

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF

THE DISTRICT SCHOOL BOARD  
OF HERNANDO COUNTY, FLORIDA

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020



**HERNANDO**  
SCHOOL DISTRICT

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PREPARED BY:  
FINANCE DEPARTMENT



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**DISTRICT SCHOOL BOARD OF  
HERNANDO COUNTY, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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# INTRODUCTORY SECTION



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January 28, 2021

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

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

The Comprehensive Annual Financial Report of the District School Board of Hernando County, Florida (District) for the fiscal year ended June 30, 2020, is submitted herewith. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to set forth fairly the financial position and the changes in financial position of the District as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the District's financial affairs have been included. The responsibility for the preparation of the accompanying financial statements and other information contained in this report, based on the above standards, rests with the District's management.

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

The District's financial statements have been independently audited by the independent certified accounting firm, Purvis Gray and Company, CPA's. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ending June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

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

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

## **PROFILE OF THE DISTRICT**

The District and its governing Board were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by the District school officials in accordance with Chapter 1001.30, Florida Statutes. The Board consists of five elected officials responsible for the adoption of policies, which govern the operation of public schools in Hernando County.

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

The Superintendent of Schools is responsible for the administration and management of the schools within the applicable parameters of Florida Statutes, State Board of Education Rules, and District policies. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts in the District by State Board of Education Rule 6A-1.001, Florida Administrative Code.

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

Accordingly, included in the reporting entity are the Hernando County Education Direct Support Organization, Inc., (Foundation) a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, and the two charter schools, Brooksville Engineering, Science & Technology, Inc. and Gulf Coast Academy of Science and Technology, Inc. The charter schools are not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The Charter Schools are funded through the District with FEFP funds.

Both the Foundation and the charter schools are included as discretely presented component units in the accompanying financial statements. Additional information regarding these component units can be found in the notes to the financial statements.

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

During the 2019-2020 fiscal year, the District had 26 schools, including 10 elementary schools, 4 middle schools, 5 high schools, 3 K-8 schools (Challenger K-8, Explorer K-8, and Winding Waters K-8), 1 alternative school, and 2 charter schools, and served approximately 22,398 prekindergarten through adult students. The projected prekindergarten through grade 12 student enrollment for fiscal year 2020-2021 is 23,360 unweighted full-time equivalent students. The average age of the school buildings within the District is approximately 32.4 years.

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

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

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

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

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

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

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

### **Economic Conditions**

Hernando County has experienced limited population growth, increasing 11.23 percent or 19,408 since the 2010 census. The County's current population as of April 1, 2020, is 192,186 with anticipated growth estimated to be 218,900 in the year 2030 and 237,200 in the year 2040. The median age is 49.4 years.

The local area economy continues to be affected by the national and State economic downturn. Unemployment rate increased during 2019-2020 and remains high at 4.2 percent for Hernando County and 3.1 percent for the State as of November 2020. The County's rate is reportedly lower than the national average of 6.7 percent during the same period.

The final property tax roll for Hernando County increased approximately \$603 million or 6.06 percent, bringing the tax roll to \$10.56 billion for the 2019-2020 fiscal year. Property taxable values experienced a decline in rates from the 2008-2009 fiscal year of approximately 9 percent. Subsequent to the economic downturn, the tax roll significantly increased from 2013-2014 taxable values by approximately 18 percent.

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

The District recognizes that the continued enhancement of the local economy is of mutual benefit to both the District and the County and that an excellent system of public education is a significant factor in attracting new business and industry to the County.

The District remains Hernando County's largest employer, employing 3,275 full-time employees, including 1,643 instructional personnel.

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

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

### **Relevant Financial Policies**

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

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

### **ACADEMIC ACCOMPLISHMENTS**

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

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

Student achievement is measure by the District's graduation and drop-out rates. Graduation Rates are released by the State in late fall each year. According to the annual report of graduation rates, the 2020 graduation rate for Hernando School District is 91.7%, an increase of 3.3 percentage points over last year's rate and 1.7 percentage points about the state's average.

More than 34 percent of Hernando County School District teachers have earned Master degrees or higher. Additionally, the District has 35 teachers who have successfully completed the rigorous and time-intensive program of the National Board of Professional Teaching Standards. To achieve the highly esteemed National Certification, teachers are required to provide a portfolio of information regarding teaching styles, examples of work performed by students, and successfully pass an examination.

### **Awards and Acknowledgements**

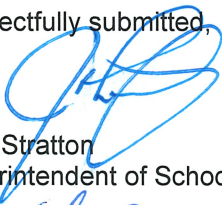
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District School Board of Hernando County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020. This was the eighteenth consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

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

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


Respectfully submitted,



John Stratton  
Superintendent of Schools



Lisa Becker  
Executive Director of Business Services



Joyce McIntyre  
Director of Finance & Purchasing

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

List of Principal Officials

**School Board Members and Superintendent**

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



Kay Hatch  
District 1  
Member Since Nov. 2018



Linda K. Prescott  
District 2  
Member Since Nov. 2016



Jimmy Lodato  
District 3  
Member Since Nov. 2018



Gus Guadagnino  
District 4  
Member Since Nov 2012

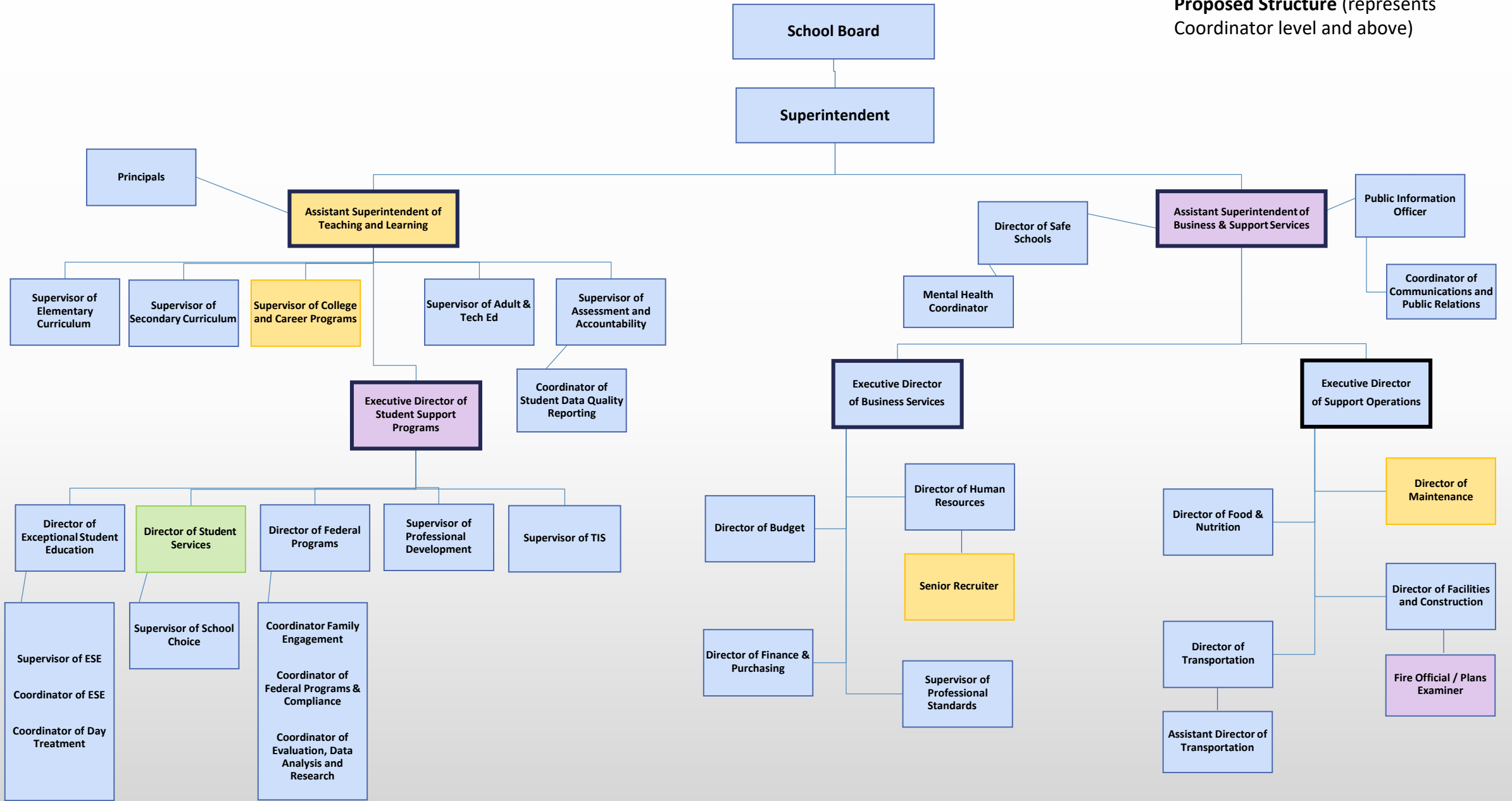


Susan Duval  
District 5  
Member Since Nov. 2014



John Stratton  
Superintendent

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



New position

Upgraded position

Change of Title Only

Bold outer line indicates Cabinet member



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Presented to

**District School Board of Hernando County  
Florida**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO



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# FINANCIAL SECTION



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## INDEPENDENT AUDITOR'S REPORT

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

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Hernando County District School Board (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the school internal funds, which