,338) | 15,446,580 |
| Fund Balance at Beginning of Year | 13,860,790 | 15,459,918 | 15,471,175 | 11,257 |
| Fund Balance at End of Year | \$ - | \$ - | \$ 15,457,837 | \$ 15,457,837 |

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

HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HERNANDO COUNTY FIRE RESCUE - RESCUE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) | |
|---|-------------------------|---------------------|----------------------|---|--|
| | Original | Final | Actual Amounts | | |
| | | | | | |
| Revenues | | | | | |
| Taxes | \$ 12,846,628 | \$ 12,846,628 | \$ 13,051,975 | \$ 205,347 | |
| Intergovernmental | 21,000 | 489,085 | 489,001 | (84) | |
| Charges for Services | 12,942,000 | 14,019,700 | 12,300,398 | (1,719,302) | |
| Investment Income (Loss) | - | - | 1,527,521 | 1,527,521 | |
| Miscellaneous | 54,779 | 54,779 | 69,037 | 14,258 | |
| Total Revenues | 25,864,407 | 27,410,192 | 27,437,932 | 27,740 | |
| Expenditures | | | | | |
| Current | | | | | |
| Public Safety | 21,392,072 | 23,806,923 | 20,370,752 | 3,436,171 | |
| Debt Service | | | | | |
| Principal | 229,212 | 231,163 | 231,163 | - | |
| Interest and Fiscal Charges | 38,650 | 38,650 | 35,149 | 3,501 | |
| Capital Outlay | 1,916,424 | 4,151,097 | 3,599,057 | 552,040 | |
| Total Expenditures | 23,576,358 | 28,227,833 | 24,236,121 | 3,991,712 | |
| Excess of Revenues Over Expenditures | 2,288,049 | (817,641) | 3,201,811 | 4,019,452 | |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | 139,800 | 176,359 | 198,939 | 22,580 | |
| Transfers Out | (561,419) | (830,787) | (601,734) | 229,053 | |
| Reserve for Contingencies | (10,673,074) | (16,182,341) | - | 16,182,341 | |
| Total Other Financing Sources (Uses) | (11,094,693) | (16,836,769) | (402,795) | 16,433,974 | |
| Net Change in Fund Balance | (8,806,644) | (17,654,410) | 2,799,016 | 20,453,426 | |
| Fund Balance at Beginning of Year | 8,806,644 | 17,654,410 | 19,256,348 | 1,601,938 | |
| Fund Balance at End of Year | \$ - | \$ - | \$ 22,055,364 | \$ 22,055,364 | |

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

HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
AMERICAN RESCUE PLAN ACT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|---------------------|---|
| | Original | Final | Actual Amounts | |
| | | | | |
| Revenues | | | | |
| Intergovernmental | \$ 500,000 | \$ 8,808,720 | \$ 6,557,145 | \$ (2,251,575) |
| Investment Income (Loss) | - | - | 1,560,744 | 1,560,744 |
| Total Revenues | <u>500,000</u> | <u>8,808,720</u> | <u>8,117,889</u> | <u>(690,831)</u> |
| Expenditures | | | | |
| Current | | | | |
| General Government | - | 2,000,000 | 267,726 | 1,732,274 |
| Physical Environment | - | 50,000 | 43,495 | 6,505 |
| Economic Environment | - | - | 16 | (16) |
| Capital Outlay | 500,000 | 7,011,360 | 6,561,360 | 450,000 |
| Total Expenditures | <u>500,000</u> | <u>9,061,360</u> | <u>6,872,597</u> | <u>2,188,763</u> |
| Excess of Revenues Over Expenditures | <u>-</u> | <u>(252,640)</u> | <u>1,245,292</u> | <u>1,497,932</u> |
| Net Change in Fund Balance | <u>-</u> | <u>(252,640)</u> | <u>1,245,292</u> | <u>1,497,932</u> |
| Fund Balance at Beginning of Year | - | 252,640 | (125,693) | (378,333) |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,119,599</u> | <u>\$ 1,119,599</u> |

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

HERNANDO COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

| | Business-Type Activities - Enterprise Funds | | |
|---|--|----------------------------|-------------------------|
| | Water & Sewer District | Aviation Operations | Waste Management |
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | \$ 2,276 | \$ 743 | \$ 1,765 |
| Pooled Cash and Investments | 86,331,309 | 6,043,650 | 31,954,178 |
| Restricted Cash and Investments | 505,167 | - | - |
| Accounts Receivable, net | 6,177,467 | 8,695 | 622,205 |
| Accrued Interest Receivable | - | 183,850 | - |
| Leases Receivable | - | 432,191 | - |
| Due from Other: | | | |
| Other Funds | 72,644 | - | - |
| Other Governments | 1,594,722 | 1,059,300 | 290,433 |
| Inventories | 212,568 | - | 12,305 |
| Total Current Assets | 94,896,153 | 7,728,429 | 32,880,886 |
| Non-Current Assets: | | | |
| Restricted Assets: | | | |
| Pooled Cash and Investments | 25,439,005 | - | 24,726,313 |
| Cash with Fiscal Agent | 5,559,242 | - | - |
| Lease Receivable | - | 29,032,302 | - |
| Capital Assets, not depreciated | 36,559,064 | 18,587,427 | 13,656,782 |
| Capital Assets, net of accumulated depreciation | 233,358,052 | 19,694,385 | 8,429,043 |
| Total Non-Current Assets | 300,915,363 | 67,314,114 | 46,812,138 |
| Total Assets | 395,811,516 | 75,042,543 | 79,693,024 |
| Deferred Outflows of Resources | 2,145,554 | 125,669 | 568,181 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | 1,742,913 | 721,738 | 1,442,908 |
| Retainage Payable | 530,321 | 136,100 | 56,477 |
| Accrued Liabilities | 1,140,590 | 36,489 | 424,204 |
| Due to Other Governments | 37,591 | - | - |
| Unearned Revenues | 1,899,189 | 44,908 | - |
| Deposits | 4,641,932 | 207,301 | 77,404 |
| Due Within One Year | 4,941,848 | 228,922 | 1,585,469 |
| Total Current Liabilities | 14,934,384 | 1,375,458 | 3,586,462 |
| Non-Current Liabilities | | | |
| Due in More Than One Year | 62,751,065 | 585,188 | 22,647,875 |
| Accrued Landfill Closure/ Postclosure Care | - | - | 12,115,211 |
| Total Non-Current Liabilities | 62,751,065 | 585,188 | 34,763,086 |
| Total Liabilities | 77,685,449 | 1,960,646 | 38,349,548 |
| Deferred Inflows of Resources | 1,211,602 | 28,521,685 | 233,179 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 211,405,410 | 37,945,216 | 16,504,044 |
| Restricted for | | | |
| Capital Projects | 49,269,245 | - | - |
| Renewal and Replacement | 10,218,411 | - | - |
| Unrestricted | 48,166,953 | 6,740,665 | 25,174,434 |
| Total Net Position | \$ 319,060,019 | \$ 44,685,881 | \$ 41,678,478 |

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

| Governmental Activities | | |
|--------------------------------|-----------------------|-------------------------------|
| Building Department | Total | Internal Service Funds |
| \$ 24,825 | \$ 29,609 | \$ 9,624,010 |
| 6,731,451 | 131,060,588 | 26,487,174 |
| - | 505,167 | - |
| 1,114 | 6,809,481 | 5,393 |
| - | 183,850 | - |
| - | 432,191 | - |
| - | 72,644 | - |
| 7,111 | 2,951,566 | 13,926 |
| - | 224,873 | 193,973 |
| <u>6,764,501</u> | <u>142,269,969</u> | <u>36,324,476</u> |
| | | |
| - | 50,165,318 | - |
| - | 5,559,242 | - |
| - | 29,032,302 | - |
| 215,000 | 69,018,273 | 27,350 |
| <u>1,046,100</u> | <u>262,527,580</u> | <u>24,747,800</u> |
| <u>1,261,100</u> | <u>416,302,715</u> | <u>24,775,150</u> |
| <u>8,025,601</u> | <u>558,572,684</u> | <u>61,099,626</u> |
| <u>454,522</u> | <u>3,293,926</u> | <u>255,553</u> |
| | | |
| 293,746 | 4,201,305 | 6,703,378 |
| - | 722,898 | - |
| 134,918 | 1,736,201 | 233,455 |
| 38,271 | 75,862 | - |
| - | 1,944,097 | - |
| 982,951 | 5,909,588 | - |
| 37,108 | 6,793,347 | 5,440,264 |
| <u>1,486,994</u> | <u>21,383,298</u> | <u>12,377,097</u> |
| | | |
| 2,250,753 | 88,234,881 | 14,573,388 |
| - | 12,115,211 | - |
| <u>2,250,753</u> | <u>100,350,092</u> | <u>14,573,388</u> |
| <u>3,737,747</u> | <u>121,733,390</u> | <u>26,950,485</u> |
| <u>282,863</u> | <u>30,249,329</u> | <u>167,228</u> |
| | | |
| 1,261,100 | 267,115,770 | 14,165,302 |
| - | 49,269,245 | - |
| - | 10,218,411 | - |
| 3,198,413 | 83,280,465 | 20,072,164 |
| <u>\$ 4,459,513</u> | <u>\$ 409,883,891</u> | <u>\$ 34,237,466</u> |

HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Business-Type Activities - Enterprise Funds | | |
|---|--|--------------------------------|-----------------------------|
| | Water & Sewer District | Aviation Operations | Waste Management |
| Operating Revenues | | | |
| Licenses and Permits | \$ 18,150 | \$ - | \$ 38,000 |
| Charges for Services | 49,249,374 | 1,975,348 | 13,193,052 |
| Miscellaneous | 398,815 | 380,163 | 132,835 |
| Total Operating Revenues | <u>49,666,339</u> | <u>2,355,511</u> | <u>13,363,887</u> |
| Operating Expenses | | | |
| Personnel Services | 11,523,705 | 764,500 | 2,715,312 |
| Other Services & Charges | 19,081,382 | 1,126,021 | 5,117,670 |
| Claims | - | - | - |
| Depreciation and Amortization | 8,975,735 | 1,388,692 | 1,813,184 |
| Total Operating Expenses | <u>39,580,822</u> | <u>3,279,213</u> | <u>9,646,166</u> |
| Operating Income (Loss) | <u>10,085,517</u> | <u>(923,702)</u> | <u>3,717,721</u> |
| Non-Operating Revenues (Expenses) | | | |
| Investment Income (Loss) | 6,792,666 | 1,391,635 | 3,484,639 |
| Interest Expense | (1,816,292) | (16,961) | (1,009,801) |
| Operating Grants | 2,057,415 | 39,816 | 557,407 |
| Gain (Loss) on Sale of Capital Assets | 21,686 | - | 190,735 |
| Amortization of Bond Discount/Premium | 515,880 | - | 38,702 |
| Total Non-Operating Revenues (Expenses) | <u>7,571,355</u> | <u>1,414,490</u> | <u>3,261,682</u> |
| Income (Loss) Before Contributions and Transfers | <u>17,656,872</u> | <u>490,788</u> | <u>6,979,403</u> |
| Capital Grants and Contributions | 16,961,810 | 1,773,983 | - |
| Transfers In | 12,243 | - | - |
| Transfers Out | (569,447) | (30,234) | (140,129) |
| Total Contributions and Transfers | <u>16,404,606</u> | <u>1,743,749</u> | <u>(140,129)</u> |
| Change in Net Position | 34,061,478 | 2,234,537 | 6,839,274 |
| Net Position-Beginning | 284,998,541 | 42,451,344 | 34,839,204 |
| Net Position-Ending | <u>\$ 319,060,019</u> | <u>\$ 44,685,881</u> | <u>\$ 41,678,478</u> |

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

| | | Governmental Activities - Internal Service Funds | |
|------------------------|-----------------------|---|---|
| Building Department | Total | | |
| \$ 4,908,066 | \$ 4,964,216 | \$ - | |
| 635,139 | 65,052,913 | 44,172,123 | |
| 2,905 | 914,718 | 2,203,284 | |
| <u>5,546,110</u> | <u>70,931,847</u> | <u>46,375,407</u> | |
| | | | - |
| 3,368,009 | 18,371,526 | 4,266,841 | |
| 2,097,554 | 27,422,627 | 15,226,655 | |
| - | - | 24,108,188 | |
| - | 12,177,611 | 3,973,040 | |
| <u>5,465,563</u> | <u>57,971,764</u> | <u>47,574,724</u> | |
| 80,547 | 12,960,083 | (1,199,317) | |
| | | | |
| 278,436 | 11,947,376 | 1,556,988 | |
| - | (2,843,054) | (384,434) | |
| 7,111 | 2,661,749 | 13,781 | |
| - | 212,421 | 433,323 | |
| - | 554,582 | - | |
| <u>285,547</u> | <u>12,533,074</u> | <u>1,619,658</u> | |
| 366,094 | 25,493,157 | 420,341 | |
| | | | |
| - | 18,735,793 | - | |
| - | 12,243 | 4,219,713 | |
| (180,634) | (920,444) | (221,269) | |
| <u>(180,634)</u> | <u>17,827,592</u> | <u>3,998,444</u> | |
| 185,460 | 43,320,749 | 4,418,785 | |
| 4,274,053 | 366,563,142 | 29,818,681 | |
| \$ 4,459,513 | \$ 409,883,891 | \$ 34,237,466 | |

HERNANDO COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| Business-Type Activities - Enterprise Funds | | | |
|--|-----------------------------------|----------------------------|-------------------------|
| | Water & Sewer District | Aviation Operations | Waste Management |
| Cash Flows from Operating Activities | | | |
| Receipts from Customers | \$ 49,066,516 | \$ 1,605,351 | \$ 12,789,533 |
| Receipts from Inter-Fund Services | - | - | - |
| Payments to Suppliers | (20,634,743) | (651,024) | (4,040,708) |
| Payments to Employees | (11,764,219) | (771,501) | (2,761,622) |
| Claims Paid | - | - | - |
| Other Receipts | 398,815 | 380,163 | 132,835 |
| Net Cash provided by (used for) Operating Activities | <u>17,066,369</u> | <u>562,989</u> | <u>6,120,038</u> |
| Cash Flows from Noncapital Financing Activities | | | |
| Operating Grants | 2,057,415 | 39,816 | 557,407 |
| Transfers from Other Funds | 12,243 | - | - |
| Transfers to Other Funds | (569,447) | (30,234) | (140,129) |
| Net Cash Provided by (used for) Noncapital Financing Activities | <u>1,500,211</u> | <u>9,582</u> | <u>417,278</u> |
| Cash Flows From Capital and Related Financing Activities | | | |
| Additions to Capital Assets | (13,252,319) | (2,073,084) | (4,044,822) |
| Proceeds from Capital Debt | - | - | - |
| Principal Paid on Capital Debt | (4,090,000) | (212,179) | (310,000) |
| Interest Paid on Capital Debt | (1,817,137) | (16,961) | (930,631) |
| Principal Payments on Long-Term Leases | - | - | - |
| Interest Payments on Long-Term Leases | - | - | (84,336) |
| Capital Grants Revenue | 2,148,821 | 1,773,983 | - |
| Connection Fee Collections | 5,658,267 | - | - |
| Proceeds From Sale of Capital Assets | 21,686 | - | 190,735 |
| Net Cash provided by (used for) Capital and Related Financing Activities | <u>(11,330,682)</u> | <u>(528,241)</u> | <u>(5,179,054)</u> |
| Cash Flows from Investing Activities | | | |
| Interest Received | 6,792,666 | 1,391,635 | 3,484,639 |
| Net Cash Provided by Investing Activities | <u>6,792,666</u> | <u>1,391,635</u> | <u>3,484,639</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 14,028,564 | 1,435,965 | 4,842,901 |
| Cash and Cash Equivalents at Beginning of Year | 103,808,435 | 4,608,428 | 51,839,355 |
| Cash and Cash Equivalents at End of Year | \$ 117,836,999 | \$ 6,044,393 | \$ 56,682,256 |
| Classified as: | | | |
| Current Assets | 86,333,585 | 6,044,393 | 31,955,943 |
| Restricted Assets - Current | 505,167 | - | - |
| Restricted Assets - Non-current | 30,998,247 | - | 24,726,313 |
| Totals | <u>\$ 117,836,999</u> | <u>\$ 6,044,393</u> | <u>\$ 56,682,256</u> |

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

| | | Governmental Activities - | |
|------------------------|-----------------------|------------------------------|--|
| Building Department | Total | Internal Service Funds | |
| \$ 5,649,774 | \$ 69,111,174 | \$ 33,996,854 | |
| - | - | 10,188,662 | |
| (1,934,790) | (27,261,265) | (13,816,615) | |
| (3,409,739) | (18,707,081) | (4,285,268) | |
| - | - | (24,786,359) | |
| 2,905 | 914,718 | 2,203,284 | |
| <u>308,150</u> | <u>24,057,546</u> | <u>3,500,558</u> | |
| 7,111 | 2,661,749 | 13,781 | |
| - | 12,243 | 4,219,713 | |
| <u>(180,634)</u> | <u>(920,444)</u> | <u>(221,269)</u> | |
| <u>(173,523)</u> | <u>1,753,548</u> | <u>4,012,225</u> | |
| - (19,370,225) | - (6,973,109) | | |
| - - | 4,765,000 | | |
| - (4,612,179) | (1,368,224) | | |
| - (2,764,729) | (278,939) | | |
| - - | (68,385) | | |
| - (84,336) | (13,258) | | |
| - 3,922,804 | - | | |
| - 5,658,267 | - | | |
| - 212,421 | 433,323 | | |
| <u>- (17,037,977)</u> | <u>(3,503,592)</u> | | |
| <u>278,436</u> | <u>11,947,376</u> | <u>1,627,936</u> | |
| <u>278,436</u> | <u>11,947,376</u> | <u>1,627,936</u> | |
| 413,063 | 20,720,493 | 5,637,127 | |
| 6,343,213 | 166,599,431 | 30,474,057 | |
| \$ 6,756,276 | \$ 187,319,924 | \$ 36,111,184 | |
| 6,756,276 | 131,090,197 | 36,111,184 | |
| - | 505,167 | - | |
| - | 55,724,560 | - | |
| \$ 6,756,276 | \$ 187,319,924 | \$ 36,111,184 | |

Continued

HERNANDO COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Business-Type Activities - Enterprise Funds | | |
|---|--|--------------------------------|-----------------------------|
| | Water & Sewer District | Aviation Operations | Waste Management |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities | | | |
| Operating Income (Loss) | \$ 10,085,517 | \$ (923,702) | \$ 3,717,721 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (used for) Operating Activities | | | |
| Depreciation and Amortization | 8,975,735 | 1,388,692 | 1,813,184 |
| Other Post-Employment Benefits | 69,842 | 4,710 | 16,725 |
| Pension Adjustments | (94,120) | (6,730) | (21,663) |
| Other Deferred Amounts | (4,295) | - | - |
| Landfill Closure/Postclosure Care Amortization | - | - | 674,774 |
| (Increase) Decrease in | | | |
| Accounts Receivable | 665,152 | 16,593 | (120,892) |
| Accrued Interest Receivable | - | (93,626) | - |
| Leases Receivable | - | (2,258,774) | - |
| Due from Other Funds | - | - | - |
| Due from Other Governments | (248,211) | 61,006 | (287,757) |
| Inventories | (41,903) | - | 13,501 |
| Prepaid Expenses | - | - | - |
| Increase (Decrease) in | | | |
| Accounts Payable | (1,637,485) | 408,267 | 655,391 |
| Retainage Payable | 135,263 | 66,730 | (266,704) |
| Accrued Liabilities | (211,941) | (4,981) | (41,372) |
| Due to Other Funds | - | - | - |
| Due to Other Governments | (9,236) | - | - |
| Unearned Revenues | (1,024,509) | (1,700) | - |
| Deposits | 406,560 | 46,086 | (32,870) |
| Claims Liabilities | - | - | - |
| Deferred Inflows-Leases | - | 1,860,418 | - |
| Total Adjustments | 6,980,852 | 1,486,691 | 2,402,317 |
| Net Cash Provided by (used for) Operating Activities | \$ 17,066,369 | \$ 562,989 | \$ 6,120,038 |
| Non-cash Investing, Financing, and Capital Activities: | | | |
| Contributions of Capital Assets from Developers | <u>\$ 9,154,722</u> | <u>\$ -</u> | <u>\$ -</u> |

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

| <u>Building Department</u> | <u>Total</u> | <u>Governmental Activities - Internal Service Funds</u> |
|--------------------------------|---------------------|---|
| \$ 80,547 | \$ 12,960,083 | \$ (1,199,317) |
| - | 12,177,611 | 3,973,040 |
| 20,586 | 111,863 | (10,653) |
| (26,067) | (148,580) | 7,417 |
| - | (4,295) | 2,456 |
| - | 674,774 | - |
| (1,114) | 559,739 | 27,210 |
| - | (93,626) | - |
| - | (2,258,774) | - |
| - | - | - |
| (7,111) | (482,073) | (13,817) |
| - | (28,402) | (34,134) |
| - | - | - |
| 150,274 | (423,553) | 1,444,174 |
| - | (64,711) | - |
| (36,249) | (294,543) | (17,647) |
| - | - | - |
| 12,490 | 3,254 | - |
| - | (1,026,209) | - |
| 114,794 | 534,570 | - |
| - | - | (678,171) |
| - | 1,860,418 | - |
| <u>227,603</u> | <u>11,097,463</u> | <u>4,699,875</u> |
| \$ 308,150 | \$ 24,057,546 | \$ 3,500,558 |
| <u>\$ -</u> | <u>\$ 9,154,722</u> | <u>\$ -</u> |

HERNANDO COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2024

ASSETS

| | |
|-----------------------------|--------------------------|
| Cash and Cash Equivalents | \$ 8,729,943 |
| Pooled Cash and Investments | 2,794,324 |
| Due from Other Governments | 145,129 |
| Total Assets | <u>11,669,396</u> |

LIABILITIES

| | |
|---------------------------|-------------------------|
| Accounts Payable | 2,315,520 |
| Due to Other Governments | 5,350,330 |
| Installment Tax Escrow | 5,246 |
| Deposits | 14,733 |
| Other Current Liabilities | 2,239,507 |
| Total Liabilities | <u>9,925,336</u> |

NET POSITION:

| | |
|-----------------------------------|----------------------------|
| Restricted for: | |
| Individuals and Other Governments | 1,744,060 |
| Total Net Position | <u>\$ 1,744,060</u> |

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

HERNANDO COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

ADDITIONS:

| | |
|---------------------------------------|---------------------------|
| Tax Collections for Other Governments | \$ 143,602,753 |
| State of Florida collections | 29,117,800 |
| Other collections | 44,199,852 |
| Miscellaneous - Revenues | 1,934,499 |
| Total additions | <u>218,854,904</u> |

DEDUCTIONS:

| | |
|--|---------------------------|
| Payments of Taxes to State of Florida | 28,847,085 |
| Payments of Taxes to Other Governments | 143,602,753 |
| Other Payments | 46,949,542 |
| Miscellaneous - Expenses | 1,450 |
| Total deductions | <u>219,400,830</u> |

| | |
|------------------------------------|----------------------------|
| Change in net position | (545,926) |
| Net Position-beginning of the year | 2,289,986 |
| Net Position-end of year | <u>\$ 1,744,060</u> |

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

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HERNANDO COUNTY, FLORIDA
September 30, 2024

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. THE REPORTING ENTITY

Hernando County was created in 1843 as a political subdivision of the State of Florida, under Chapter 107, Section 1, Florida Statutes. It is governed by an elected Board of County Commissioners (the Board) which is governed by state statutes and regulations. In addition to the five members of the Board, there are five elected Constitutional Officers: Clerk of Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The Constitutional Officers maintain separate accounting records and budgets. The Board and Constitutional Officers provide the following services: public safety (police, fire, and rescue), highways and streets, sanitation, water and sewer utilities, health and social services, culture/recreation, public improvements, planning and zoning, and general administrative services.

In accordance with the provisions of generally accepted accounting standards, these financial statements present the financial position, results of operations, and cash flows of the applicable fund types. The statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they may be legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Otherwise, discretely presented component units, if there were any, would be reported in a separate column in the government-wide financial statements.

Blended Component Units

The following component units are included in the accompanying financial statements as part of the primary government because they satisfy the criteria for blending.

The following component units are in substance part of the County's operations, have the same governing board and management team as the County, and there is a specific benefit or burden relationship with the County:

Hernando County Water and Sewer District - established by Ordinance 80-4 to provide water and sewer service to residents of the County which are not serviced by other agencies or entities.

Kass Circle Community Redevelopment Agency - approved by Resolution 2016-44 to establish the necessary means by which redevelopment can be accomplished in the Kass Circle Neighborhood Revitalization Area, as authorized in Florida Statutes 163.356.

The following component units are in substance part of the County's operations, have the same management team as the County, there is a specific benefit or burden relationship with the County, and they provide services entirely to the County, strictly in an advisory capacity:

Hernando County Port Authority - established pursuant to Laws of Florida, Chapter 65-1618 and 71-666 for the purpose providing advisory services regarding waterway management.

Hernando County Law Library - established pursuant to Laws of Florida, Chapter 65-1627, to provide advisory services regarding a central law library which is available to County officials, judges, officers of the court and the public.

Separate financial statements are not prepared for any of the above component units.

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

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements are composed of the Government-Wide Financial Statements, the Fund Financial Statements and the Notes to the Financial Statements.

Government-Wide Financial Statements

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These statements report on the government as a whole and include separate columns for the governmental and business-type activities of the primary government. An additional separate column would be presented for any discretely presented component unit for which the County is financially accountable.

The Statement of Net Position presents information on all of the assets, deferred outflows, liabilities and deferred inflows of the County except the Fiduciary Funds. The difference between (assets plus deferred outflows) less (liabilities plus deferred inflows) is reported as net position. Changes in net position may serve as an indicator of whether the financial position of the County is improving or deteriorating. The Statement of Fiduciary Net Position is presented separately.

The Statement of Activities reports functional categories of programs provided by the County and demonstrates how and to what degree those programs are supported by specific revenue. The "Expenses" column reports direct expenses that are clearly identifiable with a specific function or program. "Program Revenues" are directly attributable to a specific function or program and are categorized as charges for services, operating grants and contributions, and capital grants and contributions. The net of program expenses less program revenues reflects the net cost of each function or program. The general revenues section includes revenues that are not program specific such as taxes and investment earnings.

As a general rule, interfund activities, with the exception of interfund services provided and used, have been removed from the government-wide financial statements. Residual amounts between governmental and business-type activities are reported as "internal balances." These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

Fund Financial Statements

The underlying accounting system of the County is organized and operated on the basis of separate funds. A fund is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes. Fund accounting is used to ensure and demonstrate compliance with legal, legislative, contractual and other finance-related provisions. All of the funds of the County may be divided into three categories: governmental funds, proprietary funds and fiduciary funds. The County's major funds are reported as separate columns in the fund financial statements, and non-major funds are aggregated and presented as a single column on each statement. Fund financial statements are presented after the government-wide financial statements. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentation.

Internal service funds of the County (which traditionally provide services primarily to other funds of the County) are presented, in summary form, as part of the proprietary fund financial statements. Since the principal users of the internal services are the County's governmental activities, financial statements of internal service funds are included in the governmental activities column when presented at the government-wide level. The costs of these services are allocated to the appropriate functional activity (Public Safety, Physical Environment, etc.).

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

The County's fiduciary funds are presented in the fund financial statements. Since, by definition, these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

GASB sets forth minimum criteria for the determination of what are to be considered major funds for financial statement presentation. The County uses these criteria for major fund determination. The non-major funds are combined into one column in the respective fund financial statements.

The following are reported as major governmental funds:

General Fund – The general operating fund of the County. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Transportation Trust and Gas Taxes – To account for the proceeds of gas taxes and other revenues for the construction and maintenance of County roads.

Hernando County Fire Rescue-Fire - To account for assessments levied for fire protection services within the district.

Hernando County Fire Rescue-Rescue - To account for taxes and charges for services for rescue services within the district.

American Rescue Plan Act - To account for expenditures related to funds provided by Coronavirus State and Local Fiscal Recovery Funds program.

The following are reported as major enterprise funds:

Water and Sewer District – This fund is used to account for the operation of water, wastewater and reclaimed water services owned by Hernando County.

Aviation Operations – This fund is used to account for the operation of the Hernando County Airport and the Industrial Complex located on Airport property.

Waste Management – This fund is used to account for the operation of the sanitary landfill for the handling and disposal of solid waste.

Building Department – This fund is used to account for the operation of providing building permits and other construction-related services to County citizens. The fund is reported with major funds for simplicity due to it being the County's only non-major proprietary fund.

The County also reports the following funds:

Internal Service Funds - These funds are used to account for goods or services provided by one department to other departments of the County or to other governmental units on a cost reimbursement basis. Such goods and services include a central fueling system, vehicle and fleet maintenance and replacement, risk management, workers compensation management, computer replacement and health self-insurance.

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

Fiduciary Funds – These funds are used to account for assets held on behalf of outside parties, including other governments. Fiduciary Funds include jury and witness, court registry, tax, vehicle tags and law enforcement holdings. Financial information for fiduciary funds is not reported in the government-wide financial statements because these funds are not available to support the County's programs.

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The accounting policies of the County conform to generally accepted accounting principles as applicable to governments in accordance with the Government Accounting Standards Board (GASB). GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The following is a summary of the more significant policies:

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements and proprietary fund statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both 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. For this purpose, the government considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. The government considers Federal Emergency Management Agency (FEMA) Public Assistance (PA) related revenues to be available if they are collected within 45 days of the end of the current fiscal period. The government considers intergovernmental grant revenues, excluding FEMA PA Funding, to be available if they are expected to be collected within 360 days of the end of the current fiscal year. A majority of the County's grants are expenditure driven and the reimbursement is often approved after the 45-day availability period used for non-grant revenues. Receivables collected after these periods are reported as deferred inflows of resources until the revenue becomes available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all recognized as revenues of the current fiscal period. Grant entitlements are recorded as revenues when all eligibility requirements are met and are accrued simultaneously with the grant expenditures. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund such as user fees. Non-operating revenues are not related to the operations of the proprietary fund and include interest income and grants. Operating expenses represent the cost of operations, which includes depreciation. Non-operating expenses are not related to operations, such as interest expense.

The fiduciary fund is recorded using the *economic resource measurement focus and accrual basis of accounting*.

4. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

Governmental fund balances are classified either as non-spendable or spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which constraints are placed on the spending of these fund balances. Fund balances are reported in the governmental fund statements in the following classifications:

Non-spendable Fund Balance

This component of fund balance consists of amounts that are not in spendable form, or are legally or contractually required to be maintained intact.

Spendable Fund Balance

Restricted Fund Balance – This component of fund balance consists of amounts that are constrained either (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.

Committed Fund Balance – This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (approval of a resolution by a majority of the Board) of the organization's governing authority (County Commission). These committed amounts cannot be used for any other purpose unless the governing authority removes or changes the specified use by taking the same type of action employed to constrain those amounts.

Assigned Fund Balance – This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The governing authority, the County Commission, has approved the assigned fund balances through action taken during the budget process. The County Commission has not delegated the responsibility to assign fund balances to any individual or body.

Unassigned Fund Balance – This classification is used for (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the general fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use, it is the County's policy to use unassigned resources first, then assigned, and then committed as needed.

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

5. BUDGETARY INFORMATION

The annual budget, formally adopted by the Board of County Commissioners, serves as the legal authorization for expenditures. Legal budgetary authority and control is established on a fund basis in accordance with Florida Statutes 129.03, however, operational control for management purposes is maintained during the year at the lower of the department or fund level. The adopted budget can only be changed by a budget amendment or a budget resolution. Management can transfer appropriations within a fund without the Board of County Commissioners approval unless the transfer affects a budgeted reserve. Pursuant to Florida Statutes 129.06 budget amendments require the approval of the Board of County Commissioners whenever the effect of the amendment is to increase the total appropriations of the fund, to transfer monies between the funds, or to transfer budgeted reserve funds.

The County's annual budgetary process is governed by Florida Statutes, Chapters 129 and 200. The total of the estimated receipts, including balances brought forward, must equal the total of the appropriations and reserves, therefore enabling a balanced budget. During the budgeting process, budgets are prepared on a basis consistent with generally accepted accounting principles. All appropriations lapse at year-end.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized executive changes applicable to the fiscal year, whenever legally authorized.

In 2009, the County established a General Fund Budget Reserve Policy, creating four reserve categories. Each of the following minimum levels are calculated as a percentage of the total approved General Fund budget, less reserves, transfers, debt and grants: Reserve for Contingencies established at .5% to be used for small unanticipated, non-recurring needs; an Emergency Reserve established at 3.5% to be used for more significant emergencies, those in excess of \$100,000; a Stabilization Reserve established at 3.5% to be used when there is a one-time loss of a major revenue source and/or severe downturn in the economy; and a Reserve for Cash Forward established at 11.0% for the purpose of providing funds to support operations in the new fiscal year until the County's most significant revenue source, property tax, is received. The total of these reserves, 18.5%, is included in the annual approved budget. The policy also establishes the approval required to use these budgeted reserves, and the method in which they are to be replenished. The first three reserves are classified as committed fund balance on the accompanying balance sheet of the General Fund. The fourth reserve (reserve for cash forward) is included within the unassigned fund balance classification. During the budget process to establish the budget for Fiscal Years 2018-19 and 2019-20, due to the inability to fund the entire 18.5% reserve, the Board suspended the budget policy.

6. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION

Cash, Cash Equivalents, Pooled Cash and Investments

The County considers cash and cash equivalents to be cash on hand, demand deposits, and highly liquid investments, including those held as restricted assets, with original maturities of three months or less when purchased. For purposes of the statement of cash flows, the County considers a fund's share of pooled cash and investments to be cash equivalents.

The County pools substantially all cash and investments, except for cash and investments which are maintained in accordance with legal restrictions. Each fund's equity share of the total pooled cash and investments is included under the caption "Pooled Cash and Investments". Interest earned is allocated to the various funds based on their average daily cash balances within the pooled account.

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

The County's investments are recorded at fair value unless the investment qualifies as an external investment pool under the guidance of GASB, which allows under certain criteria these investments to be recorded at amortized costs. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The method of measuring the fair value of investments uses the fair value hierarchy as defined by GASB. See Note C. The Local Government Surplus Funds Trust Fund (Florida Prime) is an investment pool reported at amortized cost which approximates fair value. The Florida Cooperative Liquid Assets Securities System (FLCLASS) and the Florida Local Government Investment Trust (Florida Trust) report all share information at Net Asset Value and reflects share value.

Receivables and Payables

The accounts receivable of the County are recorded in the government-wide and fund financial statements, and are net of an allowance for uncollectible accounts, which generally is equivalent to the receivables that are over 90 days.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a non-spendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, there are three items that qualify for reporting in this category. One is a deferred charge on debt refunding. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions. The deferred outflows related to pensions result from County contributions to the County's retirement plan subsequent to the retirement plan's measurement date, and other timing differences. The third item is related to timing differences associated with benefits paid after the measurement period for post-employment benefits other than pensions.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. There are four items that qualify for reporting in this category. The first two deferred inflows are related to pensions and other post-employment benefits and are the result of certain timing differences and changes in assumptions related to each plan. The third one, reported in the Business-Type Funds, results from grants and other funds available after the revenue recognition period. The County also has recorded amounts associated with long-term receivables, primarily leases, as deferred inflows.

The County also has a deferred inflow in the Balance Sheet of the Governmental Funds. This deferred inflow, unavailable revenue, consists of funds received/receivable by the County that are available in a future period.

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

Unbilled Revenue

Unbilled revenue in the Water and Sewer Fund generally represents revenue earned during the last month of the fiscal year for which bills are sent the following month. Revenue is recognized as Charges for Services when the customer has used the services provided by the County which is also considered to be when it is earned.

Unearned Revenue

Unearned revenue in the Water and Sewer Fund generally represents prepaid connection fees from developers. Such revenues are considered imposed non-exchange transactions. Revenue is recognized when the County has an enforceable legal claim to such connection fees at which time it is reported as capital grants and contributions. The majority of unearned revenue in the governmental funds represents prepaid impact fees which are refundable.

Inventories and Prepaid Items

Inventories are determined by physical count and are valued at cost using the first-in, first-out method. The cost is recorded as an expenditure using the consumption method at the time the individual inventory items are used. Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. In most cases, the prepaid items are recorded as an expenditure using the consumption method at the time the prepaid items are received.

Restricted Assets

The use of certain Enterprise Fund assets is restricted by bond resolution and agreements with various parties. Assets so designated are identified as restricted assets on the Statement of Net Position.

Capital Assets

Capital assets, which include property (land), buildings, infrastructure assets (e.g. roads, bridges, sidewalks and similar items), improvements, equipment, construction in progress and intangible assets (e.g. software) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements as well as the proprietary fund financial statements.

The County has established the following thresholds for additions to capital assets, and estimated useful lives for depreciation purposes:

| | <u>Threshold</u> | <u>Useful Life-Years</u> |
|-----------------------------------|------------------|--|
| Land | \$ - | - |
| Easement | 150,000 | - |
| Right-of-Way | 150,000 | - |
| Buildings | 10,000 | 20-40 |
| Infrastructure | 150,000 | 5-50 |
| Improvements Other Than Buildings | 10,000 | 20 |
| Improvements -Water/Sewer Lines | 10,000 | 50 |
| General Asset Accounts | 100,000 | Based upon group characteristics Life of lease or life of improvement |
| Leasehold Improvements | 150,000 | whichever is shorter |
| Equipment | 5,000 | 5-15 |
| Intangible Assets | 150,000 | Per contractual provisions |

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

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Interest incurred during the construction phase of capital assets in business-type activities is included as part of the capitalized value of the assets constructed. Normal maintenance and repairs to capital assets are not included in the reported value because they do not increase the capacity or extend the useful life of the capital asset.

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. Depreciation is charged as an expense against the operations of the governmental and business-type activities in the government-wide financial statements. Depreciation of assets in the proprietary funds is charged as an expense at the fund level.

Compensated Absences

The County maintains a policy that permits employees to accumulate earned but unused paid time off benefits that will be used as time off in future reporting periods or that may be paid to employees upon separation from County service based on years of service if certain criteria are met. The County's policy also permits employees to either bank a limited amount of paid time off benefits or receive a limited cash buyout on an annual basis, depending on budget availability.

These benefits plus their related taxes are classified as compensated absences. Both the current and long-term portion of compensated absences are accrued and reported in the government-wide and proprietary fund financial statements. A liability is also reported in the governmental funds only if it has matured, for example, as a result of employee resignations and retirements, and is considered due and payable at year-end. Compensated absences have typically been liquidated by the fund in which the employees' salaries are charged, the most significant of these being General Fund, Transportation Trust and Gas Taxes, Hernando County Fire Rescue-Fire, and the Water and Sewer District.

Other Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, discounts, premiums, and bond insurance costs related to long-term debt, and gains/losses on bond refundings are deferred and amortized over the life of the bonds using the straight-line method of accounting. Discounts and premiums are combined with the debt and classified as a liability. Bond insurance is classified as an asset. Gains/losses are classified as deferred inflows/outflows of resources. Discounts, premiums, bond insurance costs, and other issuance costs related to debt in the governmental fund financial statements are recorded as expenditures or other financing sources/uses when paid and therefore are not accounted for in subsequent periods.

State and federal laws and regulations require the Waste Management Division to place a final cover on the landfill cells when they stop accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the Division accrues an estimated portion of these closure and post-closure costs at the balance sheet date.

The County's risk management activities are recorded in Internal Service Funds (Risk Management, Worker's Compensation and Health Insurance). The Worker's Compensation Fund is a self-insurance program for worker's compensation claims on losses up to established maximums and is insured against losses in excess of those amounts. Both the County Health Insurance and Sheriff Health Insurance are self-insurance funds for medical health insurance claims up to established maximums and are insured against losses in excess of those amounts.

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

Based on actuarial estimates, "Claims Liabilities" have been established in the Worker's Compensation, County Health Insurance and Sheriff Health Insurance Funds for claims reported but not paid and incurred but not reported.

Long-term obligations associated with pensions, compensated absences and post-employment liabilities have typically been liquidated by the fund in which the employees' salaries are charged, the most significant of these being General Fund, Transportation Trust and Gas Taxes, Hernando County Fire Rescue – Fire, and the Water and Sewer District.

Leases

The County is a lessee for noncancellable leases of land, building and equipment. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary fund statements.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain indirect costs. The lease asset is amortized on a straight-line basis over the term of the lease.

Key estimated and judgments related to leases include how the County determines (1) the discount rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term included the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments and any purchase option price that the County is reasonably certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Leased assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable
- Amounts expected to be payable by the County under residual value guarantees
- The exercise price of a purchase option if it is reasonably certain the option will be executed
- Payments of penalties for terminating the lease, if the lease term reflects the County exercising the option

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

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Extension and termination options are included in a number of property and equipment leases across the County. These are used to maximize operation flexibility in terms of managing the assets used in the County's operations. The majority of extension and termination options held are exercisable only by the County and not by the respective lessor.

The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used. The incremental borrowing rate is the rate that the individual lease would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-to-use asset in a similar economic environment with similar terms, security and conditions.

Variable payments that depend on an index or a rate (such as the Consumer Price Index or a market interest rate) are initially measured using the index or rate as of the commencement of the lease term.

The County is a lessor for noncancellable leases of land and buildings. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund and proprietary fund statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. The deferred inflow of resources is recognized as revenue over the term of the lease. Key estimated and judgments related to leases include how the County determines (1) the discount rate used to discount the expected lease receipts to present value, (2) lease term, and (3) lease payments.

The County uses its estimated incremental borrowing rate as the discounted rate for leases.

The lease term included the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are comprised of fixed payments from the lessee.

The County monitors changes in circumstances that would require a measurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements (SBITAs)

The County has non-cancellable subscription-based information technology arrangements. A subscription liability and an intangible right-to-use asset are recognized in the government-wide financial statements. At the commencement of a subscription, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term and the liability is reduced by the principal portion of subsequent subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs and is amortized on a straight-line basis over its useful life. The County monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

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

7. EFFECTS OF NEW ACCOUNTING PRONOUNCEMENTS

During the year ended September 30, 2024, the County implemented the following Governmental Accounting Standards Board (GASB) Statements:

- GASB Statement No. 100, *Accounting Changes and Error Corrections* establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). Its implementation has no impact on the County's Financial statements.

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. BUDGETARY COMPARISONS

Only funds with legally adopted budgets are included when the budget to actual expenditures or revenues are compared. The actual figures are presented on the same basis of accounting as the budgeted figures on these statements. Only actual expenditures are compared to budgeted expenditures since all encumbrances lapse at year-end. All funds have legally adopted annual budgets for the fiscal year ended September 30, 2024.

2. DEFICIT FUND BALANCES/NET POSITION

For the year ended September 30, 2024, the following fund had a deficit fund balance:

| | |
|----------------------|-----------|
| Restore Act Projects | \$ 19,094 |
|----------------------|-----------|

The deficit is due to a timing difference between expenditures and reimbursement from a grantor.

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

NOTE C – CASH AND INVESTMENTS

In order to minimize its cost basis and limit taxpayer liability in the provision of a full range of county services, the County manages a portfolio of cash and investments to maximize net investment earnings on invested surplus funds. The Board of County Commissioners and Constitutional Officers each maintain an approved investment policy in compliance with guidelines and restrictions established by Florida Statutes. The primary objective of the investment policy is to assure that investment risk is limited upon order entry. The second criterion is the assurance of liquidity and the third consideration is yield.

The County is authorized to invest surplus public funds in the following:

- The Local Government Surplus Funds Trust Fund, Florida Prime;
- The Florida Local Government Investment Trust, Florida Trust;
- Direct obligations of the United States Treasury;
- Federal agencies and instrumentalities;
- Certain obligations issued or guaranteed by the United States Government Agencies;
- Certain Supranationals;
- Certain Mortgage Backed Securities;
- Certain Interest-bearing time deposits or savings accounts in qualified public depositories;
- Certain repurchase agreements;
- Certain Registered money market funds;
- Certain commercial paper which is rated as prime by at least two nationally recognized statistical rating organizations;
- Certain corporate bonds;
- Certain Domestic Bankers' Acceptances;
- Certain Municipal Debt General Obligation securities;
- Certain Corporate Notes which are rated A or better by at least two nationally recognized statistical rating organizations;
- Certain Asset Backed Securities;
- Other Intergovernmental Investment Pools.

The following is a summary of the carrying amount of cash, investments and cash held with fiscal agent as of September 30, 2024:

| | Governmental Activities | Business Type Activities | Statement of Fiduciary Net Position | Total |
|-----------------------------|------------------------------|------------------------------|---|------------------------------|
| Cash and Cash Equivalents | \$ 26,044,623 | \$ 29,609 | \$ 8,729,943 | \$ 34,804,175 |
| Pooled Cash and Investments | 297,748,288 | 181,731,073 | 2,794,324 | 482,273,685 |
| Cash with Fiscal Agent | 5,149 | 5,559,242 | - | 5,564,391 |
| Total | <u>\$ 323,798,060</u> | <u>\$ 187,319,924</u> | <u>\$ 11,524,267</u> | <u>\$ 522,642,251</u> |

The County had the following deposits, investments and cash held with fiscal agent at September 30, 2024:

| | |
|--------------------------------|------------------------------|
| Deposits | \$ 52,187,962 |
| Cash with Fiscal Agent | 5,564,391 |
| Carrying Amount of Investments | 464,889,898 |
| Total | <u>\$ 522,642,251</u> |

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

DEPOSITS

Deposits represent petty cash and cash held with banks in demand deposit and/or savings accounts. To manage custodial credit risk for deposits, all demand and time deposits, including money market accounts, are insured and collateralized in accordance with Chapter 280, Florida Statutes, which established the Public Deposit Security Trust Fund, a multiple financial institution collateral pool. Florida Statutes Section 280.08 provides for assessments against the members of the pool on a pro rata basis in the event that the collateral pool is insufficient to cover the losses of a member financial institution that fails. As such, all deposits covered by this collateral pool are considered to be fully insured.

CASH WITH FISCAL AGENT

At fiscal yearend, the County had the following funds held by a fiscal agent for the County:

| | |
|------------------------------|----------------------------|
| Non-major Governmental Funds | 5,149 |
| Water & Sewer District | <u>5,559,242</u> |
| Total | <u>\$ 5,564,391</u> |

These funds are held by the State in conjunction for utility relocation projects, and other road improvement projects.

INVESTMENTS

At September 30, 2024, the County's investments consisted of the following:

| | Par Value | Fair Value | 0-3 years | 1-5 years |
|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| United States Treasuries | \$ 195,275,000 | \$ 193,914,464 | \$ 94,269,850 | \$ 99,644,614 |
| Federal Farm Credit Banks | | | | |
| Funding Corporation | 10,800,000 | 10,869,657 | 6,054,083 | 4,815,574 |
| Federal Hermes, Inc. | 5,754,705 | 5,754,705 | 2,551,466 | 3,203,239 |
| Federal Home Loan Bank | 8,725,000 | 8,780,784 | 3,485,899 | 5,294,885 |
| Federal National | | | | |
| Mortgage Association | 560,000 | 539,990 | - | 539,990 |
| Money Market Fund | 1,425,614 | 1,425,614 | 1,425,614 | - |
| Supranationals | 13,000,000 | 13,172,904 | 6,691,809 | 6,481,095 |
| Corporate Notes | 23,090,000 | 23,579,007 | 11,821,081 | 11,757,926 |
| Municipals | 3,815,000 | 3,942,912 | 1,485,677 | 2,457,235 |
| Local Government Surplus Funds | | | | |
| Trust Fund (Florida Prime) | 64,800,482 | 64,800,482 | 64,800,482 | - |
| Florida Local Government | | | | |
| Investment Trust (Florida Trust) | 32,960,246 | 32,960,246 | 32,960,246 | - |
| Florida Cooperative Liquid Assets | | | | |
| Securities System (FLCLASS) | <u>105,149,133</u> | <u>105,149,133</u> | <u>105,149,133</u> | <u>-</u> |
| | <u>\$ 465,355,180</u> | <u>\$ 464,889,898</u> | <u>\$ 330,695,340</u> | <u>\$ 134,194,558</u> |

The County participates in Securities Exchange Commission Registered Money Market Funds. Money Market Funds use amortized cost, which is reported at a stable NAV, typically \$1.00 per share. The money market funds are rated AAA for Credit Quality by Fitch.

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

The County also participates in the following investment pools:

The State of Florida Local Government Surplus Funds Trust Fund (Florida Prime) administered by the State Board of Administration (SBA). This investment pool was created by Section 218.415, Florida Statutes, and operates under investment guidelines established by Section 215.47, Florida Statutes. The County's investments in this pool are reported at amortized cost which approximates fair value and are not subject to the fair value hierarchy.

The Florida Local Government Investment Trust (Florida Trust), which is administered by a Board of Trustees appointed by the Florida Association of Court Clerks and Comptrollers, and the Florida Association of Counties, Inc. The Florida Trust was created in 1992 to provide a means for public entities to pool surplus funds to maintain safety of principal and maximize available yield. The Florida Trust reports all share information at Net Asset Value and reflects share value.

The Florida Cooperative Liquid Assets Securities System (FLCLASS), an independent local government investment pool designed to provide a safe and competitive investment alternative for Florida governmental entities. The management of FLCLASS is under the direction of an appointed Board of Trustees comprised of eligible participants of the FLCLASS program. The FLCLASS reports all share information at Net Asset Value and reflects share value.

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

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value and establishes a Fair Value Hierarchy. The County's investments are recorded at fair value unless the investment qualifies as an external investment pool under the guidance in GASB Statement No. 79. The County's valuation measurement is reflected in the chart above. The Fair Value Hierarchy categorizes the inputs of valuation techniques used to measure fair value into three levels. 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. Following is a description of the three levels of valuation techniques and the specific technique the County uses.

- Level 1 inputs: quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. US Treasuries are valued using quoted prices in active markets from the custodian bank's primary external pricing vendors. Money Market Funds are valued using quoted market prices.
- Level 2 inputs: certain inputs other than quoted prices that are observable for the asset or liability. US Agencies and Instrumentalities, Corporate Notes and Municipal Notes are valued using prices from the custodian bank's external pricing vendors, and often involves the use of evaluation models such as Matrix Pricing, which is based on the securities' relationship to benchmark quoted prices..
- Level 3 inputs: unobservable inputs for an asset or liability. The County didn't have any investments with a Fair Value Hierarchy of Level 3.

At September 30, 2024, the County's investments carried the following Credit Rating and Fair Value Hierarchy:

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

| Type of Investment | Credit Rating | | | Fair Value Hierarchy |
|---|---------------|------------|---------|----------------------|
| | S&P's | Moody's | Fitch | |
| United States Treasuries | AA+ | Aaa | NA | 1 |
| Federal Farm Credit Banks | | | | |
| Funding Corporation | AA+ | Aaa | NA | 2 |
| Federated Hermes, Inc. | AAAm | Aaa | NA | 2 |
| Federal Home Loan Bank | AA+ | Aaa | NA | 2 |
| Federal National | | | | |
| Mortgage Association | AA+ | Aaa | NA | 2 |
| Money Market Fund | NA | NA | AAAmmf | 1 |
| Supranationals | AAA | Aaa | | 2 |
| Corporate Notes | A to AA+ | A2 to Aaa | NA | 2 |
| Municipal Notes | AA- to AAA | Aa3 to Aa2 | NA | 2 |
| Local Government Surplus Funds | | | | |
| Trust Fund (Florida Prime) | AAAm | NA | NA | N/A |
| Florida Local Government | | | | |
| Investment Trust (Florida Trust) | NA | NA | AAAf/S1 | N/A |
| Florida Cooperative Liquid Assets Securities System (FLCLASS) | AAAm | NA | NA | N/A |

Management of the following investment risks are addressed below:

- Custodial credit risk – risk that a government will not be able to recover deposits or the value of an investment that's in the possession of a failed institution or counterparty;
- Credit risk – risk of loss from an issuer's failure to repay principal and/or interest on a debt obligation;
- Liquidity risk – risk that an investment cannot be bought or sold quickly enough to minimize a loss stemming from a lack of marketability;
- Concentration of investment risk – increasing probability of loss arising from heavily lopsided exposure to an asset class, issuer, structure or maturity;
- Interest rate risk – risk that a security's value will decrease with a rise in interest rates.

To manage custodial credit risk for investments, the County's investment policy specifies the County will execute a Third-Party Custodial Safekeeping Agreement with a commercial bank's trust department separately chartered by the U.S. Government or State of Florida. In addition, no more than 25% of the entire portfolio may be placed with any one financial institution or securities dealer. All securities purchased by the County are properly designated as an asset of the County and are held in safekeeping by the bank's trust department.

To manage credit risk, the County's investment policy identifies and limits investments to only top ratings issued by nationally recognized statistical rating organizations. At order entry, the County's investments in Federal Farm Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association, and Supranationals were rated Aaa by Moody's Investor Service. At order entry, the County's investments in corporate and municipal notes were rated A or better.

To manage liquidity risk, the County's investment policy identifies and limits investment to only top ratings issued by nationally recognized statistical rating organizations. In order to ensure deep liquid markets, the County's investment policy identifies and limits investment in corporate notes to domestic issuers. Position size is also taken into consideration with regard to liquidity risk.

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

To manage concentration of investment risk, the County's investment policy stipulates maximum limitation guidelines for diversification by instrument. A maximum of 50% of the portfolio may be invested in each of the Florida Trust and Local Government Surplus Funds Trust Fund (Florida Prime) individually. Investment maximum limitations range from 10% to 80% for each of the remaining types of investments. More than 5% of the County's total investments are invested in US Treasuries and Corporate Notes.

To manage interest rate risk, the County maintains a formal investment policy that limits investment maturities not to exceed seven (7) years. The County maintains and reports interest rate risk using the segmented time distribution method. This coupled with a diversified portfolio of differing maturities that employ callable, floating, and structured securities limits exposure to fair value losses arising from interest rate risk.

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

NOTE D – RECEIVABLES

Accounts receivable at September 30, 2024, for the County's individual major funds and non-major funds in total, including applicable allowances for uncollectible accounts were as follows:

| | Accounts Receivable Gross | Allowance for Uncollectible Accounts | Accounts Receivable Net |
|-------------------------------------|------------------------------|--|----------------------------|
| General Fund | \$ 809,613 | \$ 739,955 | \$ 69,658 |
| Transportation Trust and Gas Taxes | 89,023 | 44,473 | 44,550 |
| Hernando County Fire Rescue -Fire | 91,157 | 58,671 | 32,486 |
| Hernando County Fire Rescue -Rescue | 23,084,744 | 11,326,187 | 11,758,557 |
| Water and Sewer District | 6,519,950 | 342,483 | 6,177,467 |
| Aviation Operations | 84,086 | 75,391 | 8,695 |
| Waste Management | 680,956 | 58,751 | 622,205 |
| Building Department | 188,612 | 187,498 | 1,114 |
| Non-major government funds | 14,110,465 | 13,906,855 | 203,610 |
| Internal Service Funds | 5,393 | - | 5,393 |
| Total | \$ 45,663,999 | \$ 26,740,264 | \$ 18,923,735 |

Included in accounts receivable in the Water and Sewer District are unbilled amounts totaling \$2,696,363 earned in September 2024 but billed in October 2024.

The County's State Housing Initiatives Partnership (SHIP) program offers zero-interest rate loans for housing rehabilitation or down payment assistance to qualified recipients. Currently, the loans are required to be repaid at the sale/transfer of the property if made before 30 years. Loans are forgiven if the recipient remains in the house beyond 30 years. The County has recorded the gross amount of the receivable as an asset of \$13.9 million, fully offset by an allowance for uncollectible receivables.

Due from Other Governments at September 30, 2024, for the County's individual major funds and non-major funds were as follows:

| | Due from Grantors | Due from State | Other | Total |
|-------------------------------------|----------------------|---------------------|---------------------|----------------------|
| General Fund | \$ 3,099,881 | \$ 1,198,873 | \$ 1,731,571 | \$ 6,030,325 |
| Transportation Trust and Gas Taxes | 157,384 | 1,392,996 | - | 1,550,380 |
| Hernando County Fire Rescue -Fire | 57,899 | - | - | 57,899 |
| Hernando County Fire Rescue -Rescue | 251,593 | - | 7,260 | 258,853 |
| Water and Sewer District | 1,560,191 | - | 34,531 | 1,594,722 |
| Aviation Operations | 1,059,300 | - | - | 1,059,300 |
| Waste Management | 290,433 | - | - | 290,433 |
| Building Department | 7,111 | - | - | 7,111 |
| Non-major government funds | 436,607 | - | 330,975 | 767,582 |
| Internal Service Funds | 13,781 | 145 | - | 13,926 |
| Total | \$ 6,934,180 | \$ 2,592,014 | \$ 2,104,337 | \$ 11,630,531 |

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

NOTE E – LEASE RECEIVABLES

The County leases land and buildings to third parties. As of September 30, 2024, The County's lease receivables were valued at \$44,299,815 and the deferred inflow of resources associated with these leases that will be recognized as revenue over the term of the leases was \$43,157,530. Included in revenue was lease revenue of \$335,309 and \$423,612 for governmental and business-type activities, respectively. Interest revenue from leases of \$143,294 and \$945,816 was recorded for governmental and business-type activities, respectively.

The lease receivables for Governmental and Business-Type Activities at September 30, 2024 were as follows:

Governmental Activities

| | |
|---|-----------------------------|
| Land leases - annual lease payments totaling \$78,819 plus interest for 2024 at rates ranging from 3.42% to 4.00%, final maturities ranging from 2026 to 2060 | \$ 2,031,926 |
| Building leases - annual lease payments totaling \$34,827 plus interest for 2024 at rates ranging from 3.42% to 3.90%, final maturities ranging from 2025 to 2123 | 12,803,396 |
| Total Governmental Activities Lease Receivables | <u><u>\$ 14,835,322</u></u> |

Business-Type Activities

| | |
|---|-----------------------------|
| Land leases - annual lease payments totaling \$432,191 plus interest for 2024 at rates ranging from 3.42% to 4.00%, due dates ranging from 2025 to 2090 | \$ 29,464,493 |
| Total Business-Type Activities Lease Receivables | <u><u>\$ 29,464,493</u></u> |

NOTE F – RESTRICTED ASSETS

As of September 30, 2024, restricted assets were held for the following purposes:

| | Cash with Fiscal Agent | Pooled Cash and Investments and Other Investments | Total |
|--------------------------------|----------------------------|---|-----------------------------|
| Non-major government funds | \$ 5,149 | \$ - | \$ 5,149 |
| Total Governmental Activities | <u><u>5,149</u></u> | <u><u>-</u></u> | <u><u>5,149</u></u> |
| Water and Sewer District | | | |
| Construction | 5,559,242 | 19,968,549 | 25,527,791 |
| Renewal and Replacement | - | 5,975,623 | 5,975,623 |
| Total Water and Sewer District | <u><u>5,559,242</u></u> | <u><u>25,944,172</u></u> | <u><u>31,503,414</u></u> |
| Waste Management | | | |
| Construction | - | 13,043,398 | 13,043,398 |
| Landfill Closure/Post-closure | - | 11,682,915 | 11,682,915 |
| Total Waste Management | <u><u>-</u></u> | <u><u>24,726,313</u></u> | <u><u>24,726,313</u></u> |
| Total Business-Type Activities | <u><u>\$ 5,559,242</u></u> | <u><u>\$ 50,670,485</u></u> | <u><u>\$ 56,229,727</u></u> |

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

NOTE G – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024, was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|------------------------------|-----------------------------|--------------------|------------------------------|
| Governmental Activities | | | | |
| Capital assets, not being depreciated/amortized: | | | | |
| Land | \$ 33,622,020 | \$ 3,362,926 | \$ - | \$ 36,984,946 |
| Construction in Progress | 33,488,749 | 29,740,601 | - | 63,229,350 |
| Total capital assets, not being depreciated/amortized: | <u>67,110,769</u> | <u>33,103,527</u> | <u>-</u> | <u>100,214,296</u> |
| Capital assets, being depreciated/amortized: | | | | |
| Buildings | 135,978,574 | - | - | 135,978,574 |
| Infrastructure | 334,751,141 | 13,674,094 | - | 348,425,235 |
| Improvements other than buildings | 34,740,582 | 354,750 | - | 35,095,332 |
| Equipment | 87,595,408 | 9,632,100 | 1,067,616 | 96,159,892 |
| Software | 1,329,960 | - | - | 1,329,960 |
| Right-to-use land | 3,789,035 | - | - | 3,789,035 |
| Right-to-use building | 1,328,585 | 786,617 | - | 2,115,202 |
| Right-to-use equipment | 394,419 | - | 394,419 | - |
| SBITA | 2,067,860 | 946,571 | - | 3,014,431 |
| Total capital assets, being depreciated/amortized: | <u>601,975,564</u> | <u>25,394,132</u> | <u>1,462,035</u> | <u>625,907,661</u> |
| Less accumulated depreciation/amortization for: | | | | |
| Buildings | 70,688,244 | 3,571,880 | - | 74,260,124 |
| Infrastructure | 149,739,843 | 9,714,130 | - | 159,453,973 |
| Improvements other than buildings | 24,262,132 | 997,945 | - | 25,260,077 |
| Equipment | 53,091,830 | 5,526,821 | 1,067,616 | 57,551,035 |
| Software | 1,112,342 | - | - | 1,112,342 |
| Right-to-use land | 324,040 | 181,717 | - | 505,757 |
| Right-to-use building | 539,674 | 279,536 | - | 819,210 |
| Right-to-use equipment | 394,418 | - | 394,418 | - |
| SBITA | 342,587 | 562,933 | - | 905,520 |
| Total accumulated depreciation/amortization for: | <u>300,495,110</u> | <u>20,834,962</u> | <u>1,462,034</u> | <u>319,868,038</u> |
| Total capital assets, being depreciated/amortized, net | <u>301,480,454</u> | <u>4,559,170</u> | <u>1</u> | <u>306,039,623</u> |
| Capital assets, net | <u><u>\$ 368,591,223</u></u> | <u><u>\$ 37,662,697</u></u> | <u><u>\$ 1</u></u> | <u><u>\$ 406,253,919</u></u> |

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

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|------------------------------|-----------------------------|--------------------|------------------------------|
| Business-Type Activities | | | | |
| Capital assets, not being depreciated/amortized: | | | | |
| Land | \$ 10,429,374 | \$ 350,644 | \$ - | \$ 10,780,018 |
| Construction in Progress | 48,375,318 | 9,862,937 | - | 58,238,255 |
| Total capital assets, not being depreciated/amortized: | <u>58,804,692</u> | <u>10,213,581</u> | <u>-</u> | <u>69,018,273</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 22,426,247 | - | - | 22,426,247 |
| Infrastructure | 3,563,251 | - | - | 3,563,251 |
| Improvements other than buildings | 446,167,051 | 15,572,659 | - | 461,739,710 |
| Equipment | 9,864,488 | 1,212,218 | 71,831 | 11,004,875 |
| Software | 228,323 | 713,584 | - | 941,907 |
| Right-to-use equipment | - | 3,454,702 | - | 3,454,702 |
| Total capital assets, being depreciated: | <u>482,249,360</u> | <u>20,953,163</u> | <u>71,831</u> | <u>503,130,692</u> |
| Less accumulated depreciation/amortization for: | | | | |
| Buildings | 8,772,243 | 640,740 | - | 9,412,983 |
| Infrastructure | 1,071,888 | 89,258 | - | 1,161,146 |
| Improvements other than buildings | 211,751,289 | 10,012,336 | - | 221,763,625 |
| Equipment | 6,753,502 | 581,182 | 71,831 | 7,262,853 |
| Software | 148,410 | 45,665 | - | 194,075 |
| Right-to-use equipment | - | 808,430 | - | 808,430 |
| Total accumulated depreciation/amortization for: | <u>228,497,332</u> | <u>12,177,611</u> | <u>71,831</u> | <u>240,603,112</u> |
| Total capital assets, being depreciated, net | <u>253,752,028</u> | <u>8,775,552</u> | <u>-</u> | <u>262,527,580</u> |
| Capital assets, net | <u><u>\$ 312,556,720</u></u> | <u><u>\$ 18,989,133</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 331,545,853</u></u> |

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

Depreciation and amortization expense was charged to functions as follows:

| | |
|---|----------------------|
| Governmental Activities | |
| General Government | \$ 6,722,152 |
| Public Safety | 1,110,815 |
| Physical Environment | 368,355 |
| Transportation | 10,429,807 |
| Human Services | 1,575,297 |
| Culture and Recreation | 530,715 |
| Court Operations | <u>97,821</u> |
| Total Depreciation and Amortization for Governmental Activities | <u>\$ 20,834,962</u> |
| | |
| Business-Type Activities | |
| Water and Sewer District | \$ 8,975,735 |
| Aviation Operations | 1,388,692 |
| Waste Management | <u>1,813,184</u> |
| Total Depreciation and Amortization for Business-Type Activities | <u>\$ 12,177,611</u> |

Construction or capital improvement commitments outstanding as measured by purchase orders and contracts outstanding at September 30, 2024 were as follows:

| | Construction Commitments Outstanding |
|--------------------------------------|--|
| General Fund | \$ 17,453,324 |
| Transportation Trust and Gas Taxes | 5,215,245 |
| Hernando County Fire Rescue - Fire | 32,292 |
| Hernando County Fire Rescue - Rescue | 30,728 |
| Non-major governmental funds | |
| Stormwater Management | 992,966 |
| Court-Related Funds | 361,329 |
| Miscellaneous Special Revenue Funds | 216 |
| Impact Fees Capital Projects Fund | 2,128,069 |
| Restore Act Projects | 74,998 |
| Water and Sewer District | 12,181,887 |
| Aviation Operations | 4,719,029 |
| Waste Management | 4,736,662 |
| Internal service funds | |
| Central Fueling System | 14,817 |
| Fleet Replacement | <u>9,405,819</u> |
| Total | <u>\$ 57,347,381</u> |

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

NOTE H – INTERFUND TRANSACTIONS

1. DUE TO / DUE FROM OTHER FUNDS

Interfund balances at September 30, 2024 were as follows:

| | Interfund Receivable | Interfund Payable |
|------------------------------|--------------------------|--------------------------|
| General Fund | | |
| Non-major Governmental Funds | \$ 61,011 | \$ - |
| | <u>61,011</u> | <u>-</u> |
| Non-major Governmental Funds | | |
| General Fund | - | 61,011 |
| Water and Sewer District | <u>-</u> | <u>72,644</u> |
| | <u>-</u> | <u>133,655</u> |
| Water and Sewer District | | |
| Non-major Governmental Funds | <u>72,644</u> | - |
| | <u>72,644</u> | <u>-</u> |
| Total | <u><u>\$ 133,655</u></u> | <u><u>\$ 133,655</u></u> |

The outstanding balances between funds generally result from recording excess fees associated with Tax Collector and Property Appraiser services, as excess fees are allocated from the General Fund back to the funds that paid for the collection services. Excess fees are calculated after year end, and as such are interfund receivables and payables. Other outstanding balances are the result of time delays between transactions recorded in the accounting system and payments being made between funds.

2. ADVANCES TO / ADVANCES FROM OTHER FUNDS

Individual interfund advances were as follows:

| | Advances to Other Funds | Advances from Other Funds |
|---|----------------------------|------------------------------|
| General Fund | \$ 450,000 | \$ - |
| Special Revenue Funds | | |
| Miscellaneous Special Revenue Funds | - | 450,000 |
| <p>The General Fund advanced \$450,000 at 0% interest, to establish a separate fund within Miscellaneous Special Revenue funds for the Hernando/Citrus Metropolitan Planning Organization. A date for final reimbursement has not been determined</p> | | |
| Total | <u><u>\$ 450,000</u></u> | <u><u>\$ 450,000</u></u> |

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

3. INTERFUND TRANSFERS

Transfers are used to (1) move revenues from the fund in which statute or budget requires the money to be collected to the fund in which statute or budget requires the money to be spent, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

| | Transfers In | Transfers Out |
|--------------------------------------|------------------|------------------|
| General Fund | | |
| Transportation Trust and Gas Taxes | \$ 1,251,510 | \$ 160,269 |
| Hernando County Fire Rescue - Fire | 69,759 | 383,054 |
| Hernando County Fire Rescue - Rescue | 47,729 | 168,939 |
| Non-major Governmental Funds | 113,184 | 4,548,349 |
| Water and Sewer District | - | 12,243 |
| Internal Service Funds | - | 1,301,919 |
| | <u>1,482,182</u> | <u>6,574,773</u> |
| Transportation Trust and Gas Taxes | | |
| General Fund | 160,269 | 1,251,510 |
| Non-Major Governmental Funds | 232,425 | 63,411 |
| Internal Service Funds | 85,265 | 409,285 |
| | <u>477,959</u> | <u>1,724,206</u> |
| Hernando County Fire Rescue - Fire | | |
| General Fund | 383,054 | 69,759 |
| Non-Major Governmental Funds | - | 269,706 |
| Internal Service Funds | - | 750,241 |
| | <u>383,054</u> | <u>1,089,706</u> |
| Hernando County Fire Rescue - Rescue | | |
| General Fund | 168,939 | 47,729 |
| Non-Major Governmental Funds | 30,000 | 134,843 |
| Internal Service Funds | - | 419,162 |
| | <u>198,939</u> | <u>601,734</u> |

(continued)

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

| | | |
|--------------------------------------|----------------------|----------------------|
| Non-major Governmental Funds | | |
| General Fund | 4,548,349 | 113,184 |
| Transportation Trust and Gax Taxes | 63,411 | 232,425 |
| Hernando County Fire Rescue - Fire | 269,706 | - |
| Hernando County Fire Rescue - Rescue | 134,843 | 30,000 |
| Non-major Governmental Funds | 7,700,587 | 7,700,587 |
| Internal Service Funds | 63,410 | 346,068 |
| | <u>12,780,306</u> | <u>8,422,264</u> |
| Water and Sewer District | | |
| General Fund | 12,243 | - |
| Internal Service Funds | <u>-</u> | <u>569,447</u> |
| | <u>12,243</u> | <u>569,447</u> |
| Aviation Operations | | |
| Internal Service Funds | <u>-</u> | <u>30,234</u> |
| | <u>-</u> | <u>30,234</u> |
| Waste Managmenet | | |
| Internal Service Funds | <u>-</u> | <u>140,129</u> |
| | <u>-</u> | <u>140,129</u> |
| Building Department | | |
| Internal Service Funds | <u>-</u> | <u>180,634</u> |
| | <u>-</u> | <u>180,634</u> |
| Internal Service Funds | | |
| General Fund | 1,301,919 | - |
| Transportation Trust and Gas Taxes | 409,285 | 85,265 |
| Hernando County Fire Rescue - Fire | 750,241 | - |
| Hernando County Fire Rescue - Rescue | 419,162 | - |
| Non-major Governmental Funds | 346,068 | 63,410 |
| Water and Sewer District | 569,447 | - |
| Aviation Operations | 30,234 | - |
| Waste Managmenet | 140,129 | - |
| Building Department | 180,634 | - |
| Internal Service Funds | 72,594 | 72,594 |
| | <u>4,219,713</u> | <u>221,269</u> |
| Total | <u>\$ 19,554,396</u> | <u>\$ 19,554,396</u> |

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 |

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

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 | \$ 24,480,412 | \$ 220,497 |

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

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

| | |
|---|---------------|
| 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. | <u>41,227</u> |
| | \$ 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 |

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

| | |
|---|---------|
| 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 |

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

| | |
|---|---------|
| 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 |

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

| | |
|---|--------------|
| 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. | 99,048 |
| | \$ 1,648,570 |

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:

| | |
|---|-----------|
| 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 |
| Dolquieb 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 |

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

| | |
|--|--|
| 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. | 355,353 |
| | <hr style="width: 100px; margin-left: 0; border: 0.5px solid black;"/> |
| | \$ 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.

156,180

\$ 352,269

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

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. | <u>242,506</u> |
| | \$ 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. | <u>3,764,000</u> |
| 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. | <u>4,765,000</u> |
| Total Governmental Activities Loans and Notes | <u><u>\$ 24,480,412</u></u> |

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

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><u>\$ 24,480,412</u></u> | <u><u>\$ 3,104,032</u></u> | <u><u>\$ 27,584,444</u></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-Hangar 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 |

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

2. LEASES PAYABLE

Governmental Activities

The County is a lessee for noncancelable 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 | \$ 4,479,405 | \$ 786,617 | \$ 358,230 | \$ 4,907,792 | \$ 351,945 |

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 | \$ 3,575,210 | \$ 1,838,211 |

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
NOTES TO THE FINANCIAL STATEMENTS
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 | \$ 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 noncancelable 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
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE J – RETIREMENT SYSTEM

General Information about the Florida Retirement System (FRS)

The Florida Retirement System (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 are eligible to enroll as members of the state-administered FRS. Provisions relating to 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 escribed in detail. Such provisions may be amended at any time by further action from Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined-benefit plans and other nonintegrated programs. A annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

For the year ended September 30, 2024, the County's contributions to all Plans totaled \$25,902,328. For further information of contributions by plan for each of the Constitutional Officers, see the schedule below:

| | Florida Retirement System (FRS) | Health Insurance Subsidy (HIS) | Investment Plan | Total |
|-------------------------------|---------------------------------------|-----------------------------------|----------------------------|-----------------------------|
| Board of County Commissioners | \$ 9,849,996 | \$ 1,080,990 | \$ 986,214 | \$ 11,917,200 |
| Clerk of Circuit Court | 715,278 | 121,475 | 175,721 | 1,012,474 |
| Property Appraiser | 406,618 | 49,850 | 33,082 | 489,550 |
| Tax Collector | 466,334 | 53,419 | 54,122 | 573,875 |
| Sheriff | 9,892,460 | 858,563 | 973,631 | 11,724,654 |
| Supervisor of Elections | 146,827 | 13,978 | 23,770 | 184,575 |
| | <u>\$ 21,477,513</u> | <u>\$ 2,178,275</u> | <u>\$ 2,246,540</u> | <u>\$ 25,902,328</u> |

Payables to the Pension Plan—The County reported a payable of \$2,353,177 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2024.

Total pension expense was \$23,327,400 for the fiscal year ended September 30, 2024.

1. FRS PENSION PLAN

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

- *Regular Class*—Members of the Plan who do not qualify for membership in the other classes.
- *Elected County Officer Class*—Members who hold specified elective offices in local government.
- *Senior Management Service Class*—Members in senior management level positions.
- *Special Risk Class*—Members who are employed as law enforcement, fire and rescue and others who meet the criteria to qualify for this class.

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

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the plan on or after July 1, 2011, vest at eight 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, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 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, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of the plan may include up to four 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 adjustment to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipts of monthly benefit payments while continuing employment with an FRS employer.

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

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal year's 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. Certain members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

| <u>Class, Initial Enrollment and Retirement age/Years of Service</u> | <u>Percent Value</u> |
|--|----------------------|
| Regular Class Members Initially Enrolled Before July 1, 2011: | |
| 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 years of service | 1.68 |
| Regular Class Members Initially Enrolled on or After July 1, 2011: | |
| 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 years of service | 1.68 |
| Elected County Officers | 3.00 |
| Circuit and County Court Judges | 3.33 |
| Senior Management Service Class | 2.00 |
| Special Risk Class | |
| Service from December 1, 1970 thru September 30, 1974 | 2.00 |
| Service on and after October 1, 1974 | 3.00 |

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an

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individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2023-2024 fiscal year (September 30th) were as follows:

| | Year Ended June 30, 2024 | | Year Ended June 30, 2025 | |
|--|---|---|---|---|
| | Percent of Gross Compensation Employee | Percent of Gross Compensation Employer | Percent of Gross Compensation Employee | Percent of Gross Compensation Employer |
| FRS, Regular | 3.00 | 11.51 | 3.00 | 11.57 |
| FRS, Special Risk Regular | 3.00 | 30.61 | 3.00 | 30.73 |
| FRS, Elected County Officers | 3.00 | 56.62 | 3.00 | 56.62 |
| FRS, Circuit and County Court Judges | 3.00 | 42.83 | 3.00 | 43.39 |
| FRS, Senior Management Service | 3.00 | 32.46 | 3.00 | 32.46 |
| DROP, Applicable to Members from All of the Above Classes | 0.00 | 19.13 | 0.00 | 19.13 |

Notes: (1) These rates include the normal cost and unfunded actuarial liability contributions but do not include the 2.00% contribution for the Retiree Health Insurance Subsidy and the fee of 0.06% for administration of the FRS Investment Plan and provision of educational tools for both plans.

The County contributions, including employee contributions, to the Plan totaled \$21,477,513 for the fiscal year ended September 30, 2024. This excludes the HIS and Investment Plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2024, the County reported a liability of \$141,823,364 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The County's proportionate share of the net pension liability was based on the County's 2023-24 fiscal year contributions relative to the 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the County's proportion was 0.366613552%, which was an increase of .023008706% from its proportion measured as of June 30, 2023.

For the year ended September 30, 2024, the County recognized pension expense of \$26,861,154 related to the Plan. At September 30, 2024, the County 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 |
|---|--------------------------------------|----------------------------------|
| Contributions Subsequent to the Measurement Date | \$ 5,967,332 | \$ - |
| Difference between Expected and Actual Experience | 14,327,968 | - |
| Changes in Assumptions | 19,438,189 | - |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | - | 9,426,319 |
| Employer Specific Amounts Due to Changes in Employer Proportion | 7,970,113 | 4,773,272 |
| Total | \$ 47,703,602 | \$ 14,199,591 |

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The deferred outflows of resources related to pensions, totaling \$5,967,332, resulting from County contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 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</u> | <u>Amount</u> |
|---------------------------|-----------------------------|
| 2025 | \$ (2,314,966) |
| 2026 | 23,677,794 |
| 2027 | 3,026,208 |
| 2028 | 1,447,167 |
| 2029 | 1,700,476 |
| Total | <u>\$ 27,536,679</u> |

For information regarding the Net Pension Liability, Deferred Outflows of Resources, and Deferred Inflows of Resources by Constitutional Officer, see the table below:

| | Net Pension Liability | Deferred Outflows of Resources | Deferred Inflows of Resources |
|-------------------------------|------------------------------|--------------------------------------|----------------------------------|
| Board of County Commissioners | \$ 65,858,428 | \$ 20,102,588 | \$ 6,820,977 |
| Clerk of Circuit Court | 4,836,378 | 1,586,248 | 580,893 |
| Property Appraiser | 2,723,188 | 792,294 | 311,968 |
| Tax Collector | 3,094,551 | 956,136 | 306,951 |
| Sheriff | 64,320,750 | 23,925,898 | 6,041,350 |
| Supervisor of Elections | 990,069 | 340,438 | 137,452 |
| | <u>\$ 141,823,364</u> | <u>\$ 47,703,602</u> | <u>\$ 14,199,591</u> |

Actuarial Assumptions. The total pension liability in the July 1, 2024 actuarial valuation was determined using the individual entry age cost method and the following actuarial assumptions:

| | |
|--|-----------------------------------|
| Inflation | 2.40% |
| Salary Increases | 3.50% Average, Included Inflation |
| Discount Rate | 6.70% |
| Long-term Expected Rate of Return, Net of Investment | |
| Expense | 6.70% |
| Municipal Bond Index | N/A |

Mortality rates were based on the PUB2010 Base Table, varying by member, category & sex, projected generationally with SCALE MP 2021.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class

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assumption is based on a consistent set of underlying assumptions, and includes an adjustment or 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 | Annual Arithmetic Return | Compound Annual (Geometric) Return | Standard Deviation |
|------------------------|-------------------|--------------------------|------------------------------------|--------------------|
| Cash | 1.0% | 3.3% | 3.3% | 1.1% |
| Fixed Income | 29.0% | 5.7% | 5.6% | 3.9% |
| Global Equity | 45.0% | 8.6% | 7.0% | 18.2% |
| Real Estate | 12.0% | 8.1% | 6.8% | 16.6% |
| Private Equity | 11.0% | 12.4% | 8.8% | 28.4% |
| Strategic Investments | 2.0% | 6.6% | 6.2% | 8.7% |
| Total | 100.0% | | | |
| Assumed Inflation-Mean | | | 2.4% | 1.5% |

Discount Rate. The discount rate used to measure the total pension liability in the July, 2024 valuation was 6.70%. The Plan's fiduciary net pension 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 County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.70%) or 1-percentage-point higher (7.70%) than the current rate:

| | 1% Decrease 5.70% | Current Discount Rate 6.70% | 1% Increase 7.70% |
|--|----------------------|--------------------------------|----------------------|
| Employer's Proportionate Share of Net Pension Liability (Asset) | \$ 249,462,331 | \$ 141,823,364 | \$ 51,652,898 |

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.

2. HIS PENSION PLAN

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature established and amends the contribution requirements and benefit terms of the HIS program. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs.

Benefits Provided. For the fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplies by \$5. The minimum HIS payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida

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Statutes. To be eligible to receive a HIS Plan benefit, a retiree under the State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the Plan fiscal years ended June 30, 2024, the contribution rates were 2.0% of payroll, pursuant to Section 112.363, Florida Statutes. The County contributed 100% of its statutorily required contributions for the current and preceding three 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 a full subsidy benefit to all participants, benefits may be reduced or cancelled.

The County's contributions to the HIS Plan totaled \$2,178,275 for the fiscal year ended September 30, 2024. This excludes the Pension Plan and Investment Plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2024, the County reported a liability of \$37,271,879 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The County's proportionate share of the net pension liability was based on the County's 2023-24 fiscal year contributions relative to the 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the County's proportion was 0.248463016%, which was an increase of .007769659% from its proportion measured as of June 30, 2023.

For the year ended September 30, 2024, the County recognized pension expense of \$1,867,432 related to the Plan. At September 30, 2024, the County 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 |
|---|--------------------------------------|----------------------------------|
| Contributions Subsequent to the Measurement Date | \$ 600,389 | \$ - |
| Difference between Expected and Actual Experience | 359,885 | 71,567 |
| Changes in Assumptions | 659,625 | 4,412,513 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | - | 13,479 |
| Employer Specific Amounts Due to Changes in Employer Proportion | 1,842,673 | 611,277 |
| Total | \$ 3,462,572 | \$ 5,108,836 |

The deferred outflows of resources related to pensions, totaling \$600,389, resulting from County contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 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 | Amount |
|--------------------|-----------------------|
| 2025 | \$ (257,880) |
| 2026 | (455,856) |
| 2027 | (768,502) |
| 2028 | (521,406) |
| 2029 | (196,663) |
| Thereafter | (46,346) |
| Total | \$ (2,246,653) |

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For information regarding the Net Pension Liability, Deferred Outflows of Resources, and Deferred Inflows of Resources by Constitutional Officer, see the table below:

| | Net Pension Liability | Deferred Outflows of Resources | Deferred Inflows of Resources |
|-------------------------------|-----------------------------|--------------------------------------|----------------------------------|
| Board of County Commissioners | \$ 18,642,802 | \$ 1,344,554 | \$ 2,774,576 |
| Clerk of Circuit Court | 2,101,496 | 219,478 | 255,481 |
| Property Appraiser | 859,516 | 48,440 | 148,964 |
| Tax Collector | 924,692 | 70,051 | 135,199 |
| Sheriff | 14,499,960 | 1,738,638 | 1,749,695 |
| Supervisor of Elections | 243,413 | 41,411 | 44,921 |
| | <u><u>\$ 37,271,879</u></u> | <u><u>\$ 3,462,572</u></u> | <u><u>\$ 5,108,836</u></u> |

Actuarial Assumptions. The total pension liability in the July 1, 2024 actuarial valuation, was determined using the individual entry age cost method and the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|--|-----------------------------------|
| Inflation | 2.40% |
| Salary Increases | 3.50% Average, Included Inflation |
| Discount Rate | 3.93% |
| Long-term Expected Rate of Return, Net of Investment | |
| Expense | N/A |
| Municipal Bond Index | 3.93% |

Mortality rates were based on the Generational PUB 2010 with Projection Scale MP 2021.

The actuarial assumptions used in the June 30, 2024 valuation, were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

Discount Rate. The discount rate used to measure the total pension liability was 3.93%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 3.93%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

| | 1% Decrease 2.93% | Current Discount Rate 3.93% | 1% Increase 4.93% |
|--|-----------------------------|--------------------------------|-----------------------------|
| Employer's Proportionate Share of Net Pension Liability (Asset) | <u><u>\$ 42,429,245</u></u> | <u><u>\$ 37,271,879</u></u> | <u><u>\$ 32,990,433</u></u> |

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Pension Plan Fiduciary Net Pension. 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.

3. FRS-DEFINED CONTRIBUTION PENSION PLAN

The County contributes to the FRS Investment Plan (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. Service retirement benefits are based upon the value of the member's account upon retirement.

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. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to the individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officials, 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. Allocations to the Investment members' accounts during the 2023-24 fiscal year are as follows:

| | Percent of Gross Compensation | |
|--------------------------------|-------------------------------|----------|
| | Employee | Employer |
| FRS, Regular | 3.00 | 8.30 |
| FRS, Special Risk Regular | 3.00 | 16.00 |
| FRS, Elected County Officers | 3.00 | 13.34 |
| FRS, Senior Management Service | 3.00 | 9.67 |

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Plan is transferred to the Investment Plan, the member must have the years of service required for Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeit benefits of Investment Plan members. For the fiscal year September 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 County.

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 Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

Pension expense for the County's Investment Plan totaled \$2,246,540 for the fiscal year ended September 30, 2024.

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NOTE K – POST EMPLOYMENT BENEFITS OTHER THAN PENSION

1. SUMMARY AND PLAN DESCRIPTION

In addition to the retirement plan described in Note J, the County provides post-retirement health care benefits in accordance with Section 112.0801, Florida Statutes, to all employees who retire from employment with the County. This is administered via a single-employer defined benefit healthcare plan (the "Plan"). In most cases, the retiree pays 100% of the premium cost for the retiree to participate in the County's insurance program. Because retirees are paying for insurance at the County group rate, the cost is lower than age adjusted rates they would acquire on their own. When a single premium is established for both active employees and retirees, the retiree 'benefits' from an abnormally low premium. Governmental Accounting Standards Board (GASB) Statement No. 45 describes such an arrangement as an 'implicit rate subsidy' and mandates that it be treated as Other Post-Employment Benefits (OPEB) even though the employer makes no payments directly on behalf of retirees. The Plan provides healthcare benefits including medical coverage, prescription drug benefits, vision care, dental care and life insurance coverage to both active and eligible retired employees. Dental and vision care benefits are immaterial and are not believed to result in an OPEB; therefore, they are not included in the OPEB calculation. The Plan does not issue a separate financial report.

Currently, there are no direct subsidies provided by any of the County agencies to retired employees. The Sheriff's Office has offered a subsidy to help pay the premium required to continue coverage under the County's plan, but effective November 1, 2010, that was discontinued.

Eligibility for participation in the Plan is limited to full time employees of the County, employees who are active participants in the Plan at the time of retirement, who retire and are either vested with the Florida Retirement System (FRS), are vested in the FRS and are age 62, have 30 years of creditable service before age 62, or meet alternative criteria if disabled or a member of a Special Risk Class. Surviving spouses or dependents of participating retirees may continue in the Plan if eligibility criteria specific to those classes are met. In an open session, the County approves the Plan rates for the enrollment period, and may amend the Plan with changes to the benefits, premiums and/or levels of participant contribution at any time.

The actuarial valuation of the OPEB liabilities was determined as of September 30, 2022 with a measurement date of September 30, 2023. These liabilities are used for the reporting period ending September 30, 2024.

| | |
|--------------------------|-----------|
| Actuarial Valuation Date | 9/30/2022 |
| Measurement Date | 9/30/2023 |
| County's Reporting Date | 9/30/2024 |

At September 30, 2022, the date of the latest actuarial valuation, plan participation consisted of:

| | |
|---|-------------|
| Active Plan Participants | 1435 |
| Retirees and Beneficiaries Receiving Benefits | 101 |
| Total Membership | <u>1536</u> |

2. FUNDING POLICY

Currently, the County's OPEB benefits are unfunded. The County has the authority to establish and amend a funding policy; however, no Trust contributions are legally or contractually required, and no assets are accumulated in a trust that meets the criteria of GASB Statement 75.

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3. TOTAL OPEB LIABILITY

The components of the County's OPEB Liability at the Measurement Date of September 30, 2023 are as follows:

| | |
|----------------------------------|-----------------------------|
| Total OPEB Liability | \$ 24,479,891 |
| OPEB Plan Fiduciary Net Position | - |
| County's Net OPEB Liability | <u><u>\$ 24,479,891</u></u> |

| | |
|--|-------|
| OPEB Plan Fiduciary Net Position as a Percentage of Total OPEB Liability | 0.00% |
|--|-------|

4. CHANGES IN TOTAL OPEB LIABILITY

The changes in the OPEB Liability for the Reporting Period Ended September 30, 2024 are as follows:

| | |
|--|-----------------------------|
| Total OPEB Liability: | |
| Service Cost | \$ 851,716 |
| Interest on Total OPEB Liability | 1,055,333 |
| Charges of Benefit Terms | 579,329 |
| Difference between Expected and Actual Expense Liability | - |
| Changes in Assumptions and Other Inputs | (432,289) |
| Benefit Payments | <u><u>(1,414,659)</u></u> |
| Net Change in Total OPEB Liability | 639,430 |
| Total OPEB Liability-Beginning | <u><u>23,840,461</u></u> |
| Total OPEB Liability-Ending | <u><u>\$ 24,479,891</u></u> |
| Covered Employee Payroll | \$ 89,448,119 |
| Total OPEB Liability as a Percentage of Covered Employee Payroll | 27.37% |

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the total OPEB liability, calculated using the discount rate of 4.63%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (3.63%) or one percentage-point higher (5.63%) than the current discount rate:

| | 1% Decrease 3.63% | Current Discount Rate 4.63% | 1% Increase 5.63% |
|----------------------|-----------------------------|--------------------------------|-----------------------------|
| Total OPEB Liability | <u><u>\$ 26,490,331</u></u> | <u><u>\$ 24,479,891</u></u> | <u><u>\$ 22,658,951</u></u> |

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

The following table presents the total OPEB liability of the County using the healthcare cost trend rate of 6.50% decreasing to 4.00%, as well as what the County's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower or one percentage-point higher than the current healthcare cost trend rate.

| | 1% Decrease (5.50%) decreasing to 3.00%) | Current Healthcare Discount Rate Assumption (6.50%) decreasing to 4.00%) | 1% Increase (7.50%) decreasing to 5.00%) |
|----------------------|---|--|---|
| Total OPEB Liability | <u><u>\$ 21,808,055</u></u> | <u><u>\$ 24,479,891</u></u> | <u><u>\$ 27,706,805</u></u> |

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5. OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the measurement period, the average of the expected remaining service lives for purposes of recognizing the applicable combined deferred outflows and inflows of resources established in the measurement period is 13.4 years.

For the year ended September 30, 2024, the County recognized OPEB expense of \$2,480,063.

| | | |
|---|---------------------|--|
| OPEB Expense: | | |
| Service Cost | \$ 851,716 | |
| Interest on Total OPEB Liability | 1,055,333 | |
| Current-Period Benefit Changes | 579,329 | |
| OPEB Plan Administrative Expense | - | |
| Outflow(Inflow) of Resources due to Liability | <u>(6,315)</u> | |
| Total OPEB Expense | <u>\$ 2,480,063</u> | |

At September 30, 2024, the County has Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Amounts |
|--|--------------------------------------|----------------------------------|-------------------------|
| Differences between Expected and Actual Experience | \$ 2,255,177 | \$ - | \$ 2,255,177 |
| Changes in Assumptions and Other Inputs | 2,591,611 | 3,772,484 | (1,180,873) |
| Benefits Paid after the Measurement Date | <u>1,529,074</u> | - | 1,529,074 |
| | <u>\$ 6,375,862</u> | <u>\$ 3,772,484</u> | <u>\$ 2,603,378</u> |

Deferred Inflows of Resources by Year are recognized in future OPEB expenses:

| <u>Fiscal Year Ending</u> | <u>Amount</u> |
|---------------------------|---------------------|
| 2024 | \$ (6,315) |
| 2025 | (6,315) |
| 2026 | (6,315) |
| 2027 | (6,315) |
| 2028 | 38,627 |
| Thereafter | <u>1,060,937</u> |
| Total | <u>\$ 1,074,304</u> |

Estimated Deferred Outflow of Resources due to benefits paid after the measurement date is \$1,529,074.

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6. ACTUARIAL METHODS AND ASSUMPTIONS

The total OPEB liability at September 30, 2024 was based on actuarial valuation data, from the Measurement Date of September 30, 2023, using the following actuarial assumptions:

| | |
|-----------------------------|--|
| Actuarial cost method | Entry Age Normal |
| Inflation | 2.50% |
| Discount Rate | 4.63% |
| Salary Increases | 3.4% - 7.8% |
| Retirement Age | FRS actuarial calculated |
| Mortality Rates | Tables of Regular and Special Risk Class members of 7/1/2022 Florida Retirement System actuarial valuation |
| Healthcare Cost Trend Rates | Getzen Model, trend starting at 6.50% (20.5% for premiums to reflect actual increase) for 2023, 6.25% for 2024 and gradually decreasing to an ultimate trend rate of 4.00% |
| Aging factors | 2013 SOA Study "Health Care Costs-From Birth to Death |
| Expenses | Administrative expenses included in the per capital health costs |

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

NOTE L – ARBITRAGE REBATE LIABILITY

Hernando County calculates and records the estimated liability for arbitrage rebate on its outstanding bonds. The rebate calculations are done pursuant to Internal Revenue Code Section 148. The amount to be rebated is calculated as the excess of amounts earned on investments of bond proceeds over amounts that would have been earned if investments had been invested at a rate equal to the rate of yield on the bond issue, plus any income attributable to such excess. The regulations provide that the first rebate payment must be made not later than sixty (60) days after the end of the fifth bond year of the issue; the last installment payment must be made within sixty (60) days after the day on which the issue's last obligation is redeemed. As of September 30, 2024, there is no estimated rebate liability on any of the County's bond issues.

NOTE M – PROPERTY TAXES

Property tax collections, sales, and liens are governed by Chapter 197 of the Florida Statutes.

The Just/Market Value of all properties in the County is established by the Property Appraiser as of January 1 of each year for the subsequent fiscal year. Taxable Value is computed after deducting from Assessed Value various exemptions including governmental, educational, religious, institutional and qualified personal exemptions e.g.; homestead, widow or widower, blind, disabled, and various veteran's exemptions.

All property taxes are levied and become due and payable on November 1 of each year, and are delinquent on April 1 of the following year. Discounts are allowed for early payment of 4%, 3%, 2% and 1% in November through February, respectively. Delinquent taxes on real property may be paid after the date of delinquency but prior to the sale of a tax certificate by paying all taxes, costs, advertising charges, and interest of 18% per annum. For all real property with delinquent taxes, the Tax Collector advertises as required by Statute and sells tax certificates. All unsold certificates are issued to the County.

Any person owning real property upon which a tax certificate has been sold may redeem the property by paying the face amount of the tax certificate plus interest and costs associated with the sale of the certificate.

After taxes have been delinquent (April 1) for two years, the owner of a tax certificate may file an application for tax deed sale. The County is able to do the same for two years after taxes were due (November 1). All taxes imposed on any property become a first lien; superior to all other liens, as of January 1, of the year the taxes are levied.

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

NOTE N – RISK MANAGEMENT

The County's risk management activities are recorded in the Internal Service Funds (Risk Management, Workers' Compensation, County and Sheriff Health Insurance). The purpose of these funds is to administer workers' compensation, unemployment and disability insurance, property and liability insurance and health insurance. These funds account for the risk financing activities of the County but do not constitute a transfer of risk from the County.

Significant losses are covered by commercial insurance for all major programs, except workers' compensation. The County and the Sheriff are self-insured for health benefits. For insured programs, there have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or prior three years.

The Workers' Compensation fund is a self-insurance program for workers' compensation claims on losses up to \$1,250,000 per occurrence and is indemnified against losses in excess of these amounts. The Workers' Compensation fund has indemnified each fund against any losses in a given year in excess of the fee charged. In the event actual losses are less than the fee charged, such amounts will be retained in the Workers' Compensation fund. Claim settlements and losses are accrued and subsequently paid from the Workers' Compensation fund. As of September 30, 2024, claims accrued, including an estimate for claims incurred but not reported, were \$5,620,000. The County records an estimated liability for workers' compensation. Claims liabilities are based on estimates of the ultimate cost of reported claims and an estimate for claims incurred but not reported based on historical experience.

On October 1, 2011, the Sheriff's Office established a self-insurance program under Florida Statute 112.08 to reduce employee medical costs. The program is administered by an outside third party, and uses a combination of self-insurance and specific and aggregate stop-loss coverage to minimize risk exposure. It is accounted for in an Internal Service Fund. Fund revenues are primarily contributions from other funds, retirees, and employees, for amounts needed to pay insurance premiums, anticipated self-insured losses, and administrative expenses.

On October 1, 2014, the Board of County Commissioners established a County self-insurance program under Florida Statute 112.08 to reduce employee medical costs. The program facilitates self-insurance for the Board, Clerk of Court and Comptroller, Supervisor of Elections, Tax Collector and Property Appraiser. The program is administered by an outside third party, and uses a combination of self-insurance and aggregate stop-loss coverage to minimize risk exposure. It is accounted for in an Internal Service Fund. Fund revenues are primarily contributions from other funds, retirees, and employees for amounts needed to pay insurance premiums, anticipated self-insured losses, and administrative expenses.

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

CLAIMS LIABILITIES

| Description | Workers' Compensation | County Health Insurance | Sheriff Health Insurance | Total Claims Liabilities |
|---|--------------------------|----------------------------|-----------------------------|-----------------------------|
| Liability balance September 30, 2022 | \$ 6,430,000 | \$ 839,456 | \$ 373,970 | \$ 7,643,426 |
| Claims incurred | 988,350 | 15,132,819 | 9,324,453 | 25,445,622 |
| Reinsurance recoverable | - | (3,054,947) | - | (3,054,947) |
| Claims paid | (938,350) | (12,147,481) | (9,298,723) | (22,384,554) |
| Liability balance September 30, 2023 | 6,480,000 | 769,847 | 399,700 | 7,649,547 |
| Claims incurred | (519,087) | 14,074,594 | 10,552,681 | 24,108,188 |
| Reinsurance recoverable | - | - | - | - |
| Claims paid | (340,913) | (14,057,867) | (10,387,579) | (24,786,359) |
| Liability balance September 30, 2024 | <u>\$ 5,620,000</u> | <u>\$ 786,574</u> | <u>\$ 564,802</u> | <u>\$ 6,971,376</u> |
| Cash available to pay claims September 30, 2024 reported in governmental activities | <u>\$ 10,879,863</u> | <u>\$ 7,058,845</u> | <u>\$ 8,915,290</u> | |

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

NOTE O – CLOSURE AND POSTCLOSURE CARE COSTS

The County's active landfills are at the Northwest facility, and include a Class 1 landfill (Cells 1, 2 & 3) and a Construction & Demolition (C&D) landfill. State and federal laws and regulations require the Waste Management Division (the Division) to place final covers on the active County landfills when they stop accepting waste and to perform certain maintenance and monitoring functions at the site. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Division reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. As of September 30, 2024, the Division has accrued a total of \$12,115,211 in liabilities related to estimated closure and postclosure care costs.

Cells 1 and 2 at the Class 1 landfill were partially closed in 2014 at a cost of \$3,158,604. Remaining closure costs of \$7,948,046 as shown in the table below, are primarily for Cell 3. Cell 3 is approximately 80% filled at September 30, 2024 and has a remaining design life of approximately 5 years. Postclosure maintenance and monitoring functions will be required for thirty years after closure. Remaining estimated postclosure costs for the Class 1 landfill (all Cells) are \$6,279,447. The class 1 landfill (all Cells) is approximately 89% filled at September 30, 2024. The County will recognize the remaining costs that have not been accrued (closure costs of \$1,604,400 and postclosure costs of \$717,264) as the remaining estimated capacity is filled.

The C&D landfill is approximately 100% filled at September 30, 2024. Postclosure maintenance and monitoring functions will be required for five years after closure. Remaining estimated postclosure costs for the C&D landfill are \$209,382.

All cost estimates are in current dollars. Actual costs may be higher or lower due to inflation, changes in technology or processes, or changes in regulations.

Following is a table showing the remaining costs and amount accrued for the combined Northwest facility:

| Landfill | Estimated Remaining Closure Costs | Percent Accrued | Closure Accrued Liability at 9/30/24 | Estimated Remaining Postclosure Costs | Percent Accrued | Postclosure Accrued Liability at 9/30/24 | Total Accrued Liability at 9/30/24 |
|--------------------|-----------------------------------|-----------------|--------------------------------------|---------------------------------------|-----------------|--|------------------------------------|
| NW Cells 1, 2, & 3 | \$ 7,948,046 | 79.81% | \$ 6,343,646 | \$ 6,279,447 | 88.58% | \$ 5,562,183 | \$ 11,905,829 |
| NW C & D | - | | - | 209,382 | 100.00% | 209,382 | 209,382 |
| | <u>\$ 7,948,046</u> | | <u>\$ 6,343,646</u> | <u>\$ 6,488,829</u> | | <u>\$ 5,771,565</u> | <u>\$ 12,115,211</u> |

Amortization expense for 2024 was an increase of \$667,298 for the Class 1 landfill and \$7,276 for the C&D landfill.

The Division is required by state and federal laws and regulations to make contributions to a trust to finance closure and postclosure care. The Division believes it is in compliance with these requirements, and at September 30, 2024, cash and investments of \$11,682,915 are held for these purposes. These are reported as restricted assets on the Statement of Net Position. The Division expects that future inflation costs will be paid from the interest earnings on these contributions.

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

NOTE P – DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

The deferred outflows of resources and deferred inflows of resources in the Statement of Net Position and Statement of Governmental Funds Balance Sheet are aggregated. Following are details of the aggregated amounts.

| | Governmental Activities | Business-Type Activities |
|--|----------------------------|-----------------------------|
| Statement of Net Position | | |
| Deferred Outflows of Resources: | | |
| Pensions | \$ 48,639,405 | \$ 2,526,769 |
| Other Post Employment Benefits | 5,608,705 | 767,157 |
| Deferred Charges on Debt Refunding | 242,455 | - |
| | \$ 54,490,565 | \$ 3,293,926 |
| Deferred Inflows of Resources: | | |
| Pensions | 17,967,158 | 1,341,269 |
| Other Post Employment Benefits | 3,313,263 | 459,221 |
| Leases | 14,708,691 | 28,448,839 |
| Other items, applicable to a future period | 2,456 | - |
| | \$ 35,991,568 | \$ 30,249,329 |
| Statement of Governmental Funds Balance Sheet | | |
| Deferred Inflows of Resources: | | |
| Taxes, applicable to a future period | - | |
| Ambulance fees, applicable to a future period | 9,055,503 | |
| Lease payments, applicable to a future period | 14,708,691 | |
| Other items, applicable to a future period | 339,423 | |
| | \$ 24,103,617 | |

NOTE Q – SEGMENT INFORMATION

The County has four enterprise funds and has elected to separately report each as a major fund in the Basic Financial Statements. For this reason, segment information is not provided in the notes.

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

NOTE R – CONTINGENCIES

1. GENERAL LITIGATION

As part of the ordinary course of operations, the County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Currently, the County is at varying stages in certain actions against it. Although the outcome of these actions is not presently determinable, in the opinion of the County Attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

2. GRANTS AND CONTRACTS

The County participates in various federal and state assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal and state regulations, including the expenditure of resources for allowable purposes. Failure to comply may result in questions concerning the allowability of related direct and indirect charges pursuant to such agreements. Any disallowance resulting from a federal or state audit may become a liability of the County.

It is believed that the ultimate disallowance pertaining to these regulations, if any, will be immaterial to the overall financial condition of the County.

3. DISASTER ASSISTANCE

The County receives federal disaster assistance through the FEMA Public Assistance Program (Assistance Listing No. 97.036), which is based on approved Project Worksheets (PWs) outlining eligible expenses and the defined scope of recovery efforts. During fiscal year 2024, the County received over \$1 million in reimbursements related to three prior disaster events.

In September 2024, the County sustained damages from Hurricane Helene, which impacted the State of Florida. In addition to this event, the County continues to administer active grants for recovery efforts from previous disasters, including Hurricane Hermine, Hurricane Irma, Hurricane Ian, Hurricane Idalia, and the COVID-19 pandemic. The County has executed Federally Funded Subaward and Grant Agreements related to these events and is coordinating with FEMA and the Florida Division of Emergency Management (FDEM) for reimbursement of eligible expenditures. These grants are in various stages of project formulation, validation, obligation, and close-out.

Additionally, the County received federal assistance under the Coronavirus Aid, Relief, and Economic Security (CARES) Act to support response and recovery efforts related to the COVID-19 pandemic. In fiscal years 2021 and 2022, the County received awards under the Coronavirus Local Fiscal Recovery Fund, established by the American Rescue Plan Act (ARPA), to continue pandemic-related response efforts and to implement other eligible initiatives as outlined in the Act. In accordance with federal guidelines, these ARPA funds must be obligated by December 21, 2024, and fully expended by December 31, 2026.

HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB)
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
SEPTEMBER 30, 2024

| | 2018 | 2019 |
|---|----------------------|----------------------|
| Total OPEB Liability: | | |
| Service Cost | \$ 1,181,694 | \$ 1,137,228 |
| Interest on Total OPEB Liability | 589,509 | 682,764 |
| Changes of benefit terms | - | - |
| Difference between Expected and Actual Expense | - | 3,055,234 |
| Changes in Assumptions and Other Inputs | (725,447) | (5,912,172) |
| Benefit Payments | (552,150) | (468,206) |
| Net Change in Total OPEB Liability | \$ 493,606 | \$ (1,505,152) |
| Total OPEB Liability-Beginning | 18,110,814 | 18,604,420 |
| Total OPEB Liability-Ending | <u>\$ 18,604,420</u> | <u>\$ 17,099,268</u> |
| Covered Employee Payroll | \$ 79,723,027 | \$ 71,544,598 |
| Total OPEB Liability as a Percentage of Covered Employee Payroll | 23.34% | 23.90% |

Note: No Plan Assets are accumulated in a Trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Changes in Assumptions: The discount rate was changed from 4.40% as of the beginning of the measurement period to 4.63% as of the September 30, 2023 measurement date. This change reflected in Note J, Schedule of Changes in Total OPEB Liability. There were no benefit changes during the year reported.

Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. Additional information will be provided annually until ten years' data is presented.

| | 2020 | | 2021 | | 2022 | | 2023 | | 2024 |
|----|-------------------|----|-------------------|----|-------------------|----|-------------------|----|-------------------|
| \$ | 887,762 | \$ | 1,158,078 | \$ | 932,064 | \$ | 1,009,017 | \$ | 851,716 |
| | 674,524 | | 559,255 | | 499,456 | | 471,389 | | 1,055,333 |
| | - | | - | | - | | - | | 579,329 |
| | - | | 119,256 | | - | | 794,215 | | - |
| | 1,686,520 | | (291,981) | | 344,953 | | 1,591,261 | | (432,289) |
| | (750,886) | | (837,449) | | (1,024,189) | | (1,082,052) | | (1,414,659) |
| \$ | 2,497,920 | \$ | 707,159 | \$ | 752,284 | \$ | 2,783,830 | \$ | 639,430 |
| | 17,099,268 | | 19,597,188 | | 20,304,347 | | 21,056,631 | | 23,840,461 |
| \$ | <u>19,597,188</u> | \$ | <u>20,304,347</u> | \$ | <u>21,056,631</u> | \$ | <u>23,840,461</u> | \$ | <u>24,479,891</u> |
| | | | | | | | | | |
| \$ | 74,406,382 | \$ | 76,535,704 | \$ | 78,831,775 | \$ | 86,842,834 | \$ | 89,448,119 |
| | | | | | | | | | |
| | 26.34% | | 26.53% | | 26.71% | | 27.45% | | 27.37% |

**HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB)
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
SEPTEMBER 30, 2024**

Valuation Date September 30, 2022
Measurement Date September 30, 2023

Methods and Assumptions Used to Determine Total OPEB Liability:

| | |
|-----------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Inflation | 2.50% |
| Discount Rate | 4.63% |
| Salary Increases | Salary increase rates used in the July 1, 2022 actuarial valuation of the Florida Retirement System; 3.4%-7.8%, including inflation. |
| Retirement Age | Retirement rates used in the July 1, 2022 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2013 through 2018. |
| Mortality | Mortality tables used for Regular and Special Risk Class members in the July 1, 2022 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2013 through 2018 and include generational projections. |
| Healthcare Cost Trend Rates | For the Board of County Commissioners Plan, based on the Getzen Model, with trend starting at 6.50% (20.5% for premiums to reflect actual increase) for 2023, 6.25% for 2024 and gradually trending to an ultimate trend rate of 4.00% plus 0% increase for excise tax. For the Sheriff Plan, based on the Getzen Model, with trend starting at 6.50% for 2023, 6.25% for 2024 and gradually trending to an ultimate trend rate of 4.00%. |
| Aging Factors | Based on the 2013 SOA study "Health Care Costs-From Birth to Death" |
| Expenses | Administrative expenses are included in the per capita health costs. |

HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT SYSTEM-SCHEDULE OF COUNTY'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SEPTEMBER 30, 2024

Last Ten Fiscal Years

FLORIDA RETIREMENT SYSTEM PENSION PLAN

| Year Ended June 30, | County's Proportion of the FRS Net Pension Plan | County's Proportion Share of the FRS Net Pension Plan Liability | County's Covered Payroll (FYE June 30) | County's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll | FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|------------------------|---|---|--|---|--|
| 2015 | 0.336186138% | \$ 43,422,948 | \$ 67,871,564 | 63.98% | 92.00% |
| 2016 | 0.374836315% | 94,646,463 | 72,504,583 | 130.54% | 84.88% |
| 2017 | 0.366968106% | 108,546,704 | 73,706,909 | 147.27% | 83.89% |
| 2018 | 0.367093765% | 110,570,546 | 77,006,547 | 143.59% | 84.26% |
| 2019 | 0.373614200% | 128,667,529 | 80,431,045 | 159.97% | 82.61% |
| 2020 | 0.372436302% | 161,419,382 | 82,071,964 | 196.68% | 78.85% |
| 2021 | 0.345012032% | 26,061,739 | 84,464,514 | 30.86% | 96.40% |
| 2022 | 0.344601354% | 128,219,397 | 88,881,468 | 144.26% | 82.89% |
| 2023 | 0.343604846% | 136,915,657 | 95,549,759 | 143.29% | 82.38% |
| 2024 | 0.366613552% | 141,823,364 | 105,381,497 | 134.58% | 83.70% |

HEALTH INSURANCE SUBSIDY PENSION PLAN

| Year Ended June 30, | County's Proportion of the HIS Net Pension Plan | County's Proportion Share of the HIS Net Pension Plan Liability | County's Covered Payroll (FYE June 30) | County's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll | HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|------------------------|---|--|--|---|--|
| 2015 | 0.223082288% | \$ 22,750,520 | \$ 67,871,564 | 33.52% | 0.50% |
| 2016 | 0.234274954% | 27,303,775 | 72,504,583 | 37.66% | 0.97% |
| 2017 | 0.230722126% | 24,669,874 | 73,706,909 | 33.47% | 1.64% |
| 2018 | 0.235431734% | 24,918,358 | 77,006,547 | 32.36% | 2.15% |
| 2019 | 0.240008828% | 26,854,586 | 80,431,045 | 33.39% | 2.63% |
| 2020 | 0.236121420% | 28,830,041 | 82,071,964 | 35.13% | 3.00% |
| 2021 | 0.238770916% | 29,288,844 | 84,464,514 | 34.68% | 3.56% |
| 2022 | 0.243559752% | 25,796,867 | 88,881,468 | 29.02% | 4.81% |
| 2023 | 0.240693357% | 38,225,315 | 95,549,759 | 40.01% | 4.12% |
| 2024 | 0.248463016% | 37,271,879 | 105,381,497 | 35.37% | 4.80% |

Note: The amounts shown above for both tables as reported on the date indicated have a measurement date three months prior. Covered payroll is for the year shown.

HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT SYSTEM-SCHEDULE OF COUNTY'S CONTRIBUTIONS
SEPTEMBER 30, 2024

Last Ten Fiscal Years

FLORIDA RETIREMENT SYSTEM PENSION PLAN

| Year Ended September 30, | Contractually Required Contribution | Contractually Required Contribution | FRS Contribution Deficiency (Excess) | County's Covered Payroll (FYE September 30) | FRS Contributions as a Percentage of Covered Payroll |
|---|--|--|---|--|---|
| 2015 | \$ 8,393,369 | \$ (8,393,369) | \$ - | \$ 68,825,669 | 12.20% |
| 2016 | 9,279,559 | (9,279,559) | - | 72,387,348 | 12.82% |
| 2017 | 9,637,808 | (9,637,808) | - | 74,200,644 | 12.99% |
| 2018 | 10,692,565 | (10,692,565) | - | 77,625,482 | 13.77% |
| 2019 | 11,780,902 | (11,780,902) | - | 80,988,686 | 14.55% |
| 2020 | 12,792,391 | (12,792,391) | - | 84,190,948 | 15.19% |
| 2021 | 13,787,937 | (13,787,937) | - | 87,067,438 | 15.84% |
| 2022 | 15,171,292 | (15,171,292) | - | 91,063,551 | 16.66% |
| 2023 | 17,428,657 | (17,428,657) | - | 96,466,611 | 18.07% |
| 2024 | 21,477,513 | (21,477,513) | - | 108,936,209 | 19.72% |

HEALTH INSURANCE SUBSIDY PENSION PLAN

| Year Ended September 30, | Contractually Required Contribution | Contractually Required Contribution | HIS Contribution Deficiency (Excess) | County's Covered Payroll (FYE September 30) | HIS Contributions as a Percentage of Covered Payroll |
|---|--|--|---|--|---|
| 2015 | \$ 933,326 | \$ (933,326) | \$ - | \$ 68,825,669 | 1.36% |
| 2016 | 1,195,301 | (1,195,301) | - | 72,387,348 | 1.65% |
| 2017 | 1,233,196 | (1,233,196) | - | 74,200,644 | 1.66% |
| 2018 | 1,286,008 | (1,286,008) | - | 77,625,482 | 1.66% |
| 2019 | 1,342,774 | (1,342,774) | - | 80,988,686 | 1.66% |
| 2020 | 1,396,091 | (1,396,091) | - | 84,190,948 | 1.66% |
| 2021 | 1,444,307 | (1,444,307) | - | 87,067,438 | 1.66% |
| 2022 | 1,509,420 | (1,509,420) | - | 91,063,551 | 1.66% |
| 2023 | 1,686,524 | (1,686,524) | - | 96,466,611 | 1.75% |
| 2024 | 2,178,278 | (2,178,278) | - | 108,936,209 | 2.00% |

HERNANDO COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024

NOTE 1 - SCHEDULES OF NET PENSION LIABILITY AND SCHEDULES OF CONTRIBUTIONS

Changes in Benefit Terms from the year ended June 30, 2023 to June 30, 2024:

FRS - No significant changes.

HIS - No significant changes.

Changes in Assumptions from the year ended June 30, 2023 to June 30, 2024:

FRS - No significant changes.

HIS - Both the discount rate and Municipal Bond Index rate changed from 3.65% to 3.93%

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Combining and Individual Fund Statements and Schedules

Nonmajor Governmental Funds

Special Revenue Funds

Stormwater Management

To account for the proceeds of ad valorem taxes and other revenues for funding Stormwater Management.

State Housing Initiative Partnership

To account for the grant proceeds and associated expenditures of a low-income housing assistance program.

Court-Related Funds

To account for the proceeds of revenues received for the purpose of funding court-related technology, court improvements, court innovations, juvenile alternative programs, law library, legal aid, youth court and treatment of alcohol and other drug abuse.

Municipal Service Benefit Units Special Revenue Fund

To account for the proceeds of assessments levied for the purpose of funding road improvements, street lighting, fire hydrant maintenance, and other services within the various Municipal Service Benefit Units of the County.

Miscellaneous Special Revenue Funds

To account for the revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government and which, therefore, cannot be diverted to other uses. Included in this fund are the following: Hernando/Citrus Metropolitan Planning Organization, Florida Boating Improvement Program, Health Department, State and Local Mosquito Control, Law Enforcement Trust Fund, Crime Prevention, Hernando County Sheriff Revenue Fund, Federal Forfeiture-Justice Fund, Federal Forfeiture-Treasury Fund, Tourist Development Tax, Affordable Housing, Kass Circle Neighborhood Community Redevelopment Agency, Landscape Enhancement, Dori Slosberg Driver Education Safety, Library Estate Fund and Local Provider Participation Fund.

Clerk of Court & Comptroller Special Revenue Funds

To account for the funds received in the Clerk of Circuit Court's Records Modernization Fund and Fines and Forfeitures Fund.

Property Appraiser Special Revenue Funds

To account for the funds received in the Property Appraiser's Graphic Information Systems Fund, Addressing Fund, Addressing Fees Fund, GIS Business Units Fund and the County Fees and Commissions Fund.

Sheriff Special Revenue Funds

To account for the funds received in the Federal Forfeitures, E911 Fund, Inmate Welfare, Inmate Revenue, 800MHz Fund, Sheriff's Law Enforcement Education Fund, Child Saver Program Fund, Grants and Contributions Fund.

Debt Service Funds

Non-Ad Valorem Refunding Revenue Bonds 2010

To account for the debt service requirements of the Non-Ad Valorem Refunding Revenue Bonds, Series 2010.

Non-Ad Valorem Refunding Revenue Note 2012

To account for the debt service requirements of the Non-Ad Valorem Refunding Revenue Note, Series 2012.

Non-Ad Valorem Revenue Bonds 2022

To account for the debt service requirements of the Non-Ad Valorem Revenue Bonds, Series 2022.

Capital Project Funds

Impact Fees

To account for the proceeds of impact fees levied by the County, and associated expenditures for roads, parks, public buildings, library, law enforcement and emergency services.

Restore Act

To account for the capital outlay expenditures under the Restore Act. The Restore Act, passed by Congress in 2012, allocates penalties and fines resulting from the Deepwater Horizon oil spill to Gulf Coast States and local governments.

HERNANDO COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

| Special Revenue Funds | | | |
|---|----------------------------------|---|--------------------------------|
| | Stormwater Management | State Housing Initiative Partnership | Court-Related Funds |
| ASSETS | | | |
| Cash and Cash Equivalents | \$ - | \$ - | \$ - |
| Pooled Cash and Investments | 5,436,906 | 8,642,184 | 7,159,009 |
| Cash with Fiscal Agent | 5,149 | - | - |
| Accounts Receivable (net) | - | - | - |
| Due from Other Governments | - | - | 87,654 |
| Prepaid Items | - | - | - |
| Total Assets | 5,442,055 | 8,642,184 | 7,246,663 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts Payable | 16,936 | 277,226 | 129,621 |
| Retainage Payable | 139,379 | - | 605,497 |
| Accrued Liabilities | 9,053 | - | 22,237 |
| Due to Other funds | - | - | - |
| Due to Other Governments | - | - | - |
| Unearned Revenue | - | 884,000 | - |
| Deposits | - | - | - |
| Advances from Other Funds | - | - | - |
| Total Liabilities | 165,368 | 1,161,226 | 757,355 |
| Deferred Inflows of Resources | | | |
| Unavailable Revenues | - | - | - |
| Total Deferred Inflows of Resources | - | - | - |
| Fund Balances | | | |
| Nonspendable: | | | |
| Inventories | - | - | - |
| Prepaid Items | - | - | - |
| Restricted For: | | | |
| Grant Funded Programs | - | 7,480,958 | - |
| Court Programs | - | - | 6,489,308 |
| Special Assessment Projects | - | - | - |
| Environment Conservation | 5,276,687 | - | - |
| Bond covenants or debt service | - | - | - |
| Public Safety | - | - | - |
| Capital Projects | - | - | - |
| Other Purposes | - | - | - |
| Committed to: | | | |
| Other Purposes | - | - | - |
| Assigned to: | | | |
| Public Safety | - | - | - |
| Other Purposes | - | - | - |
| Unassigned | | | |
| Total Fund Balances | 5,276,687 | 7,480,958 | 6,489,308 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | | | |
| | \$ 5,442,055 | \$ 8,642,184 | \$ 7,246,663 |

See accompanying independent auditors' report.

Special Revenue Funds

| Municipal Service Benefit Units | Miscellaneous Special Revenue Fund | Clerk of Court and Comptroller | Property Appraiser Special Revenue Funds | Sheriff Special Revenue Funds | Total Special Revenue Funds |
|---------------------------------|------------------------------------|--------------------------------|--|-------------------------------|-----------------------------|
| \$ 250 | \$ - | \$ - | \$ 1,372,714 | \$ 5,363,656 | \$ 6,736,620 |
| 7,209,942 | 20,733,301 | 5,328,023 | - | - | 54,509,365 |
| - | - | - | - | - | 5,149 |
| 12,758 | 155,611 | - | - | 35,241 | 203,610 |
| - | 238,397 | 29,607 | - | 301,368 | 657,026 |
| - | 26 | - | - | - | 26 |
| 7,222,950 | 21,127,335 | 5,357,630 | 1,372,714 | 5,700,265 | 62,111,796 |
| 1,562,175 | 370,944 | 5,633 | 4,332 | 122,755 | 2,489,622 |
| - | - | - | - | - | 744,876 |
| - | 47,982 | 55,275 | - | 153,231 | 287,778 |
| 72,644 | - | - | - | - | 72,644 |
| - | 803,266 | 1,126,419 | 15 | - | 1,929,700 |
| - | 7,031 | - | - | - | 891,031 |
| - | - | 219,612 | - | - | 219,612 |
| - | 450,000 | - | - | - | 450,000 |
| 1,634,819 | 1,679,223 | 1,406,939 | 4,347 | 275,986 | 7,085,263 |
| - | 159 | - | - | - | 159 |
| - | 159 | - | - | - | 159 |
| - | - | - | - | - | - |
| - | 26 | - | - | - | 26 |
| - | 328,675 | - | - | - | 7,809,633 |
| - | - | - | - | - | 6,489,308 |
| 4,460,602 | - | - | - | - | 4,460,602 |
| - | - | - | - | - | 5,276,687 |
| 873,355 | - | - | - | - | 873,355 |
| - | - | - | - | 5,424,279 | 5,424,279 |
| 254,174 | - | - | - | - | 254,174 |
| - | 10,469,583 | 3,950,691 | - | - | 14,420,274 |
| - | 705,970 | - | 1,368,367 | - | 2,074,337 |
| - | 7,346,977 | - | - | - | 7,346,977 |
| - | 596,722 | - | - | - | 596,722 |
| - | - | - | - | - | - |
| 5,588,131 | 19,447,953 | 3,950,691 | 1,368,367 | 5,424,279 | 55,026,374 |
| \$ 7,222,950 | \$ 21,127,335 | \$ 5,357,630 | \$ 1,372,714 | \$ 5,700,265 | \$ 62,111,796 |

HERNANDO COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

| Debt Service Funds | | | |
|---|--|---|--|
| | Non-Ad Valorem Refunding Revenue Bonds 2010 | Non-Ad Valorem Refunding Revenue Note 2012 | Non-Ad Valorem Revenue Bonds 2022 |
| ASSETS | | | |
| Cash and Cash Equivalents | \$ - | \$ - | \$ - |
| Pooled Cash and Investments | 16,753 | 53,700 | 4 |
| Cash with Fiscal Agent | - | - | - |
| Accounts Receivable (net) | - | - | - |
| Due from Other Governments | - | - | - |
| Prepaid Items | - | - | - |
| Total Assets | 16,753 | 53,700 | 4 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts Payable | - | - | - |
| Retainage Payable | - | - | - |
| Accrued Liabilities | - | - | - |
| Due to Other funds | - | - | - |
| Due to Other Governments | - | - | - |
| Unearned Revenue | - | - | - |
| Deposits | - | - | - |
| Advances from Other Funds | - | - | - |
| Total Liabilities | - | - | - |
| Deferred Inflows of Resources | | | |
| Unavailable Revenues | - | - | - |
| Total Deferred Inflows of Resources | - | - | - |
| Fund Balances | | | |
| Nonspendable: | | | |
| Inventories | - | - | - |
| Prepaid Items | - | - | - |
| Restricted For: | | | |
| Grant Funded Programs | - | - | - |
| Court Programs | - | - | - |
| Special Assessment Projects | - | - | - |
| Environment Conservation | - | - | - |
| Bond covenants or debt service | 16,753 | 53,700 | 4 |
| Public Safety | - | - | - |
| Capital Projects | - | - | - |
| Other Purposes | - | - | - |
| Committed to: | | | |
| Other Purposes | - | - | - |
| Assigned to: | | | |
| Public Safety | - | - | - |
| Other Purposes | - | - | - |
| Total Fund Balances | 16,753 | 53,700 | 4 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 16,753 | \$ 53,700 | \$ 4 |

See accompanying independent auditors' report.

Capital Projects Funds

| Total Debt Service Funds | Impact Fees | Restore Act Projects | Total Capital Projects Funds | Total Nonmajor Governmental Funds |
|--------------------------|----------------------|----------------------|------------------------------|-----------------------------------|
| \$ - 70,457 | \$ 24,917,003 | \$ - | \$ 24,917,003 | \$ 6,736,620 79,496,825 |
| - | - | - | - | 5,149 |
| - | - | - | - | 203,610 |
| - | - | 110,556 | 110,556 | 767,582 |
| - | - | - | - | 26 |
| 70,457 | 24,917,003 | 110,556 | 25,027,559 | 87,209,812 |
| <hr/> | | | | |
| - | 707,252 | 49,545 | 756,797 | 3,246,419 |
| - | 124,434 | 19,094 | 143,528 | 888,404 |
| - | - | - | - | 287,778 |
| - | - | 61,011 | 61,011 | 133,655 |
| - | - | - | - | 1,929,700 |
| - | 1,335,894 | - | 1,335,894 | 2,226,925 |
| - | - | - | - | 219,612 |
| - | - | - | - | 450,000 |
| - | 2,167,580 | 129,650 | 2,297,230 | 9,382,493 |
| <hr/> | | | | |
| - | - | - | - | 159 |
| - | - | - | - | 159 |
| <hr/> | | | | |
| - | - | - | - | - |
| - | - | - | - | 26 |
| - | - | - | - | 7,809,633 |
| - | - | - | - | 6,489,308 |
| - | - | - | - | 4,460,602 |
| - | - | - | - | 5,276,687 |
| 70,457 | - | - | - | 943,812 |
| - | - | - | - | 5,424,279 |
| - | 22,749,423 | - | 22,749,423 | 23,003,597 |
| - | - | - | - | 14,420,274 |
| - | - | - | - | 2,074,337 |
| - | - | - | - | 7,346,977 |
| - | - | - | - | 596,722 |
| - | - | (19,094) | (19,094) | (19,094) |
| 70,457 | 22,749,423 | (19,094) | 22,730,329 | 77,827,160 |
| <hr/> | | | | |
| \$ 70,457 | \$ 24,917,003 | \$ 110,556 | \$ 25,027,559 | \$ 87,209,812 |

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| Special Revenue Funds | | | |
|--|----------------------------------|---|--------------------------------|
| | Stormwater Management | State Housing Initiative Partnership | Court-Related Funds |
| Revenues | | | |
| Taxes | \$ 1,633,880 | \$ - | \$ - |
| Intergovernmental | - - | 2,691,181 | 283,110 |
| Charges for Services | 67,859 | - - | 1,127,153 |
| Fines and Forfeitures | - - | - - | - - |
| Special Assessments | - - | - - | - - |
| Impact Fees | - - | - - | - - |
| Investment Income (Loss) | 327,023 | 500,465 | 1,025,567 |
| Miscellaneous | 6,774 | 283,553 | 1 |
| Total Revenues | 2,035,536 | 3,475,199 | 2,435,831 |
| Expenditures | | | |
| Current | | | |
| General Government | - - | - - | - - |
| Public Safety | - - | - - | - - |
| Physical Environment | 539,233 | - - | - - |
| Transportation | - - | - - | - - |
| Economic Environment | - - | 1,371,877 | - - |
| Human Services | - - | - - | - - |
| Culture and Recreation | - - | - - | - - |
| Court Operations | - - | - - | 1,749,631 |
| Debt Service | | | |
| Principal | - - | - - | - - |
| Interest and Fiscal Charges | - - | - - | - - |
| Capital Outlay | 391,124 | - - | 2,405,096 |
| Total Expenditures | 930,357 | 1,371,877 | 4,154,727 |
| Excess of Revenues Over (Under) Expenditures: | 1,105,179 | 2,103,322 | (1,718,896) |
| Other Financing Sources (Uses) | | | |
| Transfers In | 21,148 | - - | 524,087 |
| Transfers Out | (7,752) | - - | (31,012) |
| Issuance of Long-Term Debt | - - | - - | - - |
| Total Other Financing Sources (Uses) | 13,396 | - - | 493,075 |
| Net Change in Fund Balance | 1,118,575 | 2,103,322 | (1,225,821) |
| Fund Balances at Beginning of Year | 4,158,112 | 5,377,636 | 7,715,129 |
| Fund Balances at End of Year | \$ 5,276,687 | \$ 7,480,958 | \$ 6,489,308 |

See accompanying independent auditors' report.

Special Revenue Funds

| Municipal Service Benefit Units | Miscellaneous Special Revenue Fund | Clerk of Court and Comptroller | Property Appraiser Special Revenue Funds | Sheriff Special Revenue Funds | Total Special Revenue Funds |
|---------------------------------|------------------------------------|--------------------------------|--|-------------------------------|-----------------------------|
| \$ - | \$ 3,979,560 | \$ - | \$ - | \$ - | \$ 5,613,440 |
| - | 917,731 | 308,357 | 1,480,565 | 509,022 | 6,189,966 |
| - | 6,617 | 4,108,309 | 88,046 | 6,665,241 | 12,063,225 |
| - | 219,061 | 1,225,382 | - | 205,222 | 1,649,665 |
| 10,332,132 | - | - | - | - | 10,332,132 |
| - | - | - | - | - | - |
| 416,542 | 1,211,667 | 300,260 | 781 | 70,336 | 3,852,641 |
| 126,283 | 1,515,557 | 184,384 | - | 252,818 | 2,369,370 |
| 10,874,957 | 7,850,193 | 6,126,692 | 1,569,392 | 7,702,639 | 42,070,439 |
| <hr/> | | | | | |
| - | 589,827 | 25,217 | 1,460,656 | - | 2,075,700 |
| 2,712 | 232,343 | - | - | 5,545,850 | 5,780,905 |
| 8,336,065 | 6,129 | - | - | - | 8,881,427 |
| 1,252,858 | 175,077 | - | - | - | 1,427,935 |
| - | 1,329,573 | - | - | - | 2,701,450 |
| - | 1,938,263 | - | - | - | 1,938,263 |
| - | 96,044 | - | - | - | 96,044 |
| - | - | 5,320,868 | - | - | 7,070,499 |
| 761,212 | - | - | - | - | 761,212 |
| 111,715 | - | - | - | - | 111,715 |
| - | 96,148 | - | 290,172 | 762,825 | 3,945,365 |
| 10,464,562 | 4,463,404 | 5,346,085 | 1,750,828 | 6,308,675 | 34,790,515 |
| 410,395 | 3,386,789 | 780,607 | (181,436) | 1,393,964 | 7,279,924 |
| <hr/> | | | | | |
| 112,926 | 5,007,570 | - | - | 3,545,913 | 9,211,644 |
| (232,425) | (3,206,054) | - | (113,184) | (4,609,901) | (8,200,328) |
| - | - | - | - | - | - |
| (119,499) | 1,801,516 | - | (113,184) | (1,063,988) | 1,011,316 |
| 290,896 | 5,188,305 | 780,607 | (294,620) | 329,976 | 8,291,240 |
| 5,297,235 | 14,259,648 | 3,170,084 | 1,662,987 | 5,094,303 | 46,735,134 |
| \$ 5,588,131 | \$ 19,447,953 | \$ 3,950,691 | \$ 1,368,367 | \$ 5,424,279 | \$ 55,026,374 |

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Debt Service Funds | | |
|---|---|--|---|
| | Non-Ad Valorem Refunding Revenue Bonds | Non-Ad Valorem Refunding Revenue Note | Non-Ad Valorem Revenue Bonds |
| | 2010 | 2012 | 2022 |
| | \$ | \$ | \$ |
| Revenues | | | |
| Taxes | - | - | - |
| Intergovernmental | - | - | - |
| Charges for Services | - | - | - |
| Fines and Forfeitures | - | - | - |
| Special Assessments | - | - | - |
| Impact Fees | - | - | - |
| Investment Income (Loss) | 811 | 44,594 | - |
| Miscellaneous | - | - | - |
| Total Revenues | 811 | 44,594 | - |
| Expenditures | | | |
| Current | | | |
| General Government | 2 | 4 | - |
| Public Safety | - | - | - |
| Physical Environment | - | - | - |
| Transportation | - | - | - |
| Economic Environment | - | - | - |
| Human Services | - | - | - |
| Culture and Recreation | - | - | - |
| Court Operations | - | - | - |
| Debt Service | | | |
| Principal | 425,000 | 1,379,000 | - |
| Interest and Fiscal Charges | 8,765 | 206,260 | 1,540,868 |
| Capital Outlay | - | - | - |
| Total Expenditures | 433,767 | 1,585,264 | 1,540,868 |
| Excess of Revenues Over (Under) Expenditures | (432,956) | (1,540,670) | (1,540,868) |
| Other Financing Sources (Uses) | | | |
| Transfers In | 442,532 | 1,585,260 | 1,540,870 |
| Transfers Out | - | - | - |
| Issuance of Long-Term Debt | - | - | - |
| Total Other Financing Sources (Uses) | 442,532 | 1,585,260 | 1,540,870 |
| Net Change in Fund Balance | 9,576 | 44,590 | 2 |
| Fund Balances at Beginning of Year | 7,177 | 9,110 | 2 |
| Fund Balances at End of Year | \$ 16,753 | \$ 53,700 | \$ 4 |

See accompanying independent auditors' report.

Capital Projects Funds

| Total Debt Service Funds | Impact Fees | Restore Act Projects | Total Capital Projects Funds | Total Nonmajor Governmental Funds |
|--------------------------|------------------|----------------------|------------------------------|-----------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 5,613,440 |
| - | - | 167,290 | 167,290 | 6,357,256 |
| - | - | - | - | 12,063,225 |
| - | - | - | - | 1,649,665 |
| - | - | - | - | 10,332,132 |
| - | 5,989,495 | - | 5,989,495 | 5,989,495 |
| 45,405 | 1,503,718 | - | 1,503,718 | 5,401,764 |
| - | 148,739 | - | 148,739 | 2,518,109 |
| 45,405 | 7,641,952 | 167,290 | 7,809,242 | 49,925,086 |

| | | | | |
|---|---------|---------|---------|-----------|
| 6 | 2,110 | - | 2,110 | 2,077,816 |
| - | 213,714 | - | 213,714 | 5,994,619 |
| - | - | 149,600 | 149,600 | 9,031,027 |
| - | 8,438 | - | 8,438 | 1,436,373 |
| - | - | - | - | 2,701,450 |
| - | - | - | - | 1,938,263 |
| - | 201,217 | - | 201,217 | 297,261 |
| - | - | - | - | 7,070,499 |

| | | | | |
|--------------------|------------------|----------------|------------------|-------------------|
| 1,804,000 | - | - | - | 2,565,212 |
| 1,755,893 | - | - | - | 1,867,608 |
| - | 5,626,147 | 17,690 | 5,643,837 | 9,589,202 |
| 3,559,899 | 6,051,626 | 167,290 | 6,218,916 | 44,569,330 |
| (3,514,494) | 1,590,326 | - | 1,590,326 | 5,355,756 |

| | | | | |
|------------------|----------------------|--------------------|----------------------|----------------------|
| 3,568,662 | - | - | - | 12,780,306 |
| - | (221,936) | - | (221,936) | (8,422,264) |
| - | - | - | - | - |
| 3,568,662 | (221,936) | - | (221,936) | 4,358,042 |
| 54,168 | 1,368,390 | - | 1,368,390 | 9,713,798 |
| 16,289 | 21,381,033 | (19,094) | 21,361,939 | 68,113,362 |
| \$ 70,457 | \$ 22,749,423 | \$ (19,094) | \$ 22,730,329 | \$ 77,827,160 |

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
STORMWATER MANAGEMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | | Variance with Final Budget | |
|---|-------------------------|--------------------|-----------------------|---------------------------------------|--|
| | Original | Final | Actual Amounts | | |
| | Positive | (Negative) | | | |
| Revenues | | | | | |
| Taxes | \$ 1,607,508 | \$ 1,607,508 | \$ 1,633,880 | \$ 26,372 | |
| Intergovernmental | 1,231,000 | 1,231,000 | - | (1,231,000) | |
| Charges for Services | 20,000 | 20,000 | 67,859 | 47,859 | |
| Investment Income (Loss) | - | - | 327,023 | 327,023 | |
| Miscellaneous | 155,500 | 155,500 | 6,774 | (148,726) | |
| Total Revenues | 3,014,008 | 3,014,008 | 2,035,536 | (978,472) | |
| Expenditures | | | | | |
| Current | | | | | |
| Physical Environment | 510,926 | 765,830 | 539,233 | 226,597 | |
| Capital Outlay | 5,485,925 | 5,668,471 | 391,124 | 5,277,347 | |
| Total Expenditures | 5,996,851 | 6,434,301 | 930,357 | 5,503,944 | |
| Excess of Revenues Over (Under) Expenditures | (2,982,843) | (3,420,293) | 1,105,179 | 4,525,472 | |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | 14,000 | 14,000 | 21,148 | 7,148 | |
| Transfers Out | (3,000) | (7,752) | (7,752) | - | |
| Reserve for Contingencies | (918,968) | (742,793) | - | 742,793 | |
| Total Other Financing Sources (Uses) | (907,968) | (736,545) | 13,396 | 749,941 | |
| Net Change in Fund Balance | (3,890,811) | (4,156,838) | 1,118,575 | 5,275,413 | |
| Fund Balance at Beginning of Year | 3,890,811 | 4,156,838 | 4,158,112 | 1,274 | |
| Fund Balance at End of Year | \$ - | \$ - | \$ 5,276,687 | \$ 5,276,687 | |

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
STATE HOUSING INITIATIVE PARTNERSHIP
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------------|---------------------|---|
| | Original | Final | Actual Amounts | |
| | Original | Final | Actual Amounts | |
| Revenues | | | | |
| Intergovernmental | \$ 1,896,694 | \$ 1,896,694 | \$ 2,691,181 | \$ 794,487 |
| Investment Income (Loss) | 8,000 | 8,000 | 500,465 | 492,465 |
| Miscellaneous | 400,000 | 400,000 | 283,553 | (116,447) |
| Total Revenues | <u>2,304,694</u> | <u>2,304,694</u> | <u>3,475,199</u> | <u>1,170,505</u> |
| Expenditures | | | | |
| Current | | | | |
| Economic Environment | 3,338,946 | 3,288,946 | 1,371,877 | 1,917,069 |
| Total Expenditures | <u>3,338,946</u> | <u>3,288,946</u> | <u>1,371,877</u> | <u>1,917,069</u> |
| Excess of Revenues Over (Under) Expenditures | (1,034,252) | (984,252) | 2,103,322 | 3,087,574 |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | - | 50,000 | - | (50,000) |
| Reserve for Contingencies | (3,877,311) | (4,343,383) | - | 4,343,383 |
| Total Other Financing Sources (Uses) | <u>(3,877,311)</u> | <u>(4,293,383)</u> | <u>-</u> | <u>4,293,383</u> |
| Net Change in Fund Balance | (4,911,563) | (5,277,635) | 2,103,322 | 7,380,957 |
| Fund Balance at Beginning of Year | 4,911,563 | 5,377,635 | 5,377,636 | 1 |
| Fund Balance at End of Year | \$ - | \$ 100,000 | \$ 7,480,958 | \$ 7,380,958 |

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COURT RELATED FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------------|---------------------|---|
| | Original | Final | Actual Amounts | |
| | Original | Final | Actual Amounts | |
| Revenues | | | | |
| Intergovernmental | \$ 83,742 | \$ 338,633 | \$ 283,110 | \$ (55,523) |
| Charges for Services | 955,847 | 955,847 | 1,127,153 | 171,306 |
| Fines and Forfeitures | 324 | 324 | - | (324) |
| Investment Income (Loss) | 1,400 | 1,400 | 1,025,567 | 1,024,167 |
| Miscellaneous | - | - | 1 | 1 |
| Total Revenues | <u>1,041,313</u> | <u>1,296,204</u> | <u>2,435,831</u> | <u>1,139,627</u> |
| Expenditures | | | | |
| Current | | | | |
| Court Operations | 1,665,778 | 4,439,780 | 1,749,631 | 2,690,149 |
| Debt Service | | | | |
| Interest and Fiscal Charges | - | - | - | - |
| Capital Outlay | 71,500 | 80,402 | 2,405,096 | (2,324,694) |
| Total Expenditures | <u>1,737,278</u> | <u>4,520,182</u> | <u>4,154,727</u> | <u>365,455</u> |
| Excess of Revenues Over (Under) Expenditures | (695,965) | (3,223,978) | (1,718,896) | 1,505,082 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 524,087 | 524,087 | 524,087 | - |
| Transfers Out | (12,000) | (31,012) | (31,012) | - |
| Issuance of Long-Term Debt | - | - | - | - |
| Reserve for Contingencies | (3,842,837) | (4,891,661) | - | 4,891,661 |
| Total Other Financing Sources (Uses) | <u>(3,330,750)</u> | <u>(4,398,586)</u> | <u>493,075</u> | <u>4,891,661</u> |
| Net Change in Fund Balance | (4,026,715) | (7,622,564) | (1,225,821) | 6,396,743 |
| Fund Balance at Beginning of Year | 4,026,715 | 7,622,564 | 7,715,129 | 92,565 |
| Fund Balance at End of Year | \$ - | \$ - | \$ 6,489,308 | \$ 6,489,308 |

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MUNICIPAL SERVICE BENEFIT UNITS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|---------------------------|---------------------------|----------------------------|---|
| | Original | Final | Actual Amounts | |
| | | | | |
| Revenues | | | | |
| Special Assessments | \$ 11,016,060 | \$ 11,016,060 | \$ 10,332,132 | \$ (683,928) |
| Investment Income (Loss) | 40,000 | 40,000 | 416,542 | 376,542 |
| Miscellaneous | 103,625 | 103,625 | 126,283 | 22,658 |
| Total Revenues | <u>11,159,685</u> | <u>11,159,685</u> | <u>10,874,957</u> | <u>(284,728)</u> |
| Expenditures | | | | |
| Current | | | | |
| Public Safety | 42,598 | 42,598 | 2,712 | 39,886 |
| Physical Environment | 8,708,176 | 8,708,176 | 8,336,065 | 372,111 |
| Transportation | 1,364,118 | 1,367,118 | 1,252,858 | 114,260 |
| Debt Service | | | | |
| Principal | 761,420 | 761,420 | 761,212 | 208 |
| Interest and Fiscal Charges | 111,935 | 111,935 | 111,715 | 220 |
| Capital Outlay | | | | |
| Total Expenditures | <u>10,988,247</u> | <u>10,991,247</u> | <u>10,464,562</u> | <u>526,685</u> |
| Excess of Revenues Over (Under) Expenditures | <u>171,438</u> | <u>168,438</u> | <u>410,395</u> | <u>241,957</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 85,000 | 85,000 | 112,926 | 27,926 |
| Transfers Out | - | (292,271) | (232,425) | 59,846 |
| Issuance of Long-Term Debt | - | - | - | - |
| Reserve for Contingencies | (5,129,953) | (5,359,670) | - | 5,359,670 |
| Total Other Financing Sources (Uses) | <u>(5,044,953)</u> | <u>(5,566,941)</u> | <u>(119,499)</u> | <u>5,447,442</u> |
| Net Change in Fund Balance | <u>(4,873,515)</u> | <u>(5,398,503)</u> | <u>290,896</u> | <u>5,689,399</u> |
| Fund Balance at Beginning of Year | <u>4,873,515</u> | <u>5,398,503</u> | <u>5,297,235</u> | <u>(101,268)</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,588,131</u> | <u>\$ 5,588,131</u> |

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MISCELLANEOUS SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------------|----------------------|---|
| | Original | Final | Actual Amounts | |
| | Original | Final | Actual Amounts | |
| Revenues | | | | |
| Taxes | \$ 3,555,289 | \$ 3,555,289 | \$ 3,979,560 | \$ 424,271 |
| Intergovernmental | 1,552,176 | 1,701,868 | 917,731 | (784,137) |
| Charges for Services | 1,622,800 | 6,300 | 6,617 | 317 |
| Fines and Forfeitures | 285,000 | 175,000 | 219,061 | 44,061 |
| Investment Income (Loss) | 5,300 | 5,300 | 1,211,667 | 1,206,367 |
| Miscellaneous | 94,700 | 296,051 | 1,515,557 | 1,219,506 |
| Total Revenues | <u>7,115,265</u> | <u>5,739,808</u> | <u>7,850,193</u> | <u>2,110,385</u> |
| Expenditures | | | | |
| Current | | | | |
| General Government | 1,026,600 | 1,061,287 | 589,827 | 471,460 |
| Public Safety | 3,041,000 | 1,283,442 | 232,343 | 1,051,099 |
| Physical Environment | 5,831 | 5,831 | 6,129 | (298) |
| Transportation | 202,848 | 304,598 | 175,077 | 129,521 |
| Economic Environment | 2,187,288 | 2,218,788 | 1,329,573 | 889,215 |
| Human Services | 2,371,248 | 2,389,436 | 1,938,263 | 451,173 |
| Culture and Recreation | 90,445 | 349,470 | 96,044 | 253,426 |
| Capital Outlay | 2,396,651 | 2,552,275 | 96,148 | 2,456,127 |
| Total Expenditures | <u>11,321,911</u> | <u>10,165,127</u> | <u>4,463,404</u> | <u>5,701,723</u> |
| Excess of Revenues Over (Under) Expenditures | (4,206,646) | (4,425,319) | 3,386,789 | 7,812,108 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 4,135,928 | 4,145,884 | 5,007,570 | 861,686 |
| Transfers Out | (3,177,711) | (3,226,210) | (3,206,054) | 20,156 |
| Reserve for Contingencies | (11,258,150) | (10,726,074) | - | 10,726,074 |
| Total Other Financing Sources (Uses) | <u>(10,299,933)</u> | <u>(9,806,400)</u> | <u>1,801,516</u> | <u>11,607,916</u> |
| Net Change in Fund Balance | (14,506,579) | (14,231,719) | 5,188,305 | 19,420,024 |
| Fund Balance at Beginning of Year | 14,506,579 | 14,231,719 | 14,259,648 | 27,929 |
| Fund Balance at End of Year | \$ - | \$ - | \$ 19,447,953 | \$ 19,447,953 |

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CLERK OF COURT AND COMPTROLLER
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------------|---------------------|---|
| | Original | Final | Actual Amounts | |
| | Original | Final | Actual Amounts | |
| Revenues | | | | |
| Intergovernmental | \$ 441,735 | \$ 379,890 | \$ 308,357 | \$ (71,533) |
| Charges for Services | 3,540,470 | 3,602,315 | 4,108,309 | 505,994 |
| Fines and Forfeitures | 1,084,800 | 1,084,800 | 1,225,382 | 140,582 |
| Investment Income (Loss) | 35,000 | 35,000 | 300,260 | 265,260 |
| Miscellaneous | - | - | 184,384 | 184,384 |
| Total Revenues | <u>5,102,005</u> | <u>5,102,005</u> | <u>6,126,692</u> | <u>1,024,687</u> |
| Expenditures | | | | |
| Current | | | | |
| General Government | 490,000 | 490,000 | 25,217 | 464,783 |
| Court Operations | 5,497,005 | 5,497,005 | 5,320,868 | 176,137 |
| Capital Outlay | 40,000 | 40,000 | - | 40,000 |
| Total Expenditures | <u>6,027,005</u> | <u>6,027,005</u> | <u>5,346,085</u> | <u>680,920</u> |
| Excess of Revenues Over (Under) Expenditures | (925,000) | (925,000) | 780,607 | 1,705,607 |
| Other Financing Sources (Uses) | | | | |
| Reserve for Contingencies | (940,000) | (940,000) | - | 940,000 |
| Total Other Financing Sources (Uses) | <u>(940,000)</u> | <u>(940,000)</u> | <u>-</u> | <u>940,000</u> |
| Net Change in Fund Balance | (1,865,000) | (1,865,000) | 780,607 | 2,645,607 |
| Fund Balance at Beginning of Year | 1,865,000 | 1,865,000 | 3,170,084 | 1,305,084 |
| Fund Balance at End of Year | \$ - | \$ - | \$ 3,950,691 | \$ 3,950,691 |

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PROPERTY APPRAISER SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------------|---------------------|---|
| | Original | Final | Actual Amounts | |
| | | | | |
| Revenues | | | | |
| Intergovernmental | \$ 1,480,565 | \$ 1,480,565 | \$ 1,480,565 | \$ - |
| Charges for Services | - | - | 88,046 | 88,046 |
| Investment Income (Loss) | - | - | 781 | 781 |
| Total Revenues | <u>1,480,565</u> | <u>1,480,565</u> | <u>1,569,392</u> | <u>88,827</u> |
| Expenditures | | | | |
| Current | | | | |
| General Government | 1,606,390 | 1,551,884 | 1,460,656 | 91,228 |
| Capital Outlay | 235,666 | 290,172 | 290,172 | - |
| Total Expenditures | <u>1,842,056</u> | <u>1,842,056</u> | <u>1,750,828</u> | <u>91,228</u> |
| Excess of Revenues Over (Under) Expenditures | (361,491) | (361,491) | (181,436) | 180,055 |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | - | - | (113,184) | (113,184) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>(113,184)</u> | <u>(113,184)</u> |
| Net Change in Fund Balance | (361,491) | (361,491) | (294,620) | 66,871 |
| Fund Balance at Beginning of Year | 101,855 | 101,855 | 1,662,987 | 1,561,132 |
| Fund Balance at End of Year | \$ (259,636) | \$ (259,636) | \$ 1,368,367 | \$ 1,628,003 |

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SHERIFF SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|----------------------------|----------------------------|---|
| | Original | Final | Actual Amounts | |
| | | | | |
| Revenues | | | | |
| Intergovernmental | \$ 366,252 | \$ 891,422 | \$ 509,022 | \$ (382,400) |
| Charges for Services | 5,615,000 | 5,615,000 | 6,665,241 | 1,050,241 |
| Fines and Forfeitures | 160,000 | 160,000 | 205,222 | 45,222 |
| Investment Income (Loss) | 3,300 | 3,300 | 70,336 | 67,036 |
| Miscellaneous | 93,200 | 93,200 | 252,818 | 159,618 |
| Total Revenues | <u>6,237,752</u> | <u>6,762,922</u> | <u>7,702,639</u> | <u>939,717</u> |
| Expenditures | | | | |
| Current | | | | |
| Public Safety | 5,859,930 | 6,310,951 | 5,545,850 | 765,101 |
| Capital Outlay | 279,608 | 1,512,581 | 762,825 | 749,756 |
| Total Expenditures | <u>6,139,538</u> | <u>7,823,532</u> | <u>6,308,675</u> | <u>1,514,857</u> |
| Excess of Revenues Over (Under) Expenditures | 98,214 | (1,060,610) | 1,393,964 | 2,454,574 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 3,114,681 | 3,114,681 | 3,545,913 | 431,232 |
| Transfers Out | (3,200,000) | (3,500,000) | (4,609,901) | (1,109,901) |
| Reserve for Contingencies | (3,027,807) | (2,647,174) | - | 2,647,174 |
| Total Other Financing Sources (Uses) | <u>(3,113,126)</u> | <u>(3,032,493)</u> | <u>(1,063,988)</u> | <u>1,968,505</u> |
| Net Change in Fund Balance | (3,014,912) | (4,093,103) | 329,976 | 4,423,079 |
| Fund Balance at Beginning of Year | 3,101,088 | 3,165,316 | 5,094,303 | 1,928,987 |
| Fund Balance at End of Year | <u>\$ 86,176</u> | <u>\$ (927,787)</u> | <u>\$ 5,424,279</u> | <u>\$ 6,352,066</u> |

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON-AD VALOREM REFUNDING REVENUE BONDS 2010
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|------------------|---|
| | Original | Final | Actual Amounts | |
| | \$ | \$ | \$ | |
| Revenues | | | | |
| Investment Income (Loss) | \$ - | \$ - | \$ 811 | \$ 811 |
| Total Revenues | - | - | 811 | 811 |
| Expenditures | | | | |
| Current | | | | |
| General Government | 8 | 8 | 2 | 6 |
| Debt Service | | | | |
| Principal | 433,766 | 433,766 | 425,000 | 8,766 |
| Interest and Fiscal Charges | 9,591 | 9,591 | 8,765 | 826 |
| Total Expenditures | 443,365 | 443,365 | 433,767 | 9,598 |
| Excess of Revenues Over (Under) Expenditures | (443,365) | (443,365) | (432,956) | 10,409 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 442,533 | 442,533 | 442,532 | (1) |
| Reserve for Contingencies | (6,832) | (6,344) | - | 6,344 |
| Total Other Financing Sources (Uses) | 435,701 | 436,189 | 442,532 | 6,343 |
| Net Change in Fund Balance | (7,664) | (7,176) | 9,576 | 16,752 |
| Fund Balance at Beginning of Year | 7,664 | 7,176 | 7,177 | 1 |
| Fund Balance at End of Year | \$ - | \$ - | \$ 16,753 | \$ 16,753 |

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON-AD VALOREM REFUNDING REVENUE NOTE 2012
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) | |
|---|-------------------------|--------------------|--------------------|---|-----------|
| | Original | Final | Actual Amounts | | |
| | \$ | \$ | \$ | \$ | \$ |
| Revenues | | | | | |
| Investment Income (Loss) | - | - | \$ 44,594 | \$ 44,594 | \$ 44,594 |
| Total Revenues | - | - | \$ 44,594 | \$ 44,594 | \$ 44,594 |
| Expenditures | | | | | |
| Current | | | | | |
| General Government | 20 | 20 | 4 | 4 | 16 |
| Debt Service | | | | | |
| Principal | 1,379,000 | 1,379,000 | 1,379,000 | - | - |
| Interest and Fiscal Charges | 206,262 | 206,262 | 206,260 | 2 | 2 |
| Total Expenditures | 1,585,282 | 1,585,282 | 1,585,264 | 18 | 18 |
| Excess of Revenues Over (Under) Expenditures | (1,585,282) | (1,585,282) | (1,540,670) | 44,612 | |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | 1,585,264 | 1,585,264 | 1,585,260 | (4) | |
| Reserve for Contingencies | (3,798) | (9,091) | - | 9,091 | |
| Total Other Financing Sources (Uses) | 1,581,466 | 1,576,173 | 1,585,260 | 9,087 | |
| Net Change in Fund Balance | (3,816) | (9,109) | 44,590 | 53,699 | |
| Fund Balance at Beginning of Year | 3,816 | 9,109 | 9,110 | 1 | |
| Fund Balance at End of Year | \$ - | \$ - | \$ 53,700 | \$ 53,700 | |

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON-AD VALOREM REVENUE BONDS 2022
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | <u>Budgeted Amounts</u> | | | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|--------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual Amounts</u> | |
| | \$ | \$ | \$ | |
| Revenues | | | | |
| Investment Income (Loss) | \$ - | \$ - | \$ - | \$ - |
| Total Revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | | |
| Current | | | | |
| General Government | - | - | - | - |
| Debt Service | | | | |
| Principal | 310,000 | 310,000 | - | 310,000 |
| Interest and Fiscal Charges | 2,471,502 | 2,471,504 | 1,540,868 | 930,636 |
| Total Expenditures | <u>2,781,502</u> | <u>2,781,504</u> | <u>1,540,868</u> | <u>1,240,636</u> |
| Excess of Revenues Over (Under) Expenditures | (2,781,502) | (2,781,504) | (1,540,868) | 1,240,636 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 2,781,502 | 2,781,502 | 1,540,870 | (1,240,632) |
| Reserve for Contingencies | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>2,781,502</u> | <u>2,781,502</u> | <u>1,540,870</u> | <u>(1,240,632)</u> |
| Net Change in Fund Balance | - | (2) | 2 | 4 |
| Fund Balance at Beginning of Year | - | 2 | 2 | - |
| Fund Balance at End of Year | \$ - | \$ - | \$ 4 | \$ 4 |

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
IMPACT FEES CAPITAL PROJECT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------------|----------------------|---|
| | Original | Final | Actual Amounts | |
| | Original | Final | Actual Amounts | |
| Revenues | | | | |
| Impact Fees | \$ 3,191,949 | \$ 3,211,949 | \$ 5,989,495 | \$ 2,777,546 |
| Investment Income (Loss) | - | - | 1,503,718 | 1,503,718 |
| Miscellaneous | - | - | 148,739 | 148,739 |
| Total Revenues | 3,191,949 | 3,211,949 | 7,641,952 | 4,430,003 |
| Expenditures | | | | |
| Current | | | | |
| General Government | 124,000 | 271,121 | 2,110 | 269,011 |
| Public Safety | 220,000 | 728,371 | 213,714 | 514,657 |
| Transportation | - | 2,193,560 | 8,438 | |
| Culture and Recreation | 304,085 | 813,093 | 201,217 | 611,876 |
| Capital Outlay | 7,847,785 | 9,057,026 | 5,626,147 | 3,430,879 |
| Total Expenditures | 8,495,870 | 13,063,171 | 6,051,626 | 4,826,423 |
| Excess of Revenues Over (Under) Expenditures | (5,303,921) | (9,851,222) | 1,590,326 | 9,256,426 |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (221,938) | (221,938) | (221,936) | 2 |
| Reserve for Contingencies | (9,744,820) | (11,444,457) | - | 11,444,457 |
| Total Other Financing Sources (Uses) | (9,966,758) | (11,666,395) | (221,936) | 11,444,459 |
| Net Change in Fund Balance | (15,270,679) | (21,517,617) | 1,368,390 | 22,886,007 |
| Fund Balance at Beginning of Year | 15,270,679 | 21,517,617 | 21,381,033 | (136,584) |
| Fund Balance at End of Year | \$ - | \$ - | \$ 22,749,423 | \$ 22,749,423 |

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
RESTORE ACT PROJECTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | <u>Budgeted Amounts</u> | | | <u>Variance with Final Budget Positive (Negative)</u> |
|------------------------------------|-------------------------|------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual Amounts</u> | |
| | | | | |
| Revenues | | | | |
| Intergovernmental | \$ 233,692 | \$ 3,535,585 | \$ 167,290 | \$ (3,368,295) |
| Total Revenues | <u>233,692</u> | <u>3,535,585</u> | <u>167,290</u> | <u>(3,368,295)</u> |
| Expenditures | | | | |
| Current | | | | |
| Physical Environment | 77,217 | 318,427 | 149,600 | 168,827 |
| Capital Outlay | 156,475 | 3,217,158 | 17,690 | 3,199,468 |
| Total Expenditures | <u>233,692</u> | <u>3,535,585</u> | <u>167,290</u> | <u>3,368,295</u> |
| Net Change in Fund Balance | | | | |
| Fund Balance at Beginning of Year | - | - | (19,094) | (19,094) |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (19,094)</u> | <u>\$ (19,094)</u> |

See accompanying independent auditors' report.

Internal Service Funds

Central Fueling System

To account for the internal operation of the central fueling division of Hernando County.

Risk Management

To account for the internal operation of the general insurance programs used by the County.

Workers' Compensation

To account for the internal operations of the self-insured workers' compensation program.

Computer Replacement

To account for the management and replacement of County computers.

Vehicle Maintenance

To account for the internal operation of the privatized vehicle maintenance program.

Fleet Replacement

To account for the management and replacement of County vehicles.

County Health Insurance

To account for self-insured medical insurance provided to the employees by the

Sheriff Health Insurance

To account for self-insured medical insurance provided to the employees by the Sheriff.

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2024

| | Central Fueling System | Risk Management | Workers' Compensation |
|---|-----------------------------------|----------------------------|----------------------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ - | \$ - | \$ 200,000 |
| Pooled Cash and Investments | 380,412 | 1,708,662 | 10,879,863 |
| Accounts Receivable (net) | 3,636 | - | - |
| Due from Other Governments | - | - | - |
| Inventories | 52,817 | - | - |
| Total Current Assets | 436,865 | 1,708,662 | 11,079,863 |
| Non-Current Assets: | | | |
| Capital Assets, not depreciated | 27,350 | - | - |
| Capital Assets, net of accumulated depreciation | 355,621 | - | - |
| Total Non-Current Assets | 382,971 | - | - |
| Total Assets | 819,836 | 1,708,662 | 11,079,863 |
| Deferred Outflows of Resources | 10,536 | 36,932 | 24,640 |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable | 181,623 | 1,965 | 31,437 |
| Accrued Liabilities | 3,157 | 6,035 | 4,111 |
| Due Within One Year | 1,728 | 1,212 | 2,570,986 |
| Total Current Liabilities | 186,508 | 9,212 | 2,606,534 |
| Non-Current Liabilities: | | | |
| Due in More Than One Year | 74,275 | 131,576 | 3,164,227 |
| Total Non-Current Liabilities | 74,275 | 131,576 | 3,164,227 |
| Total Liabilities | 260,783 | 140,788 | 5,770,761 |
| Deferred Inflows of Resources | 7,228 | 15,421 | 12,490 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 382,971 | - | - |
| Unrestricted | 179,390 | 1,589,385 | 5,321,252 |
| Total Net Position | \$ 562,361 | \$ 1,589,385 | \$ 5,321,252 |

See accompanying independent auditors' report.

| Computer Replacement | Vehicle Maintenance | Fleet Replacement | County Health Insurance | Sheriff Health Insurance | Total |
|----------------------|---------------------|----------------------|-------------------------|--------------------------|----------------------|
| \$ - | \$ 720 | \$ - | \$ 508,000 | \$ 8,915,290 | \$ 9,624,010 |
| 599,968 | 898,195 | 4,961,229 | 7,058,845 | - | 26,487,174 |
| - | 1,757 | - | - | - | 5,393 |
| - | 13,926 | - | - | - | 13,926 |
| - | 141,156 | - | - | - | 193,973 |
| 599,968 | 1,055,754 | 4,961,229 | 7,566,845 | 8,915,290 | 36,324,476 |
| - | - | - | - | - | 27,350 |
| - | 1,129,228 | 22,940,490 | 73,731 | 248,730 | 24,747,800 |
| - | 1,129,228 | 22,940,490 | 73,731 | 248,730 | 24,775,150 |
| 599,968 | 2,184,982 | 27,901,719 | 7,640,576 | 9,164,020 | 61,099,626 |
| - | 162,425 | 15,182 | 5,838 | - | 255,553 |
| - | 220,685 | 275,896 | 4,986,847 | 1,004,925 | 6,703,378 |
| - | 32,141 | 184,573 | 2,701 | 737 | 233,455 |
| - | 14,958 | 1,419,789 | 832,218 | 599,373 | 5,440,264 |
| - | 267,784 | 1,880,258 | 5,821,766 | 1,605,035 | 12,377,097 |
| - | 702,076 | 10,191,630 | 72,915 | 236,689 | 14,573,388 |
| - | 702,076 | 10,191,630 | 72,915 | 236,689 | 14,573,388 |
| - | 969,860 | 12,071,888 | 5,894,681 | 1,841,724 | 26,950,485 |
| - | 118,998 | 7,235 | 5,856 | - | 167,228 |
| - | 1,129,228 | 12,579,372 | 73,731 | - | 14,165,302 |
| 599,968 | 129,321 | 3,258,406 | 1,672,146 | 7,322,296 | 20,072,164 |
| \$ 599,968 | \$ 1,258,549 | \$ 15,837,778 | \$ 1,745,877 | \$ 7,322,296 | \$ 34,237,466 |

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Central Fueling System | Risk Management | Workers' Compensation |
|--|-----------------------------------|----------------------------|----------------------------------|
| Operating Revenues | | | |
| Charges for Services | \$ 1,527,125 | \$ 6,187,816 | \$ 1,822,749 |
| Miscellaneous | - | 355 | 6,048 |
| Total Operating Revenues | <u>1,527,125</u> | <u>6,188,171</u> | <u>1,828,797</u> |
| Operating Expenses | | | |
| Personnel Services | 80,793 | 156,864 | 100,751 |
| Other Services & Charges | 1,502,933 | 5,932,493 | 301,664 |
| Claims | - | - | (519,087) |
| Depreciation and Amortization | 1,306 | - | - |
| Total Operating Expenses | <u>1,585,032</u> | <u>6,089,357</u> | <u>(116,672)</u> |
| Operating Income (Loss) | <u>(57,907)</u> | <u>98,814</u> | <u>1,945,469</u> |
| Non-Operating Revenues (Expenses) | | | |
| Investment Income (Loss) | 24,701 | 89,051 | 637,099 |
| Interest Expense | - | - | - |
| Operating Grants | - | - | - |
| Gain (Loss) on Sale of Capital Assets | - | - | - |
| Total Non-Operating Revenues (Expenses) | <u>24,701</u> | <u>89,051</u> | <u>637,099</u> |
| Income (Loss) Before Transfers | <u>(33,206)</u> | <u>187,865</u> | <u>2,582,568</u> |
| Transfers In | - | - | - |
| Transfers Out | (5,271) | (6,201) | (5,039) |
| Total Contributions and Transfers | <u>(5,271)</u> | <u>(6,201)</u> | <u>(5,039)</u> |
| Change in Net Position | | | |
| Net Position-Beginning | (38,477) | 181,664 | 2,577,529 |
| Net Position-Ending | <u>600,838</u> | <u>1,407,721</u> | <u>2,743,723</u> |
| | <u>\$ 562,361</u> | <u>\$ 1,589,385</u> | <u>\$ 5,321,252</u> |

See accompanying independent auditors' report.

| Computer Replacement | Vehicle Maintenance | Fleet Replacement | County Health Insurance | Sheriff Health Insurance | Total |
|----------------------|---------------------|----------------------|-------------------------|--------------------------|----------------------|
| \$ 40,631 | \$ 3,877,500 | \$ 6,258,525 | \$ 13,494,515 | \$ 10,963,262 | \$ 44,172,123 |
| - | 112,773 | 932 | 1,119,724 | 963,452 | 2,203,284 |
| 40,631 | 3,990,273 | 6,259,457 | 14,614,239 | 11,926,714 | 46,375,407 |
| | | | | | |
| - | 892,063 | 82,981 | 2,912,961 | 40,428 | 4,266,841 |
| 6,165 | 2,636,311 | 1,114,423 | 1,352,740 | 2,379,926 | 15,226,655 |
| - | - | - | 14,074,594 | 10,552,681 | 24,108,188 |
| - | 70,790 | 3,826,769 | 36,865 | 37,310 | 3,973,040 |
| 6,165 | 3,599,164 | 5,024,173 | 18,377,160 | 13,010,345 | 47,574,724 |
| 34,466 | 391,109 | 1,235,284 | (3,762,921) | (1,083,631) | (1,199,317) |
| | | | | | |
| 36,628 | 34,883 | 208,299 | 231,341 | 294,986 | 1,556,988 |
| - | - | (371,262) | (3,357) | (9,815) | (384,434) |
| - | 13,781 | - | - | - | 13,781 |
| - | 12,506 | 420,817 | - | - | 433,323 |
| 36,628 | 61,170 | 257,854 | 227,984 | 285,171 | 1,619,658 |
| 71,094 | 452,279 | 1,493,138 | (3,534,937) | (798,460) | 420,341 |
| | | | | | |
| - | - | 8,400 | 3,945,382 | 265,931 | 4,219,713 |
| - | (199,381) | (4,702) | (675) | - | (221,269) |
| - | (199,381) | 3,698 | 3,944,707 | 265,931 | 3,998,444 |
| 71,094 | 252,898 | 1,496,836 | 409,770 | (532,529) | 4,418,785 |
| 528,874 | 1,005,651 | 14,340,942 | 1,336,107 | 7,854,825 | 29,818,681 |
| \$ 599,968 | \$ 1,258,549 | \$ 15,837,778 | \$ 1,745,877 | \$ 7,322,296 | \$ 34,237,466 |

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Central Fueling System | Risk Management | Workers' Compensation |
|--|-----------------------------------|----------------------------|----------------------------------|
| Cash Flows from Operating Activities | | | |
| Receipts from Customers | \$ 1,526,721 | \$ 6,187,816 | \$ 1,822,749 |
| Receipts from Inter-Fund Services | - | - | - |
| Payments to Suppliers | (1,486,250) | (5,931,149) | (323,464) |
| Payments to Employees | (80,842) | (153,828) | (98,344) |
| Claims Paid | - | - | (340,913) |
| Other Receipts (Payments) | - | 355 | 6,048 |
| Net Cash provided by (used in) Operating Activities | <u>(40,371)</u> | <u>103,194</u> | <u>1,066,076</u> |
| Cash Flows from Noncapital Financing Activities | | | |
| Operating Grants | - | - | - |
| Transfers from Other Funds | - | - | - |
| Transfers to Other Funds | (5,271) | (6,201) | (5,039) |
| Net Cash Provided by (used in) Noncapital Financing Activities | <u>(5,271)</u> | <u>(6,201)</u> | <u>(5,039)</u> |
| Cash Flows From Capital and Related Financing Activities | | | |
| Additions to Capital Assets | (354,751) | - | - |
| Proceeds from Capital Debt | - | - | - |
| Principal Paid on Capital Debt | - | - | - |
| Interest Paid on Capital Debt | - | - | - |
| Principal Payments on Long-Term Leases | - | - | - |
| Interest Payments on Long-Term Leases | - | - | - |
| Proceeds From Sale of Capital Assets | - | - | - |
| Net Cash provided by (used for) Capital and Related financing activities | <u>(354,751)</u> | <u>-</u> | <u>-</u> |
| Cash Flows for Investing Activities | | | |
| Interest Received | 24,701 | 89,051 | 637,099 |
| Net Cash Provided by Investing Activities | <u>24,701</u> | <u>89,051</u> | <u>637,099</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | | | |
| Cash and Cash Equivalents at Beginning of Year | (375,692) | 186,044 | 1,698,136 |
| Cash and Cash Equivalents at End of Year | <u>756,104</u> | <u>1,522,618</u> | <u>9,381,727</u> |
| | \$ 380,412 | \$ 1,708,662 | \$ 11,079,863 |

See accompanying independent auditors' report.

| Computer Replacement | Vehicle Maintenance | Fleet Replacement | County Health Insurance | Sheriff Health Insurance | Total |
|----------------------|---------------------|---------------------|-------------------------|--------------------------|----------------------|
| \$ 40,631 | \$ 3,864,947 | \$ 6,284,875 | \$ 13,494,515 | \$ 774,600 | \$ 33,996,854 |
| - | - | - | - | 10,188,662 | 10,188,662 |
| (6,165) | (2,710,678) | (955,096) | (147,939) | (2,255,874) | (13,816,615) |
| - | (910,131) | (85,541) | (2,916,154) | (40,428) | (4,285,268) |
| - | - | - | (14,057,867) | (10,387,579) | (24,786,359) |
| - | 112,773 | 932 | 1,119,724 | 963,452 | 2,203,284 |
| 34,466 | 356,911 | 5,245,170 | (2,507,721) | (757,167) | 3,500,558 |
| <hr/> | | | | | |
| - | 13,781 | - | - | - | 13,781 |
| - | - | 8,400 | 3,945,382 | 265,931 | 4,219,713 |
| - | (199,381) | (4,702) | (675) | - | (221,269) |
| - | (185,600) | 3,698 | 3,944,707 | 265,931 | 4,012,225 |
| <hr/> | | | | | |
| - | - | (6,618,358) | - | - | (6,973,109) |
| - | - | 4,765,000 | - | - | 4,765,000 |
| - | - | (1,368,224) | - | - | (1,368,224) |
| - | - | (278,939) | - | - | (278,939) |
| - | - | - | (36,635) | (31,750) | (68,385) |
| - | - | - | (3,357) | (9,901) | (13,258) |
| - | 12,506 | 420,817 | - | - | 433,323 |
| - | 12,506 | (3,079,704) | (39,992) | (41,651) | (3,503,592) |
| <hr/> | | | | | |
| 36,628 | 34,883 | 208,299 | 231,341 | 365,934 | 1,627,936 |
| 36,628 | 34,883 | 208,299 | 231,341 | 365,934 | 1,627,936 |
| <hr/> | | | | | |
| 71,094 | 218,700 | 2,377,463 | 1,628,335 | (166,953) | 5,637,127 |
| 528,874 | 680,215 | 2,583,766 | 5,938,510 | 9,082,243 | 30,474,057 |
| \$ 599,968 | \$ 898,915 | \$ 4,961,229 | \$ 7,566,845 | \$ 8,915,290 | \$ 36,111,184 |

Continued

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Central Fueling System | Risk Management | Workers' Compensation |
|---|-----------------------------------|----------------------------|----------------------------------|
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities | | | |
| Operating Income (Loss) | \$ (57,907) | \$ 98,814 | \$ 1,945,469 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (used for) Operating Activities | | | |
| Depreciation and Amortization | 1,306 | - | - |
| Other Post-Employment Benefits | 513 | (1,745) | (892) |
| Pension Adjustments | (702) | 928 | 666 |
| Other Deferred Amounts | 2,456 | | |
| (Increase) Decrease in Accounts Receivable | (513) | - | - |
| Due from Other Funds | - | - | - |
| Due from Other Governments | 109 | - | - |
| Inventories | (34,134) | - | - |
| Increase (Decrease) in Accounts Payable | 50,817 | 1,344 | (21,800) |
| Accrued Liabilities | (2,316) | 3,853 | 2,633 |
| Due to Other Funds | - | - | - |
| Unearned Revenues | - | - | - |
| Claims Liabilities | - | - | (860,000) |
| Total Adjustments | 17,536 | 4,380 | (879,393) |
| Net cash Provided by (used in) Operating Activities | \$ (40,371) | \$ 103,194 | \$ 1,066,076 |

See accompanying independent auditors' report.

| Computer Replacement | Vehicle Maintenance | Fleet Replacement | County Health Insurance | Sheriff Health Insurance | Total |
|-------------------------|------------------------|----------------------|----------------------------|-----------------------------|---------------------|
| \$ 34,466 | \$ 391,109 | \$ 1,235,284 | \$ (3,762,921) | \$ (1,083,631) | \$ (1,199,317) |
| - 70,790 | - (7,019) | - 3,826,769 | - 36,865 | - 37,310 | - 3,973,040 |
| - 5,562 | - | - (721) | - (789) | - | - (10,653) |
| - | - | - 527 | - 436 | - | - 7,417 |
| - | - | - | - | - | - 2,456 |
| - 1,373 | - | - 26,350 | - | - | - 27,210 |
| - | - | - | - | - | - |
| - (13,926) | - | - | - | - | - (13,817) |
| - | - | - | - | - | - (34,134) |
| - (74,367) | - | - 159,327 | - 1,204,801 | - 124,052 | - 1,444,174 |
| - (16,611) | - | - (2,366) | - (2,840) | - | - (17,647) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - 16,727 | - 165,102 | - (678,171) |
| - (34,198) | - | - 4,009,886 | - 1,255,200 | - 326,464 | - 4,699,875 |
| \$ 34,466 | \$ 356,911 | \$ 5,245,170 | \$ (2,507,721) | \$ (757,167) | \$ 3,500,558 |

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Custodial Funds

Board of County Commissioners Custodial Fund

To account for assets held by the Board of County Commissioners as agent, including industrial bond escrow funds and impact fees held for the School Board of Hernando County.

Clerk of Circuit Court Custodial Fund

To account for assets held by the Clerk of Circuit Court as agent, including fines and fees, court registry funds, child support and alimony payments, and juror and witness funds.

Sheriff Custodial Fund

To account for assets held by the Sheriff as agent, including service fees.

Tax Collector Custodial Fund

To account for assets held by the Tax Collector as agent, including tax and tag funds.

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2024

| | Board of County Commissioners | Clerk of the Circuit Court | Sheriff |
|-----------------------------------|--|---------------------------------------|------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ - | \$ 4,868,208 | \$ 200,445 |
| Pooled Cash and Investments | 2,794,324 | - | - |
| Due from Other Governments | - | - | - |
| Total Assets | 2,794,324 | 4,868,208 | 200,445 |
| LIABILITIES | | | |
| Accounts Payable | 2,237,826 | 15,911 | 53,926 |
| Due to Other Governments | 541,765 | 944,243 | 71,006 |
| Installment Tax Escrow | - | - | - |
| Deposits | 14,733 | - | - |
| Other Current Liabilities | - | 2,239,507 | - |
| Total Liabilities | 2,794,324 | 3,199,661 | 124,932 |
| NET POSITION: | | | |
| Restricted for: | | | |
| Individuals and Other Governments | - | 1,668,547 | 75,513 |
| Total Net Position | \$ - | \$ 1,668,547 | \$ 75,513 |

See accompanying independent auditors' report.

| <u>Tax Collector</u> | <u>Total</u> |
|-------------------------|----------------------------|
| \$ 3,661,290 | \$ 8,729,943 |
| - | 2,794,324 |
| 145,129 | 145,129 |
| <u>3,806,419</u> | <u>11,669,396</u> |
| 7,857 | 2,315,520 |
| 3,793,316 | 5,350,330 |
| 5,246 | 5,246 |
| - | 14,733 |
| - | 2,239,507 |
| <u>3,806,419</u> | <u>9,925,336</u> |
| | |
| - | 1,744,060 |
| <u>\$ -</u> | <u>\$ 1,744,060</u> |

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES TO FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Board of County Commissioners | Clerk of the Circuit Court | Sheriff |
|--|--|---------------------------------------|------------------|
| ADDITIONS: | | | |
| Tax Collections for Other Governments | \$ - | \$ - | \$ - |
| State of Florida collections | - - | 29,117,800 | - - |
| Other collections | 7,268,003 | 36,931,849 | - - |
| Miscellaneous - Revenues | - - | - - | 1,933,049 |
| Total additions | 7,268,003 | 66,049,649 | 1,933,049 |
| DEDUCTIONS: | | | |
| Payments of Taxes to State of Florida | - - | 28,847,085 | - - |
| Payments of Taxes to Other Governments | - - | - - | - - |
| Other Payments | 7,268,003 | 37,705,635 | 1,975,904 |
| Miscellaneous - Expenses | - - | - - | - - |
| Total deductions | 7,268,003 | 66,552,720 | 1,975,904 |
| Change in net position | - - | (503,071) | (42,855) |
| Net Position-beginning of the year | - - | 2,171,618 | 118,368 |
| Net Position-end of year | \$ - | \$ 1,668,547 | \$ 75,513 |

See accompanying independent auditors' report.

| <u>Tax Collector</u> | <u>Total</u> |
|---------------------------|----------------------------|
| \$ 143,602,753 | \$ 143,602,753 |
| - 29,117,800 | |
| - 44,199,852 | |
| 1,450 1,934,499 | |
| <u>143,604,203</u> | <u>218,854,904</u> |
| - 28,847,085 | |
| 143,602,753 143,602,753 | |
| - 46,949,542 | |
| 1,450 1,450 | |
| <u>143,604,203</u> | <u>219,400,830</u> |
| - (545,926) | |
| - 2,289,986 | |
| <u>\$ -</u> | <u>\$ 1,744,060</u> |

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STATISTICAL TABLES

This section contains the following:

The statistical data is information gathered by the Clerk of Circuit Court and relates to the physical, economic, social, and political characteristics of the County. It is intended to provide financial report users with a more broad and more complete understanding of the County and its financial affairs than is possible from the Financial Statements and supporting schedules included in the Financial Section. Many of these tables cover multiple fiscal years and present data from outside the account records. Therefore, the Statistical Section data has not been subjected to independent audit.

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STATISTICAL SECTION

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

Contents

Financial Trends

These tables contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These tables contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These tables present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These tables contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

HERNANDO COUNTY, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(DOLLARS EXPRESSED IN THOUSANDS)

| | FISCAL YEAR | | | |
|--|---------------------------|--------------------------|--------------------------|--------------------------|
| | 2015^(a) | 2016 | 2017 | 2018 |
| Governmental Activities | | | | |
| Net Investment in Capital Assets | \$ 303,506 | \$ 306,373 | \$ 304,605 | \$ 304,941 |
| Restricted | 61,254 | 62,476 | 57,323 | 60,065 |
| Unrestricted | <u>(28,753)</u> | <u>(42,266)</u> | <u>(46,513)</u> | <u>(61,512)</u> |
| Total Governmental Activities Net Position | <u>\$ 336,007</u> | <u>\$ 326,583</u> | <u>\$ 315,415</u> | <u>\$ 303,494</u> |
| Business-type Activities | | | | |
| Net Investment in Capital Assets | \$ 171,560 | \$ 174,660 | \$ 171,817 | \$ 172,789 |
| Restricted | 9,597 | 12,753 | 17,783 | 18,818 |
| Unrestricted | <u>37,215</u> | <u>42,892</u> | <u>49,047</u> | <u>54,634</u> |
| Total Business-type Activities Net Position | <u>\$ 218,372</u> | <u>\$ 230,305</u> | <u>\$ 238,647</u> | <u>\$ 246,241</u> |
| Primary Government | | | | |
| Net Investment in Capital Assets | \$ 475,066 | \$ 481,033 | \$ 476,422 | \$ 477,730 |
| Restricted | 70,851 | 75,229 | 75,106 | 78,884 |
| Unrestricted | <u>8,462</u> | <u>626</u> | <u>2,534</u> | <u>(6,878)</u> |
| Total Primary Government Net Position | <u>\$ 554,379</u> | <u>\$ 556,888</u> | <u>\$ 554,062</u> | <u>\$ 549,736</u> |

(a) GASB 68 was implemented in 2015, requiring a reduction in beginning net position of \$37,122,821 (governmental) and \$4,813,564 (business-type). Prior years have not been restated in this schedule.

(b) GASB 87 was implemented in 2022, requiring an increase in beginning net position of \$543,985 (governmental). Prior years have not been restated in this schedule.

(c) GASB 96 was implemented in 2023, requiring an increase in beginning net position of \$1,450,184 (governmental). Prior years have not been restated in this schedule.

| FISCAL YEAR | | | | | |
|-------------------|-------------------|-------------------|---------------------|---------------------|-------------------|
| 2019 | 2020 | 2021 | 2022 ^(b) | 2023 ^(c) | 2024 |
| \$ 306,203 | \$ 331,520 | \$ 312,258 | \$ 318,931 | \$ 340,223 | \$ 369,996 |
| 78,821 | 90,385 | 102,989 | 111,550 | 146,198 | 67,828 |
| (85,382) | (90,418) | (46,020) | (45,724) | (82,783) | 18,031 |
| <u>\$ 299,642</u> | <u>\$ 331,487</u> | <u>\$ 369,227</u> | <u>\$ 384,757</u> | <u>\$ 403,638</u> | <u>\$ 455,855</u> |
| | | | | | |
| \$ 178,095 | \$ 188,883 | \$ 202,054 | \$ 225,879 | \$ 244,667 | \$ 267,116 |
| 18,818 | 51,337 | 20,932 | 20,932 | 16,855 | 59,487 |
| 64,808 | 32,345 | 76,324 | 82,381 | 105,041 | 83,280 |
| <u>\$ 261,721</u> | <u>\$ 272,565</u> | <u>\$ 299,310</u> | <u>\$ 329,192</u> | <u>\$ 366,563</u> | <u>\$ 409,883</u> |
| | | | | | |
| \$ 484,298 | \$ 520,403 | \$ 514,312 | \$ 544,810 | \$ 584,890 | \$ 637,112 |
| 97,639 | 141,722 | 123,921 | 132,482 | 163,053 | 127,315 |
| (20,574) | (58,073) | 30,304 | 36,657 | 22,258 | 101,311 |
| <u>\$ 561,363</u> | <u>\$ 604,052</u> | <u>\$ 668,537</u> | <u>\$ 713,949</u> | <u>\$ 770,201</u> | <u>\$ 865,738</u> |

HERNANDO COUNTY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(DOLLARS EXPRESSED IN THOUSANDS)

| | FISCAL YEAR | | | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | 2015 | 2016 | 2017 | 2018 |
| Expenses | | | | |
| Governmental Activities: | | | | |
| General Government | \$ 22,134 | \$ 24,583 | \$ 26,219 | \$ 28,208 |
| Public Safety | 74,105 | 86,582 | 92,685 | 99,101 |
| Physical Environment | 1,195 | 1,230 | 1,304 | 1,402 |
| Transportation | 20,187 | 23,236 | 24,465 | 25,206 |
| Economic Environment | 2,355 | 3,095 | 3,487 | 2,856 |
| Human Services | 8,762 | 7,275 | 7,504 | 7,936 |
| Culture and Recreation | 5,146 | 5,714 | 5,712 | 6,220 |
| Court Operations | 6,868 | 6,773 | 7,163 | 7,384 |
| Interest on Long-term Debt | 1,062 | 1,038 | 1,074 | 1,162 |
| Total Governmental Activities Expenses | <u>\$ 141,814</u> | <u>\$ 159,526</u> | <u>\$ 169,613</u> | <u>\$ 179,475</u> |
| Business-type Activities: | | | | |
| Water and Sewer District | \$ 25,882 | \$ 27,673 | \$ 30,933 | \$ 31,357 |
| Aviation Operations | 2,242 | 2,567 | 2,233 | 2,257 |
| Waste Management | 3,348 | 6,447 | 7,594 | 9,792 |
| Building Department | 2,218 | 2,786 | 2,807 | 3,258 |
| Total Business-type Activities Expenses | <u>33,690</u> | <u>39,473</u> | <u>43,567</u> | <u>46,664</u> |
| Total Primary Government Expenses | <u><u>\$ 175,504</u></u> | <u><u>\$ 198,999</u></u> | <u><u>\$ 213,180</u></u> | <u><u>\$ 226,139</u></u> |
| Program Revenues | | | | |
| Governmental Activities: | | | | |
| Charges for Services: | | | | |
| General Government | \$ 14,238 | \$ 12,050 | \$ 12,419 | \$ 13,428 |
| Public Safety | 29,063 | 31,168 | 31,312 | 35,831 |
| Physical Environment | 214 | 345 | 865 | 503 |
| Transportation | 4,856 | 5,398 | 5,692 | 6,307 |
| Economic Environment | 96 | - | 66 | - |
| Human Services | 229 | 250 | 231 | 242 |
| Culture and Recreation | 833 | 915 | 1,037 | 1,051 |
| Court Operations | 5,059 | 4,832 | 4,848 | 5,090 |
| Operating Grants and Contributions | 5,033 | 4,935 | 5,993 | 5,361 |
| Capital Grants and Contributions | 3,006 | 1,777 | 4,728 | 6,035 |
| Total Government Activities Program Revenues | <u>\$ 62,627</u> | <u>\$ 61,670</u> | <u>\$ 67,191</u> | <u>\$ 73,848</u> |
| Business-type Activities: | | | | |
| Charges for Services: | | | | |
| Water and Sewer District | \$ 28,569 | \$ 31,032 | \$ 33,832 | \$ 33,861 |
| Aviation Authority | 1,607 | 1,806 | 1,701 | 1,895 |
| Waste Management | 7,668 | 7,653 | 7,803 | 7,896 |
| Building Department | 2,602 | 2,970 | 2,915 | 3,547 |
| Zoning Department | - | - | - | - |
| Operating Grants and Contributions | 294 | 94 | 110 | 107 |
| Capital Grants and Contributions | 2,531 | 5,306 | 4,469 | 6,629 |
| Total Business-type Activities Program Revenues | <u>43,271</u> | <u>48,861</u> | <u>50,830</u> | <u>53,935</u> |
| Total Primary Government Program Revenues | <u><u>\$ 105,898</u></u> | <u><u>\$ 110,531</u></u> | <u><u>\$ 118,021</u></u> | <u><u>\$ 127,783</u></u> |

Table 2

| FISCAL YEAR | | | | | | |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--|
| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | |
| \$ 30,046 | \$ 30,576 | \$ 28,309 | \$ 29,912 | \$ 43,222 | \$ 43,024 | |
| 112,171 | 120,003 | 96,101 | 114,899 | 140,780 | 144,353 | |
| 6,393 | 8,128 | 8,325 | 8,805 | 9,580 | 10,177 | |
| 26,123 | 27,506 | 27,643 | 20,418 | 31,621 | 32,534 | |
| 2,561 | 4,808 | 5,943 | 2,320 | 2,962 | 3,449 | |
| 8,302 | 8,444 | 9,204 | 6,693 | 9,309 | 9,488 | |
| 6,823 | 6,418 | 6,665 | 6,734 | 8,064 | 8,575 | |
| 7,641 | 7,525 | 7,940 | 8,175 | 8,494 | 9,257 | |
| 1,226 | 1,094 | 887 | 707 | 2,394 | 2,306 | |
| <u>\$ 201,286</u> | <u>\$ 214,502</u> | <u>\$ 191,017</u> | <u>\$ 198,663</u> | <u>\$ 256,426</u> | <u>\$ 263,163</u> | |
| \$ 32,622 | \$ 34,129 | \$ 33,721 | \$ 44,316 | \$ 37,610 | \$ 40,881 | |
| 2,692 | 3,028 | 3,071 | 2,839 | 3,260 | 3,296 | |
| 8,943 | 12,227 | 9,230 | 10,627 | 10,226 | 10,617 | |
| 3,524 | 4,142 | 4,162 | 4,575 | 4,894 | 5,466 | |
| <u>47,781</u> | <u>53,526</u> | <u>50,184</u> | <u>62,357</u> | <u>55,990</u> | <u>60,260</u> | |
| <u>\$ 249,067</u> | <u>\$ 268,028</u> | <u>\$ 241,201</u> | <u>\$ 261,020</u> | <u>\$ 312,416</u> | <u>\$ 323,423</u> | |
| \$ 14,555 | \$ 15,481 | \$ 12,809 | \$ 31,585 | \$ 15,975 | \$ 17,615 | |
| 46,038 | 47,217 | 49,221 | 41,534 | 50,707 | 57,470 | |
| 101 | 223 | 264 | 309 | 8,242 | 8,396 | |
| 13,234 | 13,510 | 13,862 | 18,494 | 6,911 | 7,134 | |
| 18 | 19 | 24 | 573 | 30 | 38 | |
| 278 | 215 | 239 | 229 | 234 | 195 | |
| 961 | 890 | 1,177 | 1,889 | 1,891 | 1,610 | |
| 5,059 | 4,413 | 4,953 | 980 | 5,386 | 6,461 | |
| 6,393 | 32,962 | 14,807 | 2,340 | 18,343 | 29,448 | |
| 4,546 | 7,952 | 5,957 | 5,330 | 961 | 1,161 | |
| <u>\$ 91,183</u> | <u>\$ 122,882</u> | <u>\$ 103,313</u> | <u>\$ 103,263</u> | <u>\$ 108,680</u> | <u>\$ 129,528</u> | |
| \$ 35,859 | \$ 38,933 | \$ 41,625 | \$ 45,281 | \$ 47,295 | \$ 49,268 | |
| 1,972 | 2,120 | 2,183 | 12,311 | 1,840 | 1,975 | |
| 8,169 | 9,032 | 9,406 | 11,131 | 11,388 | 13,231 | |
| 3,677 | 3,803 | 4,453 | 4,802 | 5,428 | 5,543 | |
| - | - | - | - | - | - | |
| 1,521 | 842 | 165 | 44 | 1,566 | 2,662 | |
| <u>7,870</u> | <u>8,533</u> | <u>16,127</u> | <u>11,400</u> | <u>18,314</u> | <u>18,736</u> | |
| <u>59,068</u> | <u>63,263</u> | <u>73,959</u> | <u>84,969</u> | <u>85,831</u> | <u>91,415</u> | |
| <u>\$ 150,251</u> | <u>\$ 186,145</u> | <u>\$ 177,272</u> | <u>\$ 188,232</u> | <u>\$ 194,511</u> | <u>\$ 220,943</u> | |

HERNANDO COUNTY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(DOLLARS EXPRESSED IN THOUSANDS)

| | FISCAL YEAR | | | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | 2015 | 2016 | 2017 | 2018 |
| | <u><u>\$</u></u> | <u><u>\$</u></u> | <u><u>\$</u></u> | <u><u>\$</u></u> |
| Net (Expense)/Revenue | | | | |
| Governmental Activities | \$ (79,187) | \$ (97,856) | \$ (102,422) | \$ (105,627) |
| Business-type Activities | 9,581 | 9,388 | 7,263 | 7,271 |
| Total Primary Government Net Expense | <u><u>\$ (69,606)</u></u> | <u><u>\$ (88,468)</u></u> | <u><u>\$ (95,159)</u></u> | <u><u>\$ (98,356)</u></u> |
| General Revenues and Other Changes in Net Position | | | | |
| Governmental Activities: | | | | |
| Taxes | | | | |
| Property Taxes | \$ 58,984 | \$ 61,572 | \$ 62,915 | \$ 69,647 |
| Fuel Taxes | 6,242 | 8,146 | 8,722 | 8,970 |
| Sales Taxes | 8,697 | 9,100 | 9,337 | 9,878 |
| Other Taxes | 2,530 | 2,560 | 2,597 | 2,710 |
| State Shared Revenue | 4,756 | 4,889 | 5,102 | 5,335 |
| Investment Earnings | 1,671 | 1,437 | 562 | 532 |
| Miscellaneous | 1,274 | 1,378 | 1,597 | 1,682 |
| Gain on Sale of Capital Assets | 221 | 349 | 205 | 53 |
| Transfers | 610 | (998) | 217 | 154 |
| Total Governmental Activities | <u><u>84,985</u></u> | <u><u>88,433</u></u> | <u><u>91,254</u></u> | <u><u>98,961</u></u> |
| Business-type Activities: | | | | |
| Investment Earnings | 743 | 701 | 348 | 245 |
| Gain on Sale of Capital Assets | 46 | 28 | (11) | 315 |
| Miscellaneous | 864 | 818 | 958 | 1,057 |
| Transfers | (610) | 998 | (217) | (154) |
| Total Business-type Activities | <u><u>1,043</u></u> | <u><u>2,545</u></u> | <u><u>1,078</u></u> | <u><u>1,463</u></u> |
| Total Primary Government | <u><u>\$ 86,028</u></u> | <u><u>\$ 90,978</u></u> | <u><u>\$ 92,332</u></u> | <u><u>\$ 100,424</u></u> |
| Change in Net Position | | | | |
| Governmental Activities | \$ 5,798 | \$ (9,423) | \$ (11,168) | \$ (6,666) |
| Business-type Activities | 10,624 | 11,933 | 8,341 | 8,734 |
| Total Primary Government | <u><u>\$ 16,422</u></u> | <u><u>\$ 2,510</u></u> | <u><u>\$ (2,827)</u></u> | <u><u>\$ 2,068</u></u> |

Table 2

| FISCAL YEAR | | | | | |
|--|--|--|--|---|---|
| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| \$ (110,103) 11,287 | \$ (91,620) 9,737 | \$ (87,704) 23,775 | \$ (95,400) 22,612 | \$ (147,746) 29,841 | \$ (133,635) 31,155 |
| <u>\$ (98,816)</u> | <u>\$ (81,883)</u> | <u>\$ (63,929)</u> | <u>\$ (72,788)</u> | <u>\$ (117,905)</u> | <u>\$ (102,480)</u> |
| | | | | | |
| \$ 72,134 8,872 10,241 2,454 5,601 5,190 1,613 - 145 | \$ 86,534 8,328 10,458 2,597 5,317 4,126 4,640 - 119 | \$ 91,910 8,841 12,286 2,570 6,133 405 2,936 564 (201) | \$ 98,386 9,016 13,501 3,276 7,775 (5,488) 1,959 1,319 5,525 | \$ 113,236 12,497 15,279 2,968 8,051 10,480 1,828 - 837 | \$ 123,976 11,707 12,801 3,905 7,932 21,157 3,360 105 908 |
| <u>106,250</u> | <u>122,119</u> | <u>125,444</u> | <u>135,269</u> | <u>165,176</u> | <u>185,851</u> |
| | | | | | |
| 3,514 12 812 (145) | 2,610 47 676 (119) | 175 1,914 681 201 | (3,387) (858) 1,163 3,542 | 5,786 204 2,378 (837) | 11,947 212 915 (908) |
| <u>4,193</u> | <u>3,214</u> | <u>2,971</u> | <u>460</u> | <u>7,531</u> | <u>12,166</u> |
| <u>\$ 110,443</u> | <u>\$ 125,333</u> | <u>\$ 128,415</u> | <u>\$ 135,729</u> | <u>\$ 172,707</u> | <u>\$ 198,017</u> |
| | | | | | |
| \$ (3,853) 15,480 | \$ 30,499 12,951 | \$ 37,740 26,746 | \$ 39,869 23,072 | \$ 17,430 37,372 | \$ 52,216 43,321 |
| <u>\$ 11,627</u> | <u>\$ 43,450</u> | <u>\$ 64,486</u> | <u>\$ 62,941</u> | <u>\$ 54,802</u> | <u>\$ 95,537</u> |

HERNANDO COUNTY, FLORIDA
FUND BALANCE OF GOVERNMENT FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(DOLLARS EXPRESSED IN THOUSANDS)

| | FISCAL YEAR | | | |
|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2015 | 2016 | 2017 | 2018 |
| General Fund | | | | |
| Nonspendable | \$ 829 | \$ 4,570 | \$ 7,503 | \$ 5,890 |
| Restricted | 142 | 341 | 771 | 1,015 |
| Committed | 5,374 | 5,320 | 5,717 | 5,913 |
| Assigned | 4,000 | 3,000 | - | 28 |
| Unassigned | 12,992 | 9,443 | 6,860 | 9,760 |
| Total General Fund | <u><u>\$ 23,337</u></u> | <u><u>\$ 22,674</u></u> | <u><u>\$ 20,851</u></u> | <u><u>\$ 22,606</u></u> |
| | | | | |
| All other Governmental Funds | | | | |
| Nonspendable | \$ 65 | \$ 57 | \$ 51 | \$ 51 |
| Restricted | 59,257 | 59,914 | 54,225 | 55,439 |
| Committed | 1,140 | 1,247 | 1,286 | 1,353 |
| Assigned | 10,164 | 8,104 | 15,252 | 12,207 |
| Unassigned | - | - | (471) | 2,643 |
| Total all other Governmental Funds | <u><u>\$ 70,626</u></u> | <u><u>\$ 69,322</u></u> | <u><u>\$ 70,343</u></u> | <u><u>\$ 71,693</u></u> |

| FISCAL YEAR | | | | | | | | | | | |
|------------------|--|------------------|--|-------------------|--|-------------------|--|-------------------|--|-------------------|--|
| 2019 | | 2020 | | 2021 | | 2022 | | 2023 | | 2024 | |
| \$ 3,909 | | \$ 1,469 | | \$ 811 | | \$ 699 | | \$ 679 | | \$ 519 | |
| 1,046 | | 1,676 | | 913 | | 860 | | 15,999 | | 15,888 | |
| 7,677 | | 7,052 | | 7,510 | | 10,093 | | 11,985 | | 13,665 | |
| - | | 339 | | 4,791 | | 7,460 | | 1,213 | | 780 | |
| 9,346 | | 48,035 | | 51,771 | | 47,982 | | 62,697 | | 61,934 | |
| <u>\$ 21,978</u> | | <u>\$ 58,571</u> | | <u>\$ 65,796</u> | | <u>\$ 67,094</u> | | <u>\$ 92,573</u> | | <u>\$ 92,786</u> | |
| \$ 181 | | \$ 128 | | \$ 157 | | \$ 46 | | \$ 40 | | \$ 3 | |
| 72,330 | | 81,497 | | 92,823 | | 105,209 | | 130,299 | | 140,182 | |
| 1,625 | | 1,823 | | 2,014 | | 2,024 | | 2,227 | | 2,074 | |
| 11,864 | | 13,412 | | 14,714 | | 14,829 | | 12,878 | | 16,114 | |
| - | | - | | - | | - | | (126) | | (19) | |
| <u>\$ 86,000</u> | | <u>\$ 96,860</u> | | <u>\$ 109,708</u> | | <u>\$ 122,108</u> | | <u>\$ 145,318</u> | | <u>\$ 158,354</u> | |

HERNANDO COUNTY, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(DOLLARS EXPRESSED IN THOUSANDS)

| | FISCAL YEAR | | | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | 2015 | 2016 | 2017 | 2018 |
| Revenue | | | | |
| Taxes | \$ 67,733 | \$ 72,115 | \$ 74,178 | \$ 81,305 |
| Licenses and Permits | 390 | 446 | 504 | 529 |
| Intergovernmental | 23,624 | 23,916 | 27,279 | 28,931 |
| Charges for Services | 28,395 | 26,403 | 25,585 | 29,449 |
| Fines and Forfeitures | 1,621 | 1,543 | 1,540 | 1,732 |
| Special Assessments | 19,140 | 20,404 | 21,479 | 23,056 |
| Impact Fees | 892 | 1,299 | 2,733 | 3,129 |
| Interest | 1,460 | 1,281 | 486 | 454 |
| Miscellaneous | 2,552 | 2,553 | 2,428 | 2,690 |
| Total Revenues | <u><u>\$ 145,807</u></u> | <u><u>\$ 149,960</u></u> | <u><u>\$ 156,212</u></u> | <u><u>\$ 171,275</u></u> |
| Expenditures | | | | |
| Current | | | | |
| General Government | \$ 20,258 | \$ 21,271 | \$ 21,946 | \$ 23,999 |
| Public Safety | 75,963 | 78,707 | 81,327 | 86,506 |
| Physical Environment | 1,131 | 1,094 | 1,144 | 1,188 |
| Transportation | 13,584 | 14,932 | 15,720 | 15,600 |
| Economic Environment | 2,298 | 3,031 | 3,415 | 2,771 |
| Human Services | 7,043 | 5,520 | 5,710 | 6,094 |
| Culture and Recreation | 4,615 | 4,758 | 4,852 | 5,291 |
| Court Operations | 6,708 | 6,585 | 6,952 | 7,222 |
| Debt Service | | | | |
| Principal | 2,888 | 3,854 | 4,075 | 4,185 |
| Interest and Fiscal Charges | 990 | 978 | 975 | 987 |
| Capital Outlay | <u><u>19,297</u></u> | <u><u>13,475</u></u> | <u><u>12,268</u></u> | <u><u>14,878</u></u> |
| Total Expenditures | <u><u>\$ 154,775</u></u> | <u><u>\$ 154,205</u></u> | <u><u>\$ 158,384</u></u> | <u><u>\$ 168,721</u></u> |
| Excess of Revenues | | | | |
| Over (Under) Expenditures | (8,968) | (4,245) | (2,172) | 2,554 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 6,046 | 10,989 | 14,063 | 14,640 |
| Transfers Out | (7,834) | (9,469) | (15,061) | (15,333) |
| Sale of Capital Assets | - | - | - | 53 |
| Additions to Long-Term Debt | 1,864 | 757 | 2,368 | 1,189 |
| Lease Financing | - | - | - | - |
| SBITA Financing | - | | | |
| Total Other Financing Sources (Uses) | <u><u>76</u></u> | <u><u>2,277</u></u> | <u><u>1,370</u></u> | <u><u>549</u></u> |
| Net Change in Fund Balances | <u><u>(8,892)</u></u> | <u><u>(1,968)</u></u> | <u><u>(802)</u></u> | <u><u>3,103</u></u> |
| Debt Service as a Percentage of Noncapital Expenditures | 2.8% | 3.6% | 3.5% | 3.4% |

| FISCAL YEAR | | | | | | | | | | | |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------|--|------|--|------|--|
| 2019 | | 2020 | | 2021 | | 2022 | | 2023 | | 2024 | |
| \$ 83,660 | \$ 97,420 | \$ 103,329 | \$ 111,084 | \$ 126,832 | \$ 137,661 | | | | | | |
| 625 | 579 | 611 | 610 | 643 | 853 | | | | | | |
| 29,157 | 56,962 | 40,671 | 38,809 | 44,516 | 55,420 | | | | | | |
| 32,234 | 33,764 | 36,749 | 37,816 | 40,606 | 42,988 | | | | | | |
| 1,642 | 1,653 | 1,764 | 1,585 | 1,725 | 1,928 | | | | | | |
| 36,458 | 36,730 | 37,266 | 38,044 | 38,821 | 43,351 | | | | | | |
| 3,176 | 3,264 | 4,550 | 5,052 | 4,274 | 5,990 | | | | | | |
| 4,580 | 3,732 | 383 | (5,259) | 10,480 | 21,157 | | | | | | |
| 2,975 | 6,843 | 4,562 | 4,550 | 3,661 | 4,549 | | | | | | |
| \$ 194,507 | \$ 240,947 | \$ 229,885 | \$ 232,291 | \$ 271,558 | \$ 313,897 | | | | | | |
| | | | | | | | | | | | |
| \$ 24,519 | \$ 24,113 | \$ 27,806 | \$ 30,781 | \$ 34,603 | \$ 41,136 | | | | | | |
| 92,621 | 97,700 | 102,462 | 109,531 | 120,764 | 135,774 | | | | | | |
| 6,170 | 7,913 | 8,161 | 8,806 | 9,362 | 9,829 | | | | | | |
| 15,851 | 17,215 | 18,408 | 20,195 | 20,719 | 22,192 | | | | | | |
| 2,478 | 4,701 | 5,957 | 2,320 | 2,871 | 3,466 | | | | | | |
| 6,448 | 6,577 | 7,670 | 6,693 | 7,143 | 7,896 | | | | | | |
| 5,783 | 5,482 | 6,243 | 6,661 | 7,015 | 8,068 | | | | | | |
| 7,490 | 7,358 | 7,856 | 8,057 | 8,365 | 9,148 | | | | | | |
| | | | | | | | | | | | |
| 4,322 | 4,576 | 4,964 | 4,137 | 4,893 | 4,412 | | | | | | |
| 1,035 | 912 | 671 | 732 | 1,849 | 2,127 | | | | | | |
| 14,150 | 17,190 | 20,395 | 23,608 | 36,115 | 54,937 | | | | | | |
| \$ 180,867 | \$ 193,737 | \$ 210,593 | \$ 221,521 | \$ 253,699 | \$ 298,985 | | | | | | |
| | | | | | | | | | | | |
| 13,640 | 47,210 | 19,292 | 10,770 | 17,859 | 14,912 | | | | | | |
| | | | | | | | | | | | |
| 15,961 | 16,208 | 14,480 | 11,730 | 3,472 | 15,322 | | | | | | |
| (16,977) | (17,482) | (19,404) | (12,771) | (1,298) | (18,413) | | | | | | |
| - | - | - | - | - | - | | | | | | |
| 1,056 | 1,516 | 5,708 | 3,626 | 32,262 | - | | | | | | |
| - | - | - | - | 87 | 787 | | | | | | |
| | | | | 538 | 641 | | | | | | |
| 40 | 242 | 784 | 2,585 | 30,712 | (1,663) | | | | | | |
| 13,680 | 47,452 | 20,076 | 13,355 | 48,571 | 13,249 | | | | | | |
| | | | | | | | | | | | |
| 3.2% | 3.1% | 3.0% | 2.5% | 3.1% | 2.7% | | | | | | |

Table 5

HERNANDO COUNTY, FLORIDA
GENERAL GOVERNMENT STATE SHARED REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(DOLLARS EXPRESSED IN THOUSANDS)

| Fiscal Year | Local Government Half-Cent Sales Tax | | State Revenue Sharing Proceeds | | Constitutional Fuel Tax | | County Fuel Tax | | Local Option 1 - 6 cents | | State Housing Initiative Partnership | |
|--------------------|---|--------|---|-------|------------------------------------|-------|----------------------------|-----|---|-------|---|-------|
| | | | | | | | | | | | | |
| 2015 | \$ | 8,647 | \$ | 4,392 | \$ | 1,724 | \$ | 756 | \$ | 4,257 | \$ | 864 |
| 2016 | | 9,099 | | 4,519 | | 1,780 | | 787 | | 4,571 | | 878 |
| 2017 | | 9,306 | | 4,735 | | 1,836 | | 808 | | 4,594 | | 1,167 |
| 2018 | | 9,823 | | 5,208 | | 1,880 | | 826 | | 4,753 | | 796 |
| 2019 | | 10,113 | | 5,461 | | 1,947 | | 843 | | 4,754 | | 360 |
| 2020 | | 10,334 | | 5,150 | | 1,747 | | 758 | | 4,402 | | 404 |
| 2021 | | 12,179 | | 5,963 | | 1,848 | | 809 | | 4,727 | | 555 |
| 2022 | | 13,501 | | 7,606 | | 1,949 | | 850 | | 4,830 | | 2,050 |
| 2023 | | 14,104 | | 8,051 | | 1,967 | | 875 | | 5,099 | | 619 |
| 2024 | | 13,976 | | 7,738 | | 2,026 | | 877 | | 5,129 | | 2,691 |

(a) Note that these revenue sources are a component of Intergovernmental Revenues on the financial statements.
 Other components of Intergovernmental Revenues include federal, state, and local government grants.

HERNANDO COUNTY, FLORIDA
FAIR MARKET, ASSESSED VALUE, AND TAXABLE VALUE OF PROPERTY
LAST TEN FISCAL YEARS
(DOLLARS EXPRESSED IN THOUSANDS)

| Tax Roll Year | Fair Market ^{(a)(i)} | | Assessed Value ^{(b)(i)} | | Exemptions ^{(c)(i)} | | Taxable Value ^{(d)(i)} | | | | Total Direct Tax Rate ^(e) |
|---------------|-------------------------------|----------------------------------|----------------------------------|----------------------------------|------------------------------|----------------------------------|---------------------------------|----------------------------------|-----------------------------------|--------------|--------------------------------------|
| | Real Property ^(f) | Personal Property ^(g) | Real Property ^(f) | Personal Property ^(g) | Real Property ^(f) | Personal Property ^(g) | Real Property ^(f) | Personal Property ^(g) | Centrally Assessed ^(h) | Total | |
| 2015 | \$ 10,800,268 | \$ 1,585,644 | \$ 9,795,639 | \$ 1,584,744 | \$ 3,403,429 | \$ 600,482 | \$ 6,392,210 | \$ 984,263 | \$ 7,869 | \$ 7,384,342 | 8.5941 |
| 2016 | 11,208,262 | 1,703,765 | 10,044,161 | 1,703,015 | 3,473,220 | 596,852 | 6,570,941 | 1,106,163 | 8,326 | 7,685,431 | 8.5942 |
| 2017 | 12,247,949 | 1,834,656 | 10,572,795 | 1,766,495 | 3,555,440 | 600,848 | 7,017,354 | 1,165,647 | 7,483 | 8,190,484 | 8.9692 |
| 2018 | 13,300,360 | 1,846,816 | 11,165,701 | 1,776,293 | 3,646,183 | 601,446 | 7,519,519 | 1,174,846 | 7,926 | 8,702,291 | 8.7342 |
| 2019 | 15,210,973 | 1,721,661 | 11,880,508 | 1,693,762 | 3,780,811 | 609,861 | 8,099,697 | 1,083,901 | 7,694 | 9,191,292 | 9.7344 |
| 2020 | 16,567,712 | 1,766,669 | 12,807,078 | 1,739,675 | 3,963,063 | 612,477 | 8,844,015 | 1,127,198 | 9,594 | 9,980,807 | 9.4844 |
| 2021 | 17,656,641 | 1,817,025 | 13,794,061 | 1,790,065 | 4,121,443 | 608,847 | 9,672,619 | 1,181,218 | 9,948 | 10,863,785 | 9.3844 |
| 2022 | 24,884,232 | 1,883,804 | 16,033,070 | 1,857,269 | 4,413,228 | 617,692 | 11,619,842 | 1,239,577 | 10,937 | 12,870,356 | 8.9344 |
| 2023 | 28,928,102 | 2,059,565 | 18,217,430 | 2,026,581 | 4,777,494 | 639,703 | 13,439,935 | 1,386,878 | 11,185 | 14,837,998 | 8.6429 |
| 2024 | 30,562,802 | 2,123,904 | 20,176,004 | 2,092,082 | 5,138,009 | 643,033 | 15,037,995 | 1,449,049 | 11,116 | 16,498,160 | 8.3929 |

(a) Florida law requires that 'Just Value' of all property be determined each year. The Florida Supreme Court has declared Just Value to be legally synonymous to Full Cash Value and Fair Market Value. The Just Value or Fair Market Value is the amount it could sell for in a competitive open market, assuming that the buyer and seller both acted knowledgeably and without duress.

(b) Assessed value is different than just/market value for those properties that have assessment limitations on them. Examples of assessment limitations include Save our Homes (SOH) limitation for homestead properties, "greenbelt" for properties which have an agricultural use classification, and pollution control devices.

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

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

(e) Total Direct Tax Rate is the weighted average of the direct rates in each area. See Schedule 7, "Direct and Overlapping Property Tax Rates" for more information.

(f) Real Property means land, buildings, fixtures, and all other improvements to land.

(g) Personal Property commonly known as Tangible Personal Property (TPP) is defined as furniture, fixtures and equipment used in the operation of a business.

(h) Centrally assessed property are the railroad tracks and train cars which cross county lines and are assessed by the Florida Department of Revenue who provide the assessed values to the respective Property Appraiser. No exemptions are applicable to Centrally Assessed Properties.

(i) The year previous to current year may be restated due to changes made subsequent to release of previous year's values.

Data represents the tax roll for the year effective January 1 of the year reflected, billed in October of that year, and is collected to support the fiscal year beginning in that year.

Source: Hernando County Property Appraiser

**HERNANDO COUNTY, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

| DIRECT RATES ^(a) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Countywide | | | | | | | | | | |
| Hernando County Government: | | | | | | | | | | |
| General Fund | 6.9912 | 6.9912 | 6.8912 | 6.8912 | 7.8912 | 7.6412 | 7.4412 | 6.9912 | 6.6997 | 6.4497 |
| Special Revenue | | | | | | | | | | |
| Transportation Trust Fund | 0.7091 | 0.7091 | 0.7091 | 0.7091 | 0.7091 | 0.7091 | 0.8091 | 0.8091 | 0.8091 | 0.8091 |
| Health Department | 0.1102 | 0.1102 | 0.1102 | 0.1102 | 0.1102 | 0.1102 | 0.1102 | 0.1102 | 0.1102 | 0.1102 |
| Total Countywide | 7.8105 | 7.8105 | 7.7105 | 7.7105 | 8.7105 | 8.4605 | 8.3605 | 7.9105 | 7.6190 | 7.3690 |
| Maximum Allowed ^(b) | 10.0000 | 10.0000 | 10.0000 | 10.0000 | 10.0000 | 10.0000 | 10.0000 | 10.0000 | 10.0000 | 10.0000 |
| Other | | | | | | | | | | |
| Hernando County Government: | | | | | | | | | | |
| Municipal Services Taxing Units | | | | | | | | | | |
| Stormwater Management Program | 0.1139 | 0.1139 | 0.1139 | 0.1139 | 0.1139 | 0.1139 | 0.1139 | 0.1139 | 0.1139 | 0.1139 |
| Emergency Medical Services | 0.6700 | 0.6700 | 0.6700 | 0.9100 | 0.9100 | 0.9100 | 0.9100 | 0.9100 | 0.9100 | 0.9100 |
| Fire Services | - | - | 0.5000 | - | - | - | - | - | - | - |
| Total Other | 0.7839 | 0.7839 | 1.2839 | 1.0239 |
| Maximum Allowed Per Taxpayer ^(b) | 10.0000 | 10.0000 | 10.0000 | 10.0000 | 10.0000 | 10.0000 | 10.0000 | 10.0000 | 10.0000 | 10.0000 |
| Total Direct Tax Rates^(c) | 8.5941 | 8.5942 | 8.9692 | 8.7342 | 9.7344 | 9.4844 | 9.3844 | 8.9344 | 8.6429 | 8.3929 |
| OVERLAPPING RATES^(d) | | | | | | | | | | |
| Countywide | | | | | | | | | | |
| School Board | 7.1960 | 6.8690 | 6.6190 | 6.3400 | 6.1630 | 5.9130 | 6.7770 | 6.5250 | 6.3400 | 6.2710 |
| Southwest Florida Water Management District | 0.3488 | 0.3317 | 0.3131 | 0.2955 | 0.2801 | 0.2669 | 0.2535 | 0.2260 | 0.2043 | 0.1909 |
| Not Countywide | | | | | | | | | | |
| Municipalities | | | | | | | | | | |
| City of Brooksville | 6.6439 | 6.6426 | 6.9763 | 6.2000 | 6.2000 | 5.9000 | 5.9000 | 5.9000 | 5.9000 | 5.9000 |
| City of Weeki Wachee | 2.7622 | 2.8478 | 2.8470 | 2.8421 | 2.8658 | - | - | - | - | - |

(a) Direct rates support the ad valorem revenue base for County Government operations.

(b) Section 200.071, Florida Statutes, a county may not levy in excess of 10 mills, except for voted levies and for services or facilities provided through a municipal services taxing unit (MSTU).

(c) Total Direct Tax Rate is the weighted average of the direct rates in each area.

(d) Overlapping rates are those rates levied by other local governments who overlap Hernando County's geographic area. Not all rates apply to all Hernando County residents; for example, each incorporated municipality within the County also taxes its respective residents.

Data represents the millage used to approve the budget and calculate taxes to support the following year, and are based on the tax roll effective January 1 for the reflected year.

Source: Hernando County Property Appraiser

Table 8

HERNANDO COUNTY, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR COMPARED TO THE FISCAL YEAR NINE YEARS EARLIER
(DOLLARS EXPRESSED IN THOUSANDS)

| Taxpayer | Type of Business | 2024 | | | 2015 | | |
|--------------------------------------|-------------------------|-------------------------------|-------------|---|-------------------------------|-------------|---|
| | | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Cemex, Inc. | Manufacturing | \$ 321,392 | 1 | 1.94% | \$ 265,321 | 1 | 3.59% |
| Withlacoochee River Electric Co-op | Electric Utility | 268,466 | 2 | 1.62% | 184,270 | 2 | 2.50% |
| Duke Energy | Electric Utility | 126,700 | 4 | 0.77% | 79,704 | 4 | 1.08% |
| Wal-Mart Regional Distribution | Distribution | 102,841 | 3 | 0.62% | | | |
| HCA Health Services of Florida, Inc. | Hospital/Health Care | 84,587 | 5 | 0.51% | 46,493 | 6 | 0.63% |
| BW Hibiscus Springs LLC | Apartments | 67,726 | 6 | 0.41% | | | |
| Wal-Mart Stores, Inc. | Retail Sales | 63,173 | 7 | 0.38% | 123,510 | 3 | 1.67% |
| Florida Gas Transmissions | Utility | 48,227 | 8 | 0.29% | 47,087 | 5 | 0.64% |
| Oak Hill Community Hospital | Hospital | 43,942 | 9 | 0.27% | | | |
| Wal-Mart Stores East LP | Retail Sales | 35,000 | 10 | 0.21% | | | |
| AT&T Telecommunications | Telecommunications | | | | 37,475 | 7 | 0.51% |
| Bright House Networks | Cable Utility | | | | 30,850 | 8 | 0.42% |
| BRE DDR | Retail Sales | | | | 25,648 | 9 | 0.35% |
| Millennium Venture Limited | Senior Care | | | | 22,094 | 10 | 0.30% |
| Totals | | <u>\$ 1,162,054</u> | | <u>7.02%</u> | <u>\$ 862,452</u> | | <u>11.69%</u> |

Source: Hernando County Property Appraiser

HERNANDO COUNTY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(DOLLARS EXPRESSED IN THOUSANDS)

| Fiscal Year Ended September 30 | Certified Taxes Levied for the Fiscal Year ^{(a) (d)} | Certificates of Correction by Property Appraiser | Adjusted Taxes Levied for the Fiscal Year ^(a) | Collected Within the Fiscal year of the Levy ^(b) | | | | Prior Year Taxes Collected ^(c) | Total Taxes Collected | |
|--------------------------------------|--|---|---|--|-------------------------|-------------------------|-------------------------|---|-----------------------|-------------------------|
| | | | | Levied Collections | Discounts/ Penalties | Adjusted Collections | Percentage Collected | | Amount | Percentage Collected |
| | | | | | | | | | | |
| 2015 | \$ 85,321 | \$ (419) | \$ 84,902 | \$ 84,555 | \$ (2,629) | \$ 81,926 | 96.49% | \$ 229 | \$ 82,155 | 96.76% |
| 2016 | 88,933 | (112) | 88,821 | 88,485 | (2,778) | 85,707 | 96.49% | 403 | 86,110 | 96.95% |
| 2017 | 92,969 | (161) | 92,808 | 91,320 | (2,890) | 88,430 | 95.28% | 451 | 88,881 | 95.77% |
| 2018 | 101,714 | (120) | 101,594 | 99,973 | (3,189) | 96,784 | 95.27% | 231 | 97,015 | 95.49% |
| 2019 | 118,155 | (116) | 118,039 | 116,432 | (3,715) | 112,717 | 95.49% | 107 | 112,824 | 95.58% |
| 2020 | 132,568 | (152) | 132,416 | 132,321 | (4,266) | 128,055 | 96.71% | 199 | 128,254 | 96.86% |
| 2021 | 138,406 | (105) | 138,301 | 138,149 | (4,585) | 133,564 | 96.57% | 168 | 133,732 | 96.70% |
| 2022 | 147,864 | (208) | 147,656 | 147,545 | (4,969) | 142,576 | 96.56% | 149 | 142,725 | 96.66% |
| 2023 | 161,913 | (544) | 161,369 | 161,216 | (5,952) | 155,264 | 96.22% | 273 | 155,537 | 96.39% |
| 2024 | 182,021 | (1,050) | 180,971 | 180,572 | (5,797) | 174,775 | 96.58% | 130 | 174,905 | 96.65% |

(a) Certified taxes levied is the original tax assessment due to Hernando County before any adjustments are determined by Property Appraiser and/or the Value Adjustment Board, and before any tax amounts are determined to be uncollectible due to insolvencies and/or litigation. Adjusted Taxes Levied reflects changes made throughout the fiscal year. The tax levy represents only the taxes due to the Hernando County financial reporting entity and therefore, excludes taxes due to the School Board, the City of Brooksville, Southwest Florida Water Management District and certain governmental entities. This corresponds to the Direct Tax Rates section of Schedules 6 and 7.

(b) In accordance with Florida Statutes, property taxes become due and payable on November 1 of each year and are delinquent on April 1 of the following year. A 4% discount is allowed if the taxes are paid in November, with the discount declining by 1% each month thereafter. Taxes collected will not equal 100% of the tax levy due to insolvencies, litigation and county certificates. In the table above, taxes collected November 1, 2022 through March 31, 2023 are reflected as levied for the Fiscal Year Ending September 30, 2023. Tax Certificates for unpaid taxes and assessments for that year will be sold no later than June 1, 2023.

(c) Includes all delinquent tax collections received during the year regardless of the year in which the taxes were originally levied.

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(d) Includes Non-Ad Valorem taxes that are not on the tax notice. Non-ad valorem taxes are reported as Special Assessments in Governmental Funds and as Charges for Services in Proprietary Funds.

Source: Hernando County Tax Collector

HERNANDO COUNTY, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(DOLLARS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA)

| Fiscal Year Ended September 30 ^(c) | Governmental Activities | | | | | Business-Type Activities | | | | | Debt as a Ratio to Personal Income ^(b) | Debt Per Capita | |
|---|---|----------|------------------|-------------------------------------|------|--------------------------|------------------|---|------------|------------------|--|--------------------------------|--|
| | Revenue and Revenue Refunding Bonds ^(a) | | Notes Payable | Financed Purchase Obligations | | Leases Payable | SBITA Payable | Water and Sewer Revenue Bonds ^(a) | | Notes Payable | Leases Payable | Total Primary Government | |
| | | | | | | | | | | | | | |
| 2015 | \$ 5,209 | \$31,665 | \$ 54 | \$ - | \$ - | \$ 38,337 | \$40,540 | \$ - | \$ 115,805 | 1.92% | \$ 655 | | |
| 2016 | 3,964 | 29,852 | - | - | - | 35,949 | 57,739 | - | 127,504 | 2.00% | 712 | | |
| 2017 | 2,691 | 30,413 | - | - | - | 33,465 | 57,955 | - | 124,524 | 1.87% | 679 | | |
| 2018 | 2,345 | 30,789 | - | - | - | 30,901 | 55,047 | - | 119,082 | 1.69% | 642 | | |
| 2019 | 1,993 | 27,135 | - | - | - | 28,228 | 52,193 | - | 109,549 | 1.48% | 574 | | |
| 2020 | 1,622 | 27,009 | 823 | - | - | 26,852 | 49,274 | - | 105,580 | 1.28% | 549 | | |
| 2021 | 1,240 | 27,561 | 451 | 1,763 | - | 70,779 | 833 | 1,706 | 104,333 | 1.13% | 513 | | |
| 2022 | 844 | 24,287 | 342 | 4,791 | 618 | 67,063 | 637 | 865 | 99,447 | 1.11% | 499 | | |
| 2023 | 31,710 | 23,983 | - | 4,479 | 277 | 74,380 | 432 | - | 135,261 | 1.45% | 662 | | |
| 2024 | 31,285 | 24,480 | - | 4,908 | 120 | 69,980 | 221 | 2,642 | 133,636 | 1.31% | 635 | | |

(a) Bonds are shown net of related deferred gains or losses on bond refundings and net of related unamortized bond issue premiums or discounts.

(b) See Table 14 for the personal income and population figures used for this percentage calculation.

(c) Effective 2014, debt amounts exclude losses which have been reclassified to deferred outflows on the balance sheet in accordance with GASB 65.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

HERNANDO COUNTY, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(DOLLARS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA)

| Fiscal Year Ended September 30 | Revenue and Revenue Refunding Bonds^(a) | Less: Amounts Available in Debt Service Fund | Net General Bonded Debt | Percentage of Taxable Value of Property^(b) | General Debt Per Capita^(c) |
|---|--|---|------------------------------------|--|--|
| 2015 | \$ 5,209 | \$ 82 | \$ 5,127 | 0.07% | \$ 29 |
| 2016 | 3,964 | 22 | 3,942 | 0.05% | 22 |
| 2017 | 2,691 | 24 | 2,667 | 0.03% | 15 |
| 2018 | 2,345 | 9 | 2,336 | 0.03% | 13 |
| 2019 | 1,993 | 12 | 1,981 | 0.02% | 10 |
| 2020 | 1,622 | 13 | 1,609 | 0.02% | 9 |
| 2021 | 1,240 | 12 | 1,228 | 0.01% | 6 |
| 2022 | 844 | 11 | 833 | 0.01% | 4 |
| 2023 | 32,644 | 16 | 32,628 | 0.22% | 160 |
| 2024 | 30,398 | 70 | 30,328 | 0.18% | 144 |

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(a) Bonds are shown net of related deferred gains or losses on bond refundings and net of related unamortized bond issue premiums or discounts.

(b) Taxable Value information can be found on Schedule 6, Schedule of Fair Market, Assessed Value and Taxable Value of Property for property value data.

(c) Population data can be found on Schedule 14, Schedule of Demographic and Economic Statistics.

Table 12

HERNANDO COUNTY, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT

| Government Unit | Payable from Ad Valorem Taxes | Non-Self- Supporting Revenue Debt | Estimated Percentage Applicable | Amount Applicable to Primary Government |
|--|--|---|---------------------------------------|--|
| SCHOOL BOARD^(a) | | | | |
| State Board of Education Bonds, Series 2014A Refunding | \$ - | \$ 35,000 | | |
| State Board of Education Bonds, Series 2020A Refunding | - | 494,000 | | |
| Bonds Payable-Unamortized Premium | | 96,436 | | |
| Installment-Purchase Payable | - | 3,643,442 | | |
| Certificates of Participation, Series 2016A | - | 76,885,000 | | |
| Certificates of Participation - Unamortized Premium | - | 6,932,158 | | |
| Capital Improvement Bonds - 2020 Series Refunding | | 3,135,000 | | |
| Capital Improvement Bonds - Unamortized Premium | | 232,616 | | |
| Total School Board | \$ - | \$ 91,453,652 | 100% | \$ 91,453,652 |
| CITY OF BROOKSVILLE | | | | |
| USDA Loan | \$ - | \$ 85,000 | | |
| Florida Capital Improvement Revenue Note, Series 2011 | - | 649,467 | | |
| Patch Truck Loan | | 30,438 | | |
| USDA Fire Truck Loan | | 48,243 | | |
| 2021 Mini Pumper Loan | | 256,306 | | |
| DPW Building | | 3,128,817 | | |
| Total City of Brooksville | \$ - | \$ 4,198,271 | 5% | \$ 209,914 |
| Subtotal Overlapping Debt | \$ - | \$ 95,651,923 | | \$ 91,663,566 |
| COUNTY BOARD | | | | |
| Non-revolving line of credit draws | \$ - | \$ 7,085,174 | | |
| Non-Ad Valorem Refunding Revenue Note, Series 2012 | - | 5,887,000 | | |
| Non-Ad Valorem Revenue Bonds, Series 2022 | - | 31,285,000 | | |
| Lease Financing | - | 4,907,792 | | |
| SBITA Financing | - | 120,210 | | |
| Hernando County, Florida Direct Debt | \$ - | \$ 49,285,176 | 100% | \$ 49,285,176 |
| Total Direct and Overlapping Debt | \$ - | \$ 144,937,099 | | \$ 140,948,742 |

Sources: Outstanding debt and applicable percentages provided by each Governmental unit.

(a) Outstanding debt obligations for Hernando County School Board at June 30, 2023.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF NON-AD VALOREM DEBT COVERAGE
NON-AD VALOREM REFUNDING REVENUE BONDS, SERIES 2010,
NON-AD VALOREM REFUNDING REVENUE NOTE, SERIES 2012,
NON-AD VALOREM REVENUE BOND, SERIES 2022, AND
NON-AD VALOREM REFUNDING REVENUE NOTE, SERIES 2023
LAST TEN FISCAL YEARS
(DOLLARS EXPRESSED IN THOUSANDS)

| Fiscal Year Ended September 30 | Gross Revenues^(a) | Expenditures^(b) | Net Revenue Available for Debt Service | Debt Service Requirements | | | Coverage |
|---|---|-----------------------------------|---|----------------------------------|-----------------|--------------|-----------------|
| | | | | Principal | Interest | Total | |
| 2015 | \$ 33,869 | \$ - | \$ 33,869 | \$ 557 | \$ 749 | \$ 1,306 | 25.93 |
| 2016 | 34,711 | - | 34,711 | 1,935 | 720 | 2,655 | 13.07 |
| 2017 | 34,003 | - | 34,003 | 1,986 | 667 | 2,653 | 12.82 |
| 2018 | 36,328 | - | 36,328 | 2,997 | 601 | 3,598 | 10.10 |
| 2019 | 39,570 | - | 39,570 | 3,074 | 614 | 3,688 | 10.73 |
| 2020 | 71,536 | - | 71,536 | 3,160 | 502 | 3,662 | 19.53 |
| 2021 | 52,468 | - | 52,468 | 3,236 | 412 | 3,648 | 14.38 |
| 2022 | 43,166 | - | 43,166 | 1,707 | 332 | 2,039 | 21.17 |
| 2023 | 52,652 | - | 52,652 | 2,332 | 1,718 | 4,050 | 13.00 |
| 2024 | 56,210 | - | 56,210 | 2,412 | 2,823 | 5,235 | 10.74 |

(a) Gross revenues reflect the pledged revenues for the bonds and notes. Pledged revenues consist of non-ad valorem revenues.

(b) No expenditures relate directly to the gross revenue, however gross revenues not used for debt service are used for other purposes.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUE BOND COVERAGE
TAXABLE WATER AND SEWER REFUNDING REVENUE BOND, SERIES 2021A
WATER AND SEWER REFUNDING REVENUE BOND, SERIES 2021B
LAST TEN FISCAL YEARS
(DOLLARS EXPRESSED IN THOUSANDS)

| Fiscal Year Ended <u>September 30</u> | | | Net Revenue Available for Debt Service | Connection Fees | Pledged Funds ^(c) | Debt Service Requirements | | | Coverage |
|---|----------------------------------|-------------------------|--|--------------------|---------------------------------|---------------------------|-------------------------|----------|----------|
| | Gross Revenues ^(a) | Expenses ^(b) | | | | Principal ^(e) | Interest ^(d) | Total | |
| 2015 | \$ 29,089 | \$ 16,062 | \$ 13,027 | \$ 1,384 | \$ 14,411 | \$ 2,150 | \$ 1,652 | \$ 3,802 | 3.79 |
| 2016 | 31,925 | 17,805 | 14,120 | 2,178 | 16,298 | 2,210 | 1,590 | 3,800 | 4.29 |
| 2017 | 34,461 | 17,863 | 16,598 | 2,113 | 18,711 | 2,305 | 1,507 | 3,812 | 4.91 |
| 2018 | 34,739 | 19,276 | 15,463 | 2,269 | 17,732 | 2,563 | 1,419 | 3,982 | 4.45 |
| 2019 | 38,860 | 20,359 | 18,501 | 2,303 | 20,804 | 2,674 | 1,308 | 3,982 | 5.22 |
| 2020 | 40,999 | 22,870 | 18,129 | 2,200 | 20,329 | 1,377 | 1,201 | 2,578 | 7.89 |
| 2021 | 42,015 | 20,774 | 21,241 | 3,365 | 24,606 | 1,830 | 1,046 | 2,876 | 8.56 |
| 2022 | 42,626 | 22,293 | 20,333 | 2,999 | 23,332 | 5,361 | 438 | 5,799 | 4.02 |
| 2023 | 50,413 | 27,907 | 22,506 | 4,076 | 26,582 | 4,000 | 1,937 | 5,937 | 4.48 |
| 2024 | 56,459 | 30,605 | 25,854 | 5,526 | 31,380 | 4,090 | 1,844 | 5,934 | 5.29 |

(a) Pursuant to bond definitions, gross revenues include operating revenue and interest income, but do not include sewer connection fees, water connection fees, or special assessment proceeds.

(b) Pursuant to bond definitions, expenses do not include amortizations or depreciation. Similarly, charges associated with replacement of vehicles in lieu of depreciation have not been included.

(c) Effective with the issuance of the Water and Sewer Refunding Revenue Bonds Series 2003, connection fees are included in the definition of pledged funds.

(d) Includes Water and Sewer Refunding Revenue Bonds, Series 2013A, and the Water and Sewer portion of the Non-Ad Valorem Refunding Revenue Bonds, Series 2010.

(e) For FY 2021, the principal amount including the bond premium is \$27,241,605. See Note H.

HERNANDO COUNTY, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

| Fiscal Year | Population ^(a) | | | Permanent Households ^(a) | Personal Income Per Capital ^{(c)(f)} | Total Personal Income (in thousands) ^{(c)(f)} | Median Age ^(b) | Citizens With a Bachelors Degree ^(b) | Public School Enrollment ^(d) | Unemployment Rate ^(e) | |
|-------------|---------------------------|----------------------|--------------------------------|-------------------------------------|---|--|---------------------------|---|---|----------------------------------|------|
| | City of Brooksville | City of Weeki Wachee | Unincorporated Hernando County | | | | | | | | |
| 2015 | 7,780 | 5 | 169,034 | 176,819 | 72,951 | \$ 33,098 | \$ 6,033,940 | 48.0 | 15.5% | 21,421 | 6.5% |
| 2016 | 8,006 | 5 | 171,492 | 179,503 | 73,402 | 34,899 | 6,371,015 | 48.4 | 15.7% | 21,613 | 6.2% |
| 2017 | 8,074 | 9 | 173,799 | 181,882 | 75,883 | 35,601 | 6,649,676 | 49.0 | 16.0% | 22,153 | 4.3% |
| 2018 | 8,410 | 9 | 177,185 | 185,604 | 77,493 | 36,878 | 7,038,712 | 48.9 | 17.1% | 23,615 | 4.3% |
| 2019 | 8,661 | 9 | 179,688 | 188,358 | 78,718 | 38,223 | 7,412,217 | 49.1 | 17.5% | 23,770 | 3.6% |
| 2020 | 8,983 | 9 | 183,194 | 192,186 | 80,375 | 41,385 | 8,226,932 | 47.4 | 12.0% | 22,185 | 5.9% |
| 2021 | 9,165 | - | 187,375 | 196,540 | 80,484 | 46,080 | 9,245,435 | 48.0 | 12.6% | 23,415 | 4.2% |
| 2022 | 9,481 | - | 189,726 | 199,207 | 81,503 | 45,456 | 8,965,617 | 50.0 | 12.8% | 24,058 | 3.2% |
| 2023 | 9,566 | - | 194,699 | 204,265 | 83,399 | 46,269 | 9,338,268 | 47.9 | 14.3% | 23,624 | 4.2% |
| 2024 | 9,752 | - | 200,825 | 210,577 | 85,945 | 49,176 | 10,185,699 | 49.7 | 20.4% | 23,238 | 4.2% |

(a) Source: Bureau of Economic and Business Research (BEBR), University of Florida. These numbers have been adjusted to reflect BEBR data available through April 1 annually.

(b) Source: Hernando County Office of Economic Development

(c) Source: Bureau of Economic and Business Research, University of Florida

(d) Source: Hernando County School Board (Not Including Charter School Enrollment)

(e) Source: Florida Department of Economic Opportunity, September annually (not seasonally adjusted)

(f) Note: Personal Income Per Capita is reported based on the prior calendar year data, due to timing of census data annually.

Table 16

HERNANDO COUNTY, FLORIDA
PRINCIPAL EMPLOYERS
NON-RETAIL, NON-GOVERNMENT
CURRENT FISCAL YEAR COMPARED TO THE FISCAL YEAR NINE YEARS EARLIER

| Employer | Type of Operation | 2024 | | | 2015 | | |
|--|--------------------------|----------------------|---------------|-------------|----------------------|---------------|-------------|
| | | Employees | % | Rank | Employees | % | Rank |
| Oak Hill Hospital | Healthcare | 1,700 | 2.24 | 1 | 1,156 | 1.96 | 2 |
| Tampa General Hospital (formerly Bravera/Bayfront Health) | Healthcare | 1,102 | 1.45 | 2 | 965 | 1.64 | 3 |
| Walmart Distribution Center | Distribution Center | 975 | 1.29 | 3 | 1,200 | 2.04 | 1 |
| Barrette Outdoor Living | Manufacturer | 400 | 0.53 | 4 | | | |
| Healthsouth | Healthcare | 350 | 0.46 | 5 | 288 | 0.49 | 4 |
| Cemex | Manufacturer | 264 | 0.35 | 6 | 240 | 0.41 | 6 |
| HPH Hospice | Healthcare | 221 | 0.29 | 7 | 119 | 0.20 | 8 |
| Accuform Signs, Inc. | Manufacturer | 209 | 0.28 | 8 | 290 | 0.49 | 5 |
| Micro-Matic | Supplier | 200 | 0.26 | 9 | | | |
| Sparton Electronics | Manufacturer | 132 | 0.17 | 10 | 200 | 0.34 | 7 |
| Suntrust Bank | Banking | - | - | | 85 | 0.14 | 9 |
| Withlacoochee River Electric Coop | Utilities | - | - | | 79 | 0.13 | 10 |
| Totals | | <u>5,553</u> | <u>7.32</u> % | | <u>4,622</u> | <u>7.84</u> % | |
| Total Employment of Hernando County | | <u><u>75,752</u></u> | | | <u><u>62,873</u></u> | | |

Note: Percentages shown represent the number of employees as a percent of Hernando County's total employment.

Source: Hernando County Office of Business Development

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HERNANDO COUNTY, FLORIDA
COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

| Function/Program | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Governmental Activities | | | | | | | | | | |
| General Government | 225 | 237 | 244 | 247 | 236 | 249 | 251 | 263 | 284 | 292 |
| Public Safety | 776 | 782 | 782 | 791 | 859 | 859 | 890 | 917 | 946 | 992 |
| Physical Environment | 7 | 8 | 8 | 1 | 1 | 1 | 1 | 1 | 2 | 1 |
| Transportation | 93 | 92 | 96 | 93 | 90 | 94 | 97 | 97 | 101 | 100 |
| Economic Environment | 8 | 10 | 10 | 10 | 9 | 9 | 8 | 8 | 11 | 11 |
| Human Services | 20 | 19 | 21 | 23 | 21 | 21 | 23 | 23 | 24 | 18 |
| Culture and Recreation | 63 | 63 | 70 | 66 | 61 | 62 | 61 | 61 | 80 | 68 |
| Courts | 85 | 78 | 83 | 79 | 81 | 77 | 77 | 77 | 77 | 81 |
| Business-Type Activities | | | | | | | | | | |
| Airport | 4 | 4 | 4 | 4 | 6 | 6 | 5 | 4 | 9 | 11 |
| Water and Wastewater | 134 | 132 | 131 | 134 | 136 | 136 | 134 | 134 | 150 | 143 |
| Business Development | 27 | 27 | 31 | 34 | 34 | 35 | 41 | 42 | 46 | 49 |
| Solid Waste | 33 | 32 | 32 | 31 | 30 | 32 | 33 | 31 | 41 | 34 |
| Total | 1,475 | 1,484 | 1,512 | 1,513 | 1,564 | 1,581 | 1,621 | 1,658 | 1,771 | 1,800 |

Source: Hernando County Department of Financial Services.

HERNANDO COUNTY, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

| Function | 2015 | 2016 | 2017 | 2018 |
|--|---------|---------|---------|---------|
| General Government | | | | |
| Number of public programs broadcast | 190 | 196 | 288 | 233 |
| Number of employee records managed | 771 | 782 | 795 | 783 |
| Public Safety | | | | |
| Total incidents responded to (HCFR) | 28,951 | 30,496 | 31,704 | 32,023 |
| Number of emergency citizen volunteers | 27 | 431 | 0 | 22 |
| Number of building permits issued | 12,048 | 12,525 | 12,370 | 14,622 |
| Physical Environment | | | | |
| Extension Classes/programs | 29,730 | 32,267 | 30,770 | 37,798 |
| Transportation | | | | |
| Number of signals maintained | 85 | 85 | 86 | 88 |
| Number of lane miles of roads re-surfaced | 42 | 39 | 8 | 72 |
| Economic Environment | | | | |
| Number of successful business projects | 8 | 8 | 3 | 1 |
| Number of veteran clients served | 7,916 | 8,909 | 6,141 | 8,418 |
| Human Services | | | | |
| Animals impounded | 2,950 | 2,725 | 3,143 | 2,867 |
| Number of human service requests processed | 10,789 | 6,285 | 9,558 | 7,843 |
| Culture and Recreation | | | | |
| Registered library card holders | 109,366 | 116,994 | 122,503 | 110,813 |
| Number of participants in the County Recreation programs | 20,045 | 22,049 | 24,790 | 23,596 |
| Court Operations | | | | |
| Number of judicial cases managed | 53,796 | 51,869 | 66,156 | 61,550 |
| Water and Sewer | | | | |
| Water consumption in millions of gallons a day | 16.7 | 17.7 | 18.8 | 18.3 |
| Average number of water accounts | 58,251 | 58,281 | 59,952 | 62,756 |
| Number of meter reads | 719,986 | 751,440 | 773,101 | 778,212 |
| Aviation Operations | | | | |
| Number of airport & industrial park leases | 138 | 133 | 173 | 184 |
| Waste Management | | | | |
| Total tons landfilled | 117,230 | 122,259 | 127,047 | 131,425 |
| Tons of Convenience Center waste Collected | 6,945 | 7,814 | 7,968 | 7,986 |
| Tons of recyclables collected & processed | 11,839 | 11,685 | 10,815 | 10,069 |

Source: Various County Departments.

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| 230 784 | 196 777 | 133 801 | 98 801 | 122 816 | 133 797 |
| 30,772 7 14,725 | 31,646 0 15,790 | 37,727 8 19,575 | 38,064 19 21,580 | 38,752 18 19,905 | 38,364 5 17,075 |
| 40,905 | 51,938 | 54,858 | 41,030 | 39,842 | 35,640 |
| 88 11 | 89 15 | 89 15 | 92 0 | 97 38 | 93 45 |
| 2 10,030 | 4 3,800 | 2 3,453 | 1 4,028 | 3 3,834 | 4 3,636 |
| 3,156 | 2,318 | 2,232 | 2,682 | 2,896 | 3,361 |
| 6,685 | 7,065 | 7,452 | 7,517 | 5,469 | 4,458 |
| 101,723 | 92,940 | 95,172 | 80,236 | 78,317 | 70,894 |
| 31,516 | 4,848 | 5,808 | 21,890 | 20,753 | 4,445 |
| 59,204 | 52,225 | 56,742 | 56,754 | 62,217 | 66,103 |
| 18.8 61,425 787,143 | 19.5 63,226 793,812 | 19.8 63,910 802,722 | 20.5 64,631 817,963 | 21.6 66,126 819,606 | 21.6 67,033 831,187 |
| 190 | 188 | 190 | 193 | 193 | 196 |
| 130,683 | 137,799 | 149,024 | 160,636 | 142,065 | 169,207 |
| 7,270 10,088 | 8,031 10,541 | 8,632 10,747 | 10,405 8,740 | 7,976 8,281 | 5,219 3,695 |

HERNANDO COUNTY, FLORIDA
CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

| Function/Program | 2015 | 2016 | 2017 | 2018 |
|---|-----------|-----------|-----------|-----------|
| General Government | | | | |
| Number of buildings | 165 | 169 | 177 | 176 |
| Fleet Vehicles | 403 | 378 | 392 | 398 |
| Public Safety | | | | |
| Sheriff's patrol vehicles: | 325 | 336 | 348 | 365 |
| Radio Towers | 5 | 4 | 4 | 4 |
| Transportation | | | | |
| Lane miles | 2,457 | 2,492 | 2,516 | 2,556 |
| Culture and Recreation | | | | |
| Park acreage - developed | 340 | 340 | 340 | 340 |
| Park acreage - undeveloped | 1,206 | 1,206 | 1,206 | 1,206 |
| Trails-Jogging/Exercise/Nature | 30 | 30 | 30 | 30 |
| Playgrounds | 14 | 14 | 13 | 13 |
| Boat ramps (lanes) | 16 | 16 | 8 | 8 |
| Picnic shelters | 190 | 190 | 190 | 190 |
| Number of libraries/branches | 5 | 4 | 4 | 4 |
| Aviation Operations | | | | |
| Number of runways | 2 | 2 | 2 | 2 |
| Runways in linear feet | 12,000 | 12,000 | 12,000 | 12,000 |
| Land (acres) | 2,400 | 2,400 | 2,400 | 2,400 |
| Waste Management | | | | |
| Volume developed for landfill use (million cubic yards) | 6,601,544 | 6,601,544 | 6,601,544 | 6,601,544 |
| Remaining available landfill capacity (cubic yards) | 2,452,353 | 2,435,065 | 2,059,982 | 1,878,573 |
| Water | | | | |
| Trans & dist lines (miles) | 1,232 | 1,232 | 1,709 | 1,096 |
| Maximum daily storage capacity (million gallons) | 19.08 | 19.78 | 19.78 | 19.78 |
| Number of meters in service | 58,251 | 58,281 | 63,139 | 62,756 |
| Sewer | | | | |
| Number of pumping or lift stations | 301 | 301 | 307 | 298 |
| Collection & Trans lines (miles) | 501 | 513 | 515 | 507 |
| Reclaimed water trans & dist lines (miles) | 4.30 | 4.30 | 4.30 | 4.30 |
| Number of manholes | 7,106 | 7,165 | 7,200 | 7,200 |

Source: Various County Departments.

Table 19

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| 160 421 | 159 432 | 158 412 | 159 428 | 158 444 | 158 484 |
| 376 4 | 391 4 | 391 4 | 391 4 | 346 4 | 293 4 |
| 2,771 | 2,776 | 2,795 | 2,795 | 2,798 | 2,780 |
| 340 1,206 30 12 8 190 4 | 340 1,206 30 12 8 192 4 | 340 1,206 30 12 8 192 4 | 340 1,206 30 12 8 192 4 | 340 1,206 30 12 8 192 4 | 338 1,206 30 13 8 200 4 |
| 2 12,000 2,400 | 2 12,000 2,400 | 2 12,000 2,400 | 2 11,200 2,400 | 2 11,200 2,400 | 2 11,201 2,400 |
| 6,601,544 | 6,601,544 | 6,601,544 | 6,008,640 | 6,008,640 | 6,008,640 |
| 1,701,456 | 1,512,854 | 1,309,446 | 1,080,970 | 883,652 | 686,329 |
| 1,019 19.77 61,425 | 1,070 19.77 65,008 | 1,070 19.77 65,592 | 1,082 19.07 69,252 | 1,089 19.75 68,778 | 1,089 19.41 69,974 |
| 299 515 2.09 7,300 | 310 515 14.60 7,300 | 312 518 14.60 7,300 | 314 521 14.60 7,420 | 314 530 8.25 7,420 | 321 527 9.28 7,734 |

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Compliance Section

This section contains the following:

Single Audit Reports and Grant Compliance

Bond Compliance Information

Affidavit

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Single Audit Reports and Grant Compliance

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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

Independent Auditor's Report

Honorable Board of County Commissioners
Hernando County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Hernando County, Florida (the "County") as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon date June 26, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, 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*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management in a separate management letter and Independent Accountant's Report dated June 26, 2025.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

Tampa, Florida
June 26, 2025

Report on Compliance for Each Major Federal Program and Major State Project and on Internal Control over Compliance, and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*

Independent Auditor's Report

Honorable Board of County Commissioners
Hernando County, Florida

Report on Compliance for Each Major Federal Program and Major State Project

Opinion on Each Major Federal Program and Major State Project

We have audited the compliance of Hernando County, Florida (the "County") with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Compliance Supplement* and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs and major state projects for the fiscal year ended September 30, 2024. The County's major federal programs and major state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to in the first paragraph that could have a direct and material effect on each of the County's major federal programs and major state projects for the fiscal year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program and Major State Project

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 the Audit Requirements for Federal Awards* (*Uniform Guidance*); and Chapter 10.550, *Rules of the Auditor General*. Our responsibilities under those standards, the *Uniform Guidance*, and Chapter 10.550, *Rules of the Auditor General* 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 County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and major state project. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibility 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 County's federal programs and state projects.

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 County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General* 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 County's compliance with the requirements of each major federal program and major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, 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 County'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 County'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, Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the County'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 and state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 and state project 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 and state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Honorable Board of County Commissioners
Hernando County, Florida

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 and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards and State Financial Assistance
Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General***

We have audited the basic financial statements of the governmental activities, the business-type activity, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 26, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis, as required by the Uniform Guidance, Chapter 69I-5, *Schedule of Expenditures of State Financial Assistance*, Rules of the Department of Financial Services, and Chapter 10.550, *Rules of the Auditor General*, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Forvis Mazars, LLP

Tampa, Florida
June 26, 2025

HERNANDO COUNTY, FLORIDA
Schedule of Federal Awards and State Financial Assistance
Year Ended September 30, 2024

| Federal/State/Pass Through Grantor Grant Program Name | | Assistance Listing | | Grant ID | Expenditures |
|--|--|--|---|---|------------------|
| DEPARTMENT OF AGRICULTURE | | | | | |
| Direct | Urban Agriculture & Innovative Production | 10.935 | NR233A750005C007 | \$ 297,038 | |
| <i>Total</i> | <i>DEPARTMENT OF AGRICULTURE</i> | | | | <u>297,038</u> |
| DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | | |
| CDBG- Entitlement/Special Purpose Grants Cluster: | | | | | |
| Direct | Community Development Block Grant Program for Entitlement Communities | 14.218 | B-24-UC-12-2102 | 38,140 | |
| | Total CDBG- Entitlement/Special Purpose Grants Cluster (AL 14.218) | | | | <u>38,140</u> |
| Pass Through | FLORIDA DEPARTMENT OF COMMERCE Community Development Block Grant (CDBG) | 14.228 | 23DB-H08 (H2534) | 262 | |
| <i>Total</i> | <i>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</i> | | | | <u>38,402</u> |
| DEPARTMENT OF JUSTICE | | | | | |
| Direct | Public Safety Partnership and Community Policing Grants (COPS Hiring) | 16.710 | 15JCOPS-23-GG-04929-UHPX | 60,010 | |
| Direct | Edward Byrne Memorial Justice Assistance Grant Program (JAG) Edward Byrne Memorial Justice Assistance Grant Program (JAG) | 16.738 16.738 | 15PBJA-21-GG-01388-JAGX 15PBJA-23-GG-03272-JAGX | 2,352 41,206 | |
| Pass Through | FLORIDA DEPARTMENT OF LAW ENFORCEMENT Edward Byrne Memorial Justice Assistance Grant Program (JAG) Edward Byrne Memorial Justice Assistance Grant Program (JAG) | 16.738 16.738 | 15PBJA-22-GG-00656-MUMU R7096 R7133 | 14,835 44,507 | |
| | Subtotal AL 16.738 | | | | <u>102,900</u> |
| Direct | Equitable Sharing Program/Federal Forfeitures | 16.922 | FL0270000 | 2 | |
| <i>Total</i> | <i>DEPARTMENT OF JUSTICE</i> | | | | <u>162,912</u> |
| DEPARTMENT OF TRANSPORTATION | | | | | |
| Direct | Airport Improvement Program | 20.106 | 3-12-0008-024-2020 | 132,449 | |
| Pass Through | FLORIDA DEPARTMENT OF TRANSPORTATION Highway Planning & Construction- Federal Aid Highway Program (PL) Highway Planning & Construction- Federal Aid Highway Program (PL) Highway Planning & Construction- Federal Aid Highway Program (LAP) Highway Planning & Construction- Federal Aid Highway Program (LAP) Subtotal AL 20.205 | 20.205 20.205 20.205 20.205 20.205 20.205 20.205 20.205 20.205 20.205 | G2774; FPN 493335-4-14-01 G2V07; FPN 493335-5-14-01 G2L29; FPN 437484-1-58/68-01/02 G2700; FPN 441103-1-38-01-02 G2701; FPN 441107-1-38-01-02 G2702; FPN 438651-1-38-01/02 G2681; FPN 439508-1-58/68-01/02 G2Z70; FPN 438651-1-58/68-01/02 | 584,425 173,619 650,296 231,542 119,982 2,290 88,055 1,814 | |
| | Federal Transit Cluster: | | | | <u>1,852,023</u> |
| Direct | Urbanized Area Formula Program (Section 5307) Urbanized Area Formula Program (Section 5307) Urbanized Area Formula Program (Section 5307) | 20.507 20.507 20.507 | FL-2018-031; X970 FL-2018-105; X998 FL-2019-082; Y037 | 64,643 127,353 1,640 | |

HERNANDO COUNTY, FLORIDA
Schedule of Federal Awards and State Financial Assistance
Year Ended September 30, 2024

| Federal/State/Pass Through Grantor Grant Program Name | | Assistance Listing | Grant ID | Expenditures |
|--|---|-----------------------|-----------------------------|------------------|
| | Urbanized Area Formula Program (Section 5307) | 20.507 | FL-2020-092; Y091 (CARES) | 296,803 |
| | Urbanized Area Formula Program (Section 5307) | 20.507 | FL-2021-082; Y149 | 172,457 |
| | Urbanized Area Formula Program (Section 5307) | 20.507 | FL-2024-045 | 1,705,578 |
| | Urbanized Area Formula Program (Section 5307) | 20.507 | FL-2022-033; Y177 (ARPA) | 206,548 |
| | Subtotal AL 20.507 | | | <u>2,575,022</u> |
| Direct | Bus and Bus Facilities Formula Program | 20.526 | FL-2022-051 | 52,060 |
| | Total Federal Transit Cluster (AL 20.507 & 20.526) | | | <u>2,627,082</u> |
| Pass Through | FLORIDA DEPARTMENT OF TRANSPORTATION | | | |
| | Formula Grants for Rural Areas (Section 5311) | 20.509 | G1H25; FPN 401982-2-84-20 | 88,526 |
| | Formula Grants for Rural Areas (Section 5311) | 20.509 | G1W00; FPN 401982-1-84-21 | 128,689 |
| | Formula Grants for Rural Areas (Section 5311) | 20.509 | G2401; FPN 401982-1-84-22 | 320,822 |
| | Subtotal AL 20.509 | | | <u>538,037</u> |
| Direct | Safe Streets & Roads for all Grant Program | 20.939 | 693JJ32340138 | 67,118 |
| Total | DEPARTMENT OF TRANSPORTATION | | | <u>5,216,709</u> |
| DEPARTMENT OF TREASURY | | | | |
| Direct | Gulf Restore- Direct Component | 21.015 | 1RDCGR110125-01-00 | 17,690 |
| Direct | Coronavirus State & Local Fiscal Recovery Funds | 21.027 | SLT-1502 | 7,009,713 |
| Pass Through | FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION | | | |
| | Coronavirus State & Local Fiscal Recovery Funds | 21.027 | WG049 | 712,823 |
| | Coronavirus State & Local Fiscal Recovery Funds | 21.027 | WG026 | 42,379 |
| | Coronavirus State & Local Fiscal Recovery Funds | 21.027 | WG021 | 1,030,000 |
| | Subtotal AL 21.027 | | | <u>8,794,915</u> |
| Direct | Local Assistance & Tribal Consistency Fund | 21.032 | LATCF-1545 | 87,149 |
| Total | DEPARTMENT OF TREASURY | | | <u>8,899,754</u> |
| GULF COAST ECOSYSTEM RESTORATION COUNCIL | | | | |
| Pass Through | THE GULF CONSORTIUM | | | |
| | Oil Spill Impact Program | 87.052 | 200110141.01; GNTSP20FL0110 | 149,600 |
| Total | GULF COAST ECOSYSTEM RESTORATION COUNCIL | | | <u>149,600</u> |
| DEPARTMENT OF HEALTH & HUMAN SERVICES | | | | |
| Direct | Substance Abuse & Mental Health Service Administration (SAMHSA) | 93.243 | 5H79TI081928-05 | 268,275 |
| Pass Through | FLORIDA DEPARTMENT OF REVENUE | | | |
| | Child Support Enforcement | 93.563 | CDC27 | 169,800 |
| Total | DEPARTMENT OF HEALTH & HUMAN SERVICES | | | <u>438,075</u> |

HERNANDO COUNTY, FLORIDA
Schedule of Federal Awards and State Financial Assistance
Year Ended September 30, 2024

| Federal/State/Pass Through Grantor Grant Program Name | Assistance Listing | Grant ID | Expenditures |
|---|-----------------------|--------------------------------|-----------------------------|
| DEPARTMENT OF HOMELAND SECURITY | | | |
| Pass Through FLORIDA DIVISION OF EMERGENCY MANAGEMENT | | | |
| Disaster Grants - Public Assistance | 97.036 | Z3008 (PA-00-05-37-02-179) | 706,118 |
| Disaster Grants - Public Assistance | 97.036 | Z3946 (24-AA-0000-99-EF-D1261) | 334,445 |
| Disaster Grants - Public Assistance | 97.036 | Z2205 | 130,895 |
| Subtotal AL 97.036 | | | <u>1,171,458</u> |
| Pass Through FLORIDA DIVISION OF EMERGENCY MANAGEMENT | | | |
| Hazard Mitigation Grant Program (HMGP) | 97.039 | H0359; 4337-148-R | 41,895 |
| Pass Through FLORIDA DIVISION OF EMERGENCY MANAGEMENT | | | |
| Emergency Management Performance Grant | 97.042 | G04477 (DHS-23-GPD-042-04-01) | 59,576 |
| Direct Assistance to Firefighters Grant (AFG) | 97.044 | EMW-2022-FG-07564 | 20,596 |
| Total DEPARTMENT OF HOMELAND SECURITY | | | <u>1,293,525</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u>\$ 16,496,015</u> |
| FLORIDA EXECUTIVE OFFICE OF THE GOVERNOR | | | |
| Emergency Management Program (EMPA) | 31.063 | A0357 | \$ 71,942 |
| Emergency Management Program (EMPA) | 31.063 | A0464 | 3,000 |
| Subtotal CSFA 31.063 | | | <u>74,942</u> |
| Hurricane Loss Mitigation Program | 31.066 | DEM-HL00091 | 173,098 |
| State Hurricane Recovery Grant Program- Hurricane Idalia | 31.085 | D1545 | 350,000 |
| Total FLORIDA EXECUTIVE OFFICE OF THE GOVERNOR | | | <u>598,040</u> |
| FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION | | | |
| Statewide Water Quality Restoration Projects | 37.039 | LPF2701 | 2,022,884 |
| Statewide Water Quality Restoration Projects | 37.039 | LPA0109 | |
| Subtotal CSFA 37.039 | | | <u>2,022,884</u> |
| Resilient Florida Program | 37.098 | 23PLN49 | 168,025 |
| Total FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION | | | <u>2,190,909</u> |
| FLORIDA DEPARTMENT OF COMMERCE | | | |
| Economic Development Grant Program | 40.043 | G0081 | 3,600,624 |
| Total FLORIDA DEPARTMENT OF COMMERCE | | | <u>3,600,624</u> |
| FLORIDA HOUSING FINANCE CORPORATION | | | |
| State Housing Initiatives Partnership Program (SHIP) | 40.901 | 2019/2020 | 186,339 |
| State Housing Initiatives Partnership Program (SHIP) | 40.901 | 2020/2021 | 106,311 |
| State Housing Initiatives Partnership Program (SHIP) | 40.901 | 2021/2022 | 884,368 |
| State Housing Initiatives Partnership Program (SHIP) | 40.901 | 2022/2023 | 184,601 |
| State Housing Initiatives Partnership Program (SHIP) | 40.901 | 2023/2024 | 10,258 |
| Subtotal CSFA 40.901 | | | <u>1,371,877</u> |
| Total FLORIDA HOUSING FINANCE CORPORATION | | | <u>1,371,877</u> |

HERNANDO COUNTY, FLORIDA
Schedule of Federal Awards and State Financial Assistance
Year Ended September 30, 2024

| Federal/State/Pass Through Grantor Grant Program Name | Assistance Listing | Grant ID | Expenditures |
|--|-----------------------|---------------------------|------------------|
| FLORIDA DEPARTMENT ARGICULTURE & CONSUMER SERVICES | | | |
| Mosquito Control | 42.003 | 30625 | 68,163 |
| Total <i>FLORIDA DEPARTMENT ARGICULTURE & CONSUMER SERVICES</i> | | | <u>68,163</u> |
| FLORIDA DEPARTMENT OF STATE | | | |
| State Aid to Libraries | 45.030 | 20-ST-19 | 16,294 |
| State Aid to Libraries | 45.030 | 21-ST-19 | 42,742 |
| State Aid to Libraries | 45.030 | 22-ST-19 | 88,147 |
| State Aid to Libraries | 45.030 | 23-ST-19 | <u>379,004</u> |
| Subtotal CSFA 45.030 | | | <u>526,187</u> |
| Total <i>FLORIDA DEPARTMENT OF STATE</i> | | | <u>526,187</u> |
| DEPARTMENT OF EDUCATION & COMMISSIONER OF EDUCATION | | | |
| Coach Aaron Feis Guardian Program | 48.140 | 01B-90210-4D001 | 84,112 |
| Total <i>DEPARTMENT OF EDUCATION & COMMISSIONER OF EDUCATION</i> | | | <u>84,112</u> |
| FLORIDA DEPARTMENT OF TRANSPORTATION | | | |
| Commission for Transportation Disadvantaged Planning Grant | 55.002 | G2I90 | 16,182 |
| Commission for Transportation Disadvantaged Planning Grant | 55.002 | G2I76 | 15,615 |
| Commission for Transportation Disadvantaged Planning Grant | 55.002 | G3012 | 9,573 |
| Commission for Transportation Disadvantaged Planning Grant | 55.002 | G2Z98 | <u>9,232</u> |
| Subtotal CSFA 55.002 | | | <u>50,602</u> |
| Aviation Development Grants | 55.004 | G1U46; FPN 444468-1-94-01 | 388,110 |
| Aviation Development Grants | 55.004 | G2440; FPN 450402-1-94-01 | 18,883 |
| Aviation Development Grants | 55.004 | G2I03; FPN 452521-1-94-01 | 39,815 |
| Aviation Development Grants | 55.004 | G2I02; FPN 452862-1-94-01 | 123,200 |
| Aviation Development Grants | 55.004 | G2M85; FPN 453462-1-94-01 | 998,212 |
| Aviation Development Grants | 55.004 | G2M86; FPN 450703-1-94-01 | 1,170 |
| Aviation Development Grants | 55.004 | G2572; FPN 448724-1-94-01 | <u>25,283</u> |
| Subtotal CSFA 55.004 | | | <u>1,594,673</u> |
| Small County Outreach Program (SCOP) | 55.009 | G2879; FPN 448503-1-54-01 | 473,037 |
| Small County Outreach Program (SCOP) | 55.009 | G3059; FPN 449059-1-54-01 | |
| Subtotal CSFA 55.009 | | | <u>473,037</u> |
| Public Transit Block Program | 55.010 | G2662; FPN 408104-1-84-22 | 25,294 |
| Public Transit Block Program | 55.010 | G2S69; FPN 408104-1-84-24 | 63,481 |
| Public Transit Block Program | 55.010 | G1H26; FPN 408104-1-84-20 | 240,591 |
| Public Transit Block Program | 55.010 | G1U23; FPN 408104-1-84-21 | <u>384,108</u> |
| Subtotal CSFA 55.010 | | | <u>713,474</u> |
| Local Transportation Projects | 55.039 | G1G22; FPN 445742-1-94-01 | 86,676 |
| Total <i>FLORIDA DEPARTMENT OF TRANSPORTATION</i> | | | <u>2,918,462</u> |
| FLORIDA DEPARTMENT OF HEALTH | | | |
| Emergency Medical Services (EMS) Matching Awards | 64.003 | M2429 | 179,919 |
| County Grant Awards (EMS) | 64.005 | C2426 | 20,625 |
| Total <i>FLORIDA DEPARTMENT OF HEALTH</i> | | | <u>200,544</u> |

HERNANDO COUNTY, FLORIDA
Schedule of Federal Awards and State Financial Assistance
Year Ended September 30, 2024

| Federal/State/Pass Through Grantor Grant Program Name | Assistance Listing | Grant ID | Expenditures |
|--|--|--------------|-----------------------------|
| FLORIDA DEPARTMENT OF LAW ENFORCEMENT | | | |
| FDLE Drone Replacement Program | 71.092 | 3X023 | 41,378 |
| Local Firearms Safety Training Program | 71.103 | 9H027 | 30,492 |
| Rapid DNA Local Government Grant | 71.113 | J3006 | 248,954 |
| Total | <i>FLORIDA DEPARTMENT OF LAW ENFORCEMENT</i> | | <u>320,824</u> |
| FLORIDA DEPARTMENT OF MANAGEMENT SERVICES | | | |
| Prepaid Next Generation 911 (NG911) State Grant Program | 72.003 | S22-23-01-34 | 61,650 |
| Total | <i>FLORIDA DEPARTMENT OF MANAGEMENT SERVICES</i> | | <u>61,650</u> |
| TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE | | | <u>\$ 11,941,392</u> |

HERNANDO COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Note 1 - General

The accounting policies and presentation of the accompanying schedule of expenditures of federal awards and state financial assistance of Hernando County, Florida (the County) have been designed to conform with generally accepted accounting principles applicable to governmental units, including the reporting and compliance requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) (federal awards), and Chapter 10.550, Rules of the Auditor General of the State of Florida.

The County reporting entity is defined in Note A to the County's basic financial statements for the year ended September 30, 2024. All federal awards and state financial assistance received directly from federal or state agencies, as well as federal awards and state financial assistance passed through other governmental agencies, are included in the schedule.

Note 2 - Basis of Accounting

The accompanying schedule of expenditures of federal awards and state financial assistance is presented using the same basis of accounting as the fund in which the grant is recorded, generally the accrual or modified accrual basis, as described in Note A to the County's financial statements.

Note 3 - Loans Outstanding

The County has the following loan balances outstanding at September 30, 2024:

| Program | Assistance Listing | Loan Outstanding |
|--|---------------------------|-------------------------|
| State Housing Initiatives Partnership (SHIP) | 40.901 | \$ 13,899,484 |

Only current year loans issued to eligible recipients are included as expenditures on the accompanying schedule. The County has recorded the gross amount of the loan offset entirely by an allowance for uncollectible receivables.

Note 4 - Contingencies

Grant funds received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to the disallowance of expenditures. Based upon prior experience, the County does not believe that such disallowances, if any, would have a material effect on the financial position of the County.

Note 5 – Expenditures & Program Income

The amounts shown as current year expenditures on the accompanying schedule represent only the grant portion of the program/project costs. The only exception to this is the funding received under

Assistance Listing 97.036- FEMA Public Assistance Program (See Note 7 for additional details). The total expenditures of the program/project may be more than shown.

Negative expenditures reported on the Schedules of Expenditures of Federal Awards and State Financial Assistance may be the result of a correction from entries included in a prior fiscal year. While current expenditures for a grant may be negative, the aggregate of all expenditures during the entire period of performance will be positive.

Program income generated by and expended on a Federal or State award during the period of performance is included on this schedule if the program income is added to the award amount or if specifically directed by the awarding agency and/or required by program guidance. Program income that reduces the total allowable expenditures (deduction method) is not included.

Note 6 – Indirect Costs

Hernando County Board of County Commissioners elected to use the 10% de minimis cost rate in fiscal year 2024 as covered in 2 CFR 200.414.

Note 7 – Disaster Public Assistance

Disaster funding received from the FEMA Public Assistance Program (Assistance Listing 97.036) is based on Project Worksheets (PWs) that outline the eligible expenses and the scope of the project. Expenditures recorded on this schedule are contingent on when a funding agreement is executed, funds are obligated and approved, and the County has incurred eligible expenditures. PWs are categorized as either “small” or “large” based on the total expenses. “Small” PWs are reported based on the amount obligated, while “large” PWs are determined by actual eligible expenditures. Eligible expenditures incurred in prior years were reported on the schedule this year. See Note A of the ACFR for additional details regarding the accounting of funds received under this program.

Hernando County, Florida
Schedule of Findings & Questioned Costs
Year Ended September 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

(Check each description that applies)

Unmodified Qualified Adverse Disclaimer

2. Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

3. Noncompliance material to the financial statements noted? Yes No

Federal Awards and State Financial Assistance

4. Internal control over major federal programs and major state projects:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

5. Type of auditor’s report issued on compliance for major federal program(s) and major state project(s):

(Check each description that applies. If any other than unmodified apply, also list the name of each major program by the type of opinion applicable to that program.)

Unmodified Qualified Adverse Disclaimer

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.557, *Rules of the Auditor General?*

Yes No

7. Identification of major federal programs and major state projects:

| Assistance Listing Number(s) | Name of Federal Program or Cluster |
|-------------------------------------|---|
| 20.205 | Federal Highway Planning and Construction |
| 21.027 | Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) |
| 97.036 | Disaster Grants - Public Assistance (Presidentially Declared Disasters) |

| CSFA Numbers | Name of State Projects |
|---------------------|--|
| 55.004 | Aviation Grant Programs |
| 40.043 | Economic Development Tax Refund, Tax Credit, and Grant Program |
| 40.901 | State Housing Initiatives Partnership Program (SHIP) |

Hernando County, Florida
Schedule of Findings & Questioned Costs (Continued)
Year Ended September 30, 2024

8. Dollar threshold used to distinguish between Type A and Type B programs:

Federal: \$750,000
State: \$750,000

9. Auditee qualified as a low-risk auditee? Yes No

Section II – Financial Statement Findings

| Reference Number | Finding |
|-----------------------------|----------------|
|-----------------------------|----------------|

No matters are reportable.

Section III – Federal Award and State Financial Assistance Findings and Questioned Costs

| Reference Number | Finding |
|-----------------------------|----------------|
|-----------------------------|----------------|

No matters are reportable.

Hernando County, Florida
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2024

| Reference Number | Finding |
|-----------------------------|--|
| | No matters were reported over federal awards and state financial assistance in the prior year. |

Hernando County Board of County Commissioners
Other Supplemental Information
Schedule of Receipts & Expenditures related to Deepwater Horizon Oil Spill
For the Fiscal Year Ending September 30, 2024

| CSFA | Assistance Listing | Program | Funding Agency | Pass-Thru | Project | Award Identifier | Expenditures | Revenue | | | |
|------|--------------------|--|--|---------------------|----------------------------------|---------------------|-------------------|-------------------|-------------|-------------|-------------------|
| | | | | | | | | Federal | State | Local | Total |
| | 21.015 | Gulf RESTORE - Direct Component | Department of Treasury | N/A | Linda Pedersen Park Improvements | 1 RDCGR110125-01-00 | \$ 17,690 | \$ 17,690 | \$ - | \$ - | \$ 17,690 |
| | 87.052 | RESTORE Council Oil Spill Impact Program | Gulf Coast Ecosystem Restoration Council | The Gulf Consortium | Artificial Reef Program | GNTSP20FL0110 | \$ 149,600 | \$ 149,600 | \$ - | \$ - | \$ 149,600 |
| | | | | | | | \$ 167,290 | \$ 167,290 | \$ - | \$ - | \$ 167,290 |

Note 1: Expenditures included on this schedule are subject to Federal Single Audit requirements of 2CFR Part 200 & will be reported on the County's Schedule of Expenditures of Federal Awards.

Note 2: CFDA 21.015 was authorized under the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012, Title 31, Part 34, 126 Stat. 588, 33 U.S.C 1321(t)(1).

Note 3: CFDA 87.052 was authorized under the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States (RESTORE) Act of 2012, Title 33, Part 1321(t)(3), Section 1603(3), Public Law 112-141, Statute 126,588, 33 US Code 1321(t)(2).

Independent Auditor's Management Letter

Honorable Board of County Commissioners
Hernando County, Florida

Report on the Financial Statements

We have audited the basic financial statements of Hernando County, Florida (the "County") as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 26, 2025.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Awards* ("Uniform Guidance"); and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Major State Project and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 26, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial report.

Official Title and Legal County

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the County met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the County. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, a PACE program authorized pursuant to Section 13.081 or Section 163.082, Florida Statutes, did not operate within the County's geographical boundaries during the fiscal year under audit.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statues, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the County has identified the Kass Circle Community, the Hernando County Law Library, Hernando County Port Authority and the Hernando County Water and Sewer District as dependent special districts included within the reporting entity. These special districts do not have employees, independent contractors, construction projects or budget variances.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

Forvis Mazars, LLP

Tampa, Florida
June 26, 2025

Independent Accountant's Report

Honorable Board of County Commissioners
Hernando County, Florida

We have examined the compliance of Hernando County, Florida (the "County") with the requirements of Sections 218.415 and 365.172(10), and 365.172(2)(d), Florida Statutes, during the fiscal year ended September 30, 2024. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2024.

Forvis Mazars, LLP

Tampa, Florida
June 26, 2025

Independent Accountant's Report

Honorable Board of County Commissioners
Hernando County, Florida

We have examined Hernando County, Florida's (the "County") compliance with the requirements of Title 33 U.S. Code s. 1321(t), during the year ended September 30, 2024. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2024.

Forvis Mazars, LLP

Tampa, Florida
June 26, 2025

BOND COMPLIANCE

**HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2024
(UNAUDITED)**

BOND COMPLIANCE INFORMATION

**TAXABLE WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 2021A
WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 2021B**

The following table sets forth data regarding the Historic Growth of Water and Wastewater System Customers, Historic Water Consumption Flows, and Historic Wastewater Treatment Plant Flows for the last ten fiscal years for Hernando County, Florida:

HISTORIC GROWTH OF WATER AND WASTEWATER SYSTEM CUSTOMERS

| Fiscal Year | Number of Active Accounts | |
|--------------------|----------------------------------|--------------|
| | Water | Sewer |
| 2015 | 58,251 | 27,688 |
| 2016 | 58,281 | 27,688 |
| 2017 | 59,952 | 28,778 |
| 2018 | 62,756 | 30,770 |
| 2019 | 61,425 | 29,631 |
| 2020 | 63,018 | 30,606 |
| 2021 | 63,910 | 31,415 |
| 2022 | 65,643 | 32,351 |
| 2023 | 66,136 | 32,648 |
| 2024 | 68,150 | 45,413 |

| | | |
|--|--------------|--------------|
| Average Annual Compound Growth Rate | 1.75% | 5.82% |
|--|--------------|--------------|

Note: Figures represent number of active accounts at the close of each Fiscal Year ended September 30.

HISTORIC WATER CONSUMPTION FLOWS

| Fiscal Year | Average Daily Flow (MGD) | Peak Daily Flow (MGD) |
|------------------------|-------------------------------------|----------------------------------|
| 2015 | 16.725 | 23.957 |
| 2016 | 17.707 | 24.664 |
| 2017 | 18.766 | 27.684 |
| 2018 | 18.306 | 26.074 |
| 2019 | 18.832 | 26.68 |
| 2020 | 19.505 | 26.695 |
| 2021 | 19.867 | 31.118 |
| 2022 | 20.453 | 27.078 |
| 2023 | 21.598 | 29.468 |
| 2024 | 21.627 | 31.061 |

HISTORIC WASTEWATER TREATMENT PLANT FLOWS

| Fiscal Year | Average Daily Flow (MGD) |
|------------------------|-------------------------------------|
| 2015 | 4.191 |
| 2016 | 4.470 |
| 2017 | 4.802 |
| 2018 | 4.546 |
| 2019 | 4.645 |
| 2020 | 4.453 |
| 2021 | 4.586 |
| 2022 | 4.578 |
| 2023 | 4.693 |
| 2024 | 4.947 |

Source: Hernando County Utilities Department

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2024
(UNAUDITED)

WATER SYSTEM
Monthly User Rates

| | 2022 | 2023 | 2024 | 2025 |
|---|-------------|-------------|-------------|-------------|
| Monthly Base Charge: | | | | |
| Residential Single-Family Services and Residential Irrigation Service: | | | | |
| Base Charge All Meter Sizes | \$ 8.75 | \$ 8.97 | \$ 9.19 | \$ 9.85 |
| Commercial, Residential Multi-Family and Commercial Irrigation Service: | | | | |
| Meter Size | | | | |
| 5/8" | \$ 8.75 | \$ 8.97 | \$ 9.19 | \$ 9.85 |
| 3/4" | 13.14 | 13.47 | 13.81 | 14.78 |
| 1" | 21.88 | 22.43 | 22.99 | 24.63 |
| 1-1/2" | 43.71 | 44.80 | 45.92 | 49.25 |
| 2" | 70.01 | 71.76 | 73.55 | 78.80 |
| 3" | 140.00 | 143.50 | 147.09 | 157.60 |
| 4" | 218.75 | 224.22 | 229.83 | 246.25 |
| 6" | 437.51 | 448.45 | 459.66 | 492.50 |
| 8" | 700.01 | 717.51 | 735.45 | 788.00 |
| 10" | 1,006.26 | 1,031.42 | 1,057.21 | 1,132.75 |
| 12" | 1,881.28 | 1,928.31 | 1,976.52 | 2,117.75 |
| Consumption Charge (Per 1,000 Gallons): | | | | |
| Residential Single-Family Service: | | | | |
| 0 - 5,000 | \$ 1.54 | \$ 1.58 | \$ 1.62 | \$ 1.64 |
| 5,001 - 10,000 | 1.81 | 1.86 | 1.91 | 2.00 |
| 10,001 - 20,000 | 2.71 | 2.78 | 2.85 | 3.20 |
| 20,001 - 30,000 | 3.61 | 3.70 | 3.79 | 4.80 |
| 30,001 - 50,000 | 5.42 | 5.56 | 5.70 | 6.90 |
| 50,000-75,000 | 9.03 | 9.26 | 9.49 | 9.80 |
| Above 75,000 | 12.65 | 12.97 | 13.29 | 13.50 |
| Residential Irrigation Service: | | | | |
| 0 - 10,000 | \$ 1.81 | \$ 1.86 | \$ 1.91 | \$ 2.00 |
| 10,001 - 20,000 | 2.71 | 2.78 | 2.85 | 3.20 |
| 20,001 - 30,000 | 3.61 | 3.70 | 3.79 | 4.80 |
| 30,001 - 50,000 | 5.42 | 5.56 | 5.70 | 6.90 |
| 50,001 - 75,000 | 9.03 | 9.26 | 9.49 | 9.80 |
| Above 75,000 | 12.65 | 12.97 | 13.29 | 13.50 |
| Commercial, Residential Multi-Family and Commercial Irrigation Service: | | | | |
| Block 1 | \$ 1.81 | \$ 1.86 | \$ 1.91 | \$ 2.00 |
| Block 2 | 2.71 | 2.78 | 2.85 | 3.20 |
| Block 3 | 3.61 | 3.70 | 3.79 | 4.80 |
| Block 4 | 5.42 | 5.56 | 5.70 | 6.90 |
| Block 5 | 9.03 | 9.26 | 9.49 | 9.80 |
| Block 6 | 12.65 | 12.97 | 13.29 | 13.50 |

Note: Amounts shown to be applied on a per ERU basis.

Source: Hernando County Utilities Department

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2024
(UNAUDITED)

WASTEWATER SYSTEM
Monthly User Rates

| | 2022 | 2023 | 2024 | 2025 |
|---|-------------|-------------|-------------|-------------|
| Monthly Base Charge: | | | | |
| Residential Single-Family Services: | | | | |
| Base Charge All Meter Sizes | \$ 23.22 | \$ 24.38 | \$ 25.60 | \$ 26.00 |
| Commercial, Residential Multi-Family Service: | | | | |
| Base Charge by Meter Size: | | | | |
| 5/8" | \$ 23.22 | \$ 24.38 | \$ 25.60 | \$ 26.00 |
| 3/4" | 34.83 | 36.57 | 38.40 | 39.00 |
| 1" | 58.05 | 60.95 | 64.00 | 65.00 |
| 1-1/2" | 116.11 | 121.92 | 128.02 | 130.00 |
| 2" | 185.79 | 195.08 | 204.83 | 208.00 |
| 3" | 371.50 | 390.08 | 409.58 | 416.00 |
| 4" | 580.47 | 609.49 | 639.96 | 650.00 |
| 6" | 1,160.93 | 1,218.98 | 1,279.93 | 1,300.00 |
| 8" | 1,857.49 | 1,950.36 | 2,047.88 | 2,080.00 |
| 10" | 2,670.15 | 2,803.66 | 2,943.84 | 2,990.00 |
| 12" | 4,992.02 | 5,241.62 | 5,503.70 | 5,590.00 |
| Consumption Charge (Per 1,000 Gallons of Metered Water): | | | | |
| Residential Single-Family Service | \$ 5.17 | \$ 5.43 | \$ 5.70 | \$ 6.01 |
| Commercial, Residential Multi-Family Service: | | | | |
| customer with 5/8" Meter through 10" Meter | \$ 5.17 | \$ 5.43 | \$ 5.70 | \$ 6.01 |
| customer with 12" Meter | \$ 5.17 | \$ 5.43 | \$ 5.70 | \$ 6.01 |

Source: Hernando County Utilities Department

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2024
(UNAUDITED)

COUNTY SYSTEM RATES

CONNECTION FEE ERU

Set forth below is a table which summarizes the water and wastewater system Connection Fees for each respective meter size for the last five fiscal years:

| Meter Size | ERU Meter Factor | 2020 | | 2021 | | 2022 | | 2023 | | 2024 | |
|-------------------|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | Water | Sewer |
| 5/8" | 1 | \$ 1,147 | \$ 3,544 | \$ 1,147 | \$ 3,544 | \$ 1,147 | \$ 3,544 | \$ 1,147 | \$ 3,544 | \$ 1,147 | \$ 3,544 |
| 3/4" | 1.5 | 1,721 | 5,316 | 1,721 | 5,316 | 1,721 | 5,316 | 1,726 | 5,316 | 1,726 | 5,316 |
| 1" | 2.5 | 2,868 | 8,860 | 2,868 | 8,860 | 2,868 | 8,860 | 2,868 | 8,860 | 2,868 | 8,860 |
| 1 1/2" | 5 | 5,735 | 17,720 | 5,735 | 17,720 | 5,735 | 17,720 | 5,735 | 17,720 | 5,735 | 17,720 |
| 2" | 8 | 9,176 | 28,352 | 9,176 | 28,352 | 9,176 | 28,352 | 9,176 | 28,352 | 9,176 | 28,352 |
| 3" | 16 | 18,352 | 56,704 | 18,352 | 56,704 | 18,352 | 56,704 | 18,352 | 56,704 | 18,352 | 56,704 |
| 4" | 25 | 28,675 | 88,600 | 28,675 | 88,600 | 28,675 | 88,600 | 28,675 | 88,600 | 28,675 | 88,600 |
| 6" | 50 | 57,350 | 177,200 | 57,350 | 177,200 | 57,350 | 177,200 | 57,350 | 177,200 | 57,350 | 177,200 |
| 8" | 80 | 91,760 | 283,520 | 91,760 | 283,520 | 91,760 | 283,520 | 91,760 | 283,520 | 91,760 | 283,520 |
| 10" | 115 | 131,905 | 407,560 | 131,905 | 407,560 | 131,905 | 407,560 | 131,905 | 407,560 | 131,905 | 407,560 |

Source: Hernando County Utilities Department

**HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
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(UNAUDITED)**

COUNTY SYSTEM RATES (CONTINUED)

OTHER COUNTY SYSTEM RATES AND CHARGES

The County has several other charges that are applicable to miscellaneous or customer-related services. Set forth in the table below is a summary of other miscellaneous charges imposed by the County that are common in the utility industry, for the last five fiscal years:

| Charges/Fee Description | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Water Hook-up Fees | | | | | |
| Meter Size: | | | | | |
| 5/8" x 3/4" | \$ 350 | \$ 350 | \$ 350 | \$ 350 | \$ 350 |
| 5/8" x 3/4" - Short/Long Tap-In | 690 | 690 | 690 | 690 | 690 |
| 1" | 860 | 860 | 860 | 860 | 860 |
| 1 1/2" | 1,550 | 1,550 | 1,550 | 1,550 | 1,550 |
| 2" | 1,685 | 1,685 | 1,685 | 1,685 | 1,685 |
| 3" | Contracted | Contracted | Contracted | Contracted | Contracted |
| 4" | Contracted | Contracted | Contracted | Contracted | Contracted |
| 6" | Contracted | Contracted | Contracted | Contracted | Contracted |
| 8" | Contracted | Contracted | Contracted | Contracted | Contracted |
| Wastewater Hook-up Fees | | | | | |
| Residential | N/A | N/A | N/A | N/A | N/A |
| Commercial | N/A | N/A | N/A | N/A | N/A |
| Utility Service Fee | | | | | |
| Workdays - 8:00 a.m. to 5:00 p.m. | \$ 35 | \$ 35 | \$ 35 | \$ 40 | \$ 40 |
| After 5:00 p.m., Weekends, Holidays | 70 | 70 | 70 | 80 | 80 |

Source: Hernando County Utilities Department

**HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
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(UNAUDITED)**

The following two tables set forth a summary of the Hernando County Water and Sewer Capital Improvements and Funding Sources for the next five years.

FIVE-YEAR CAPITAL IMPROVEMENTS PROGRAM

| | Fiscal Year Ending September 30 | | | | | TOTAL |
|--|---------------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------|------------------------------|
| | 2025 | 2026 | 2027 | 2028 | 2029 | |
| WATER SYSTEM | | | | | | |
| Water Production | \$ 19,564,944 | \$ 3,635,000 | \$ 8,212,200 | \$ - | \$ - | \$ 31,412,144 |
| Water Distribution/Storage | 5,947,810 | 5,077,750 | 21,616,000 | 500,000 | 510,000 | 33,651,560 |
| Total Water Systems | <u>25,512,754</u> | <u>8,712,750</u> | <u>29,828,200</u> | <u>500,000</u> | <u>510,000</u> | <u>65,063,704</u> |
| WASTEWATER SYSTEM | | | | | | |
| Treatment and Effluent Disposal | 36,839,795 | 69,000,000 | - | - | - | \$ 105,839,795 |
| W.W. Collection/Effluent Transmission | 33,818,431 | 11,725,490 | 718,000 | 21,994,650 | 1,700,000 | 69,956,571 |
| Total Wastewater System | <u>70,658,226</u> | <u>80,725,490</u> | <u>718,000</u> | <u>21,994,650</u> | <u>1,700,000</u> | <u>175,796,366</u> |
| TOTAL - WATER & WASTEWATER SYSTEM | <u>\$ 96,170,980</u> | <u>\$ 89,438,240</u> | <u>\$ 30,546,200</u> | <u>\$ 22,494,650</u> | <u>\$ 2,210,000</u> | <u>\$ 240,860,070</u> |

FUNDING SOURCES FOR FIVE-YEAR WATER AND SEWER CAPITAL IMPROVEMENTS PROGRAM

| | 2025 | 2026 | 2027 | 2028 | 2029 | TOTAL |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------|------------------------------|
| | 2025 | 2026 | 2027 | 2028 | 2029 | |
| WATER SYSTEM | | | | | | |
| Capital Reserves | \$ 16,081,898 | \$ 4,000,000 | \$ 29,598,200 | \$ - | \$ - | \$ 49,680,098 |
| Renewal & Replacement Fund | 4,593,201 | 2,412,750 | 230,000 | 500,000 | 510,000 | 8,245,951 |
| Connection Fees | 346,424 | 1,500,000 | - | - | - | 1,846,424 |
| Other Funding Sources | 4,491,231 | 800,000 | - | - | - | 5,291,231 |
| Total Water Systems | <u>25,512,754</u> | <u>8,712,750</u> | <u>29,828,200</u> | <u>500,000</u> | <u>510,000</u> | <u>65,063,704</u> |
| WASTEWATER SYSTEM | | | | | | |
| Capital Reserves | \$ 29,734,059 | \$ 71,800,000 | \$ 68,000 | \$ 1,265,000 | \$ - | \$ 102,867,059 |
| Renewal & Replacement Fund | 3,961,842 | 2,646,000 | 350,000 | 3,574,650 | 1,700,000 | 12,232,492 |
| Connection Fees | 9,319,165 | 2,600,000 | 300,000 | 3,000,000 | - | 15,219,165 |
| Other Funding Sources | 27,643,160 | 3,679,490 | - | 14,155,000 | - | 45,477,650 |
| Total Wastewater System | <u>70,658,226</u> | <u>80,725,490</u> | <u>718,000</u> | <u>21,994,650</u> | <u>1,700,000</u> | <u>175,796,366</u> |
| TOTAL - WATER & WASTEWATER SYSTEM | <u>\$ 96,170,980</u> | <u>\$ 89,438,240</u> | <u>\$ 30,546,200</u> | <u>\$ 22,494,650</u> | <u>\$ 2,210,000</u> | <u>\$ 240,860,070</u> |

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2024
(UNAUDITED)

HISTORICAL OPERATING RESULTS AND DEBT SERVICE COVERAGE - COUNTY SYSTEM

The following table shows certain historical operating data for the Water and Sewer System for the last five fiscal years. Presentation of such figures is intended to reflect the provisions of the Resolution. The historical figures are derived from the County's audited financial statements.

| | Fiscal Year Ending September 30 | | | | |
|---|--|----------------------------|----------------------------|----------------------------|-----------------------------|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| REVENUE | | | | | |
| Water & Wastewater Sales Revenues | \$ 38,922,432 | \$ 41,614,139 | \$ 44,541,692 | \$ 47,280,354 | \$ 49,249,374 |
| Other Operating Revenues | 412,227 | 298,658 | 385,477 | 328,260 | 429,208 |
| Investment Income (Loss) | 1,664,166 | 101,977 | (2,301,508) | 2,804,962 | 6,792,666 |
| Total Gross Revenues ^(a) | <u>40,998,825</u> | <u>42,014,774</u> | <u>42,625,661</u> | <u>50,413,576</u> | <u>56,471,248</u> |
| OPERATING EXPENSES^(b) | | | | | |
| Personal Services | 10,225,603 | 8,966,060 | 9,920,134 | 11,534,476 | 11,523,705 |
| Other Operating Expenses | 13,097,421 | 12,624,161 | 13,440,060 | 16,372,471 | 19,081,382 |
| Depreciation Equivalent Charges ^(c) | (453,088) | (816,113) | (1,067,592) | (1,421,479) | - |
| Total Operating Expenses | <u>22,869,936</u> | <u>20,774,108</u> | <u>22,292,602</u> | <u>26,485,468</u> | <u>30,605,087</u> |
| NET REVENUES^(d) | | | | | |
| | <u>\$18,128,889</u> | <u>\$21,240,666</u> | <u>\$20,333,059</u> | <u>\$23,928,108</u> | <u>\$ 25,866,161</u> |
| CONNECTION FEES | | | | | |
| Water Connection Fees | 763,215 | 1,214,679 | 1,091,244 | 1,157,001 | 1,577,111 |
| Wastewater Connection Fees | 1,436,950 | 2,150,737 | 1,908,221 | 2,919,017 | 3,948,989 |
| Total Connection Fees | <u>2,200,165</u> | <u>3,365,416</u> | <u>2,999,465</u> | <u>4,076,018</u> | <u>5,526,100</u> |
| Pledged Funds ^(e) | 20,329,054 | 24,606,082 | 23,332,524 | 28,004,126 | 31,392,261 |
| Actual Senior Lien Debt Service | \$ 2,577,705 | \$ 1,830,428 | \$ 5,361,035 | \$ 5,938,466 | \$ 5,934,337 |
| Actual Coverage on Net Revenues ^(f) | 7.03 | 11.60 | 3.79 | 4.03 | 4.36 |
| Required Coverage | 1.10 | 1.35 | 1.35 | 1.35 | 1.35 |
| Actual Coverage on Pledged Funds ^(f) | 7.89 | 13.44 | 4.35 | 4.72 | 5.29 |
| Required Coverage | 1.20 | 1.20 | 1.20 | 1.20 | 1.20 |

- (a) Pursuant to the Resolution, does not include Sewer Connection Fees, Water Connection Fees, or Special Assessment Proceeds.
- (b) Pursuant to the Resolution, does not include amortization or depreciation.
- (c) For purposes of this table, charges associated with replacement of vehicles in-lieu of depreciation have been eliminated. This is consistent with definition of Operating Expenses in the Resolution, which excludes depreciation, amortization, and other similar charges.
- (d) Net revenues are defined in the Resolution as Gross Revenues less Operating Expenses.
- (e) Pledged Funds are defined in the Resolution as Net Revenues plus Connection Fees, together with certain other funds and accounts which are not accounted for in this table.
- (f) Upon issuance of the Series 2021A and 2021B Bonds, required coverage on Net Revenues increased from 1.10 to 1.35 times. For purposes of these calculations, it has been assumed that the Fund Balance is equal to \$0.00.

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
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TOP TEN UTILITY CUSTOMERS (BASED ON SALES REVENUE)

The following table shows the ten largest customers of Hernando County for the fiscal year ending September 30, 2023.

| Customer | Class | Meter Size | Type of Service | System Revenue | % of Total County Sales Revenue |
|--------------------------------------|--------------|-------------------|------------------------|-----------------------|--|
| Oak Hill Hospital | Commercial | 6" | Water & Sewer | \$ 282,707 | 0.57% |
| Hernando County Jail | Commercial | 6" | Water & Sewer | 193,944 | 0.39% |
| Oak Hill Hospital - Cooling Tower | Commercial | 2" | Water | 153,422 | 0.31% |
| Hernando Correctional Institute | Commercial | 6" | Water & Sewer | 124,801 | 0.25% |
| Bridgewater Club Apartments | Commercial | 6" | Water & Sewer | 97,332 | 0.20% |
| Vitality Living Spring Hill | Commercial | 4" | Water & Sewer | 71,726 | 0.15% |
| Evergreen Woods | Commercial | 4" | Water & Sewer | 70,572 | 0.14% |
| Brooksville Regional Hospital | Commercial | 6" | Water & Sewer | 69,906 | 0.14% |
| Hernando County School Board | Commercial | 6" | Water & Sewer | 59,654 | 0.12% |
| Spring Hill Hospital - Cooling Tower | Commercial | 2" | Water | 15,508 | 0.03% |

Source: Hernando County Utilities Department

HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
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HISTORICAL NON-AD VALOREM REVENUES IN GENERAL FUND

| REVENUES | FISCAL YEAR ENDING SEPTEMBER 30 | | | | | |
|---|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Taxes | | | | | | |
| Local Communications | | | | | | |
| Services Tax | \$ 1,494,033 | \$ 1,508,963 | \$ 1,504,621 | \$ 1,656,179 | \$ 1,644,002 | \$ 1,648,383 |
| Licenses and Permits - Other | 489,033 | 485,251 | 530,672 | 504,505 | 426,455 | 663,393 |
| Intergovernmental | | | | | | |
| Local Governmental Half-Cent | | | | | | |
| Sales Tax ^(a) | 10,113,257 | 10,333,528 | 12,179,208 | 13,550,762 | 14,103,869 | 13,976,296 |
| State Revenue Sharing | 5,223,897 | 4,913,385 | 5,726,289 | 7,369,002 | 7,814,124 | 7,931,919 |
| Other ^(b) | 6,023,774 | 32,700,262 | 13,730,732 | 4,900,011 | 5,701,178 | 9,654,385 |
| Charges for Service | | | | | | |
| General Government | 9,373,508 | 13,179,182 | 10,500,253 | 9,710,211 | 13,825,704 | 11,579,093 |
| Public Safety | 2,791,145 | 476,860 | 3,752,649 | 3,765,060 | 758,583 | 312,884 |
| Physical Environment | - | 173,550 | 140,264 | 200,314 | - | - |
| Transportation | 147,853 | 120,283 | 118,139 | 132,034 | 147,805 | 169,660 |
| Human Services | 224,203 | 181,143 | 194,870 | 184,655 | 170,411 | 130,673 |
| Culture and Recreation | 764,664 | 737,690 | 1,028,982 | 1,021,659 | 973,028 | 399,239 |
| Other | 29,197 | 29,720 | 31,998 | 30,417 | - | - |
| Fines and Forfeitures | 137,409 | 128,878 | 198,608 | 147,248 | 248,671 | 278,651 |
| Investment Income (Loss) | 1,120,746 | 1,166,271 | 84,734 | (2,371,310) | 4,997,392 | 8,143,063 |
| Miscellaneous Revenue | 1,637,594 | 5,401,409 | 2,746,219 | 2,483,866 | 1,841,042 | 1,322,389 |
| Total Sources of Non-Ad Valorem Revenues | \$ 39,570,313 | \$ 71,536,375 | \$ 52,468,238 | \$ 43,284,613 | \$ 52,652,264 | \$ 56,210,028 |

(a) This revenue source is pledged as the source of security for payment for the Non-Ad Valorem Refunding Revenue Note, Series 2012, the Non-Ad Valorem Revenue Bond, Series 2022, and the Non-Revolving Lines of Credit.

(b) Increases/decreases predominantly due to changes in grant funding provided by other Governmental Agencies.

**HERNANDO COUNTY, FLORIDA
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OTHER OBLIGATIONS PAYABLE FROM NON-AD VALOREM REVENUES

The County has other debt issues outstanding which are secured by and payable from specific Non-Ad Valorem revenues (excluding gas taxes and net revenues of the Water and Sewer enterprise fund, neither of which are legally available to pay debt service on the Series 2012 Bonds). Such indebtedness is summarized below.

| Description | Source of Security | Amount Outstanding | Final Maturity | Maximum Annual Debt Service |
|---|--|---------------------------|-----------------------|------------------------------------|
| Non-Revolving Line of Credit | Covenant to Budget and Appropriate Legally Available Non-Ad Valorem Revenues | \$ 7,085,174 | 5/1/2032 | \$ 2,878,317 |
| Non-Ad Valorem Refunding Revenue Bonds, Series 2012 | Covenant to Budget and Appropriate Legally Available Non-Ad Valorem Revenues | \$ 5,887,000 | 2/1/2028 | \$ 1,549,449 |
| Non-Ad Valorem Revenue Bonds, Series 2022 | Covenant to Budget and Appropriate Legally Available Non-Ad Valorem Revenues | \$ 50,125,000 | 6/1/2052 | \$ 3,690,788 |

**HERNANDO COUNTY, FLORIDA
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GENERAL FUND REVENUES AND EXPENDITURES

The following table shows information regarding the General Fund for the County's fiscal years ending September 30, 2018 through September 30, 2024.

| | FISCAL YEAR ENDING SEPTEMBER 30 | | | | | |
|---|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| REVENUES | | | | | | |
| Taxes | \$ 58,402,513 | \$ 71,651,035 | \$ 75,177,661 | \$ 79,668,627 | \$ 90,284,483 | \$ 97,750,234 |
| Licenses and Permits | 489,034 | 485,251 | 530,672 | 504,505 | 426,455 | 663,393 |
| Intergovernmental | 21,360,928 | 47,947,175 | 31,636,229 | 25,769,775 | 33,375,083 | 37,307,614 |
| Charges for Services | 13,330,570 | 14,898,428 | 15,767,155 | 15,044,350 | 15,875,531 | 16,697,013 |
| Fines and Forfeitures | 137,409 | 128,878 | 198,608 | 147,248 | 248,671 | 278,651 |
| Investment Income (Loss) | 1,120,746 | 1,166,271 | 84,734 | (2,371,310) | 4,997,392 | 8,143,063 |
| Miscellaneous Revenue | 1,637,594 | 5,401,409 | 2,746,219 | 2,483,866 | 1,841,042 | 1,322,389 |
| TOTAL REVENUES | \$ 96,478,794 | \$ 141,678,447 | \$ 126,141,278 | \$ 121,247,061 | \$ 147,048,657 | \$ 162,162,357 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General Government | \$ 22,766,601 | \$ 22,837,187 | \$ 26,002,200 | \$ 27,475,790 | \$ 32,276,854 | \$ 38,790,674 |
| Public Safety | 51,776,924 | 55,173,881 | 57,634,971 | 62,627,142 | 69,455,191 | 78,923,080 |
| Physical Environment | 444,670 | 496,058 | 515,117 | 603,428 | 619,375 | 754,622 |
| Transportation | 2,415,463 | 2,723,307 | 2,878,645 | 3,179,680 | 3,181,742 | 4,145,973 |
| Economic Environment | 558,060 | 2,949,502 | 4,928,949 | 713,316 | 1,028,384 | 764,569 |
| Human Services | 4,686,387 | 4,828,136 | 5,941,076 | 4,965,909 | 5,270,636 | 5,957,841 |
| Culture and Recreation | 5,675,994 | 5,442,599 | 6,177,042 | 6,597,701 | 6,980,987 | 7,770,715 |
| Court Operations | 1,388,518 | 1,540,870 | 1,558,259 | 1,671,019 | 1,845,366 | 2,077,649 |
| Debt Service | | | | | | |
| Principal | 441,217 | 563,348 | 811,662 | 910,419 | 1,607,299 | 1,140,635 |
| Interest and Fiscal Charges | 69,632 | 78,403 | 75,771 | 70,940 | 297,839 | 158,294 |
| Capital Outlay | 3,607,192 | 4,155,093 | 7,729,843 | 8,157,892 | 9,938,732 | 17,799,178 |
| TOTAL EXPENDITURES | \$ 93,830,658 | \$ 100,788,384 | \$ 114,253,535 | \$ 116,973,236 | \$ 132,502,405 | \$ 158,283,230 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | | | | | | |
| | \$ 2,648,136 | \$ 40,890,063 | \$ 11,887,743 | \$ 4,273,825 | \$ 14,546,252 | \$ 3,879,127 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers In ^(a) | \$ 2,390,979 | \$ 775,376 | \$ 357,922 | \$ 855,149 | \$ 1,374,146 | \$ 1,482,182 |
| Transfers Out ^(a) | (5,666,358) | (5,629,608) | (5,019,325) | (4,174,031) | (6,306,615) | (6,574,773) |
| Lease Financing | - | - | - | 459,141 | 86,953 | 786,617 |
| SBITA Financing | - | - | - | - | 537,507 | 640,798 |
| Additions to Long-Term Debt | - | 556,530 | - | - | 15,122,899 | - |
| TOTAL OTHER FINANCING SOURCES (USES) | \$ (3,275,379) | \$ (4,297,702) | \$ (4,661,403) | \$ (2,859,741) | \$ 10,814,890 | \$ (3,665,176) |
| Net Change in Fund Balances | \$ (627,243) | \$ 36,592,361 | \$ 7,226,340 | \$ 1,414,084 | \$ 25,361,142 | \$ 213,951 |
| BEGINNING FUND BALANCE | 22,605,880 | \$ 21,978,637 | \$ 58,570,998 | \$ 65,797,338 | \$ 67,211,422 | \$ 92,572,564 |
| ENDING FUND BALANCE | \$ 21,978,637 | \$ 58,570,998 | \$ 65,797,338 | \$ 67,211,422 | \$ 92,572,564 | \$ 92,786,515 |

(a) Transfers from or to other funds within the County.

Affidavit

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BOARD OF COUNTY COMMISSIONERS

20 NORTH MAIN STREET ♦ ROOM 263 ♦ BROOKSVILLE, FLORIDA 34601
P 352.754.4002 ♦ F 352.754.4477 ♦ W www.HernandoCounty.us

AFFIDAVIT OF IMPACT FEE COMPLIANCE

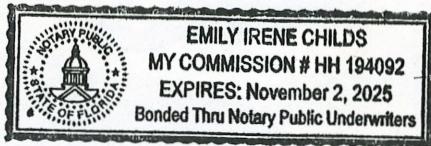
Hernando County, Florida has complied with Section 163.31801 of Florida Statutes regarding accounting and reporting of Impact Fee collections and expenditures.

Joshua Stringfellow, CPA
Financial Services Director
Office of Doug Chorvat Jr., Clerk of Circuit Court and Comptroller

State of Florida
County of Hernando

The foregoing instrument, Affidavit, dated 6/17/25 and consisting of 1 pages, was acknowledged before me this 17 day of June, 2025 by Joshua Stringfellow who is personally known to me or has produced _____ as identification.

(Seal)



Emily I. Childs
NOTARY SIGNATURE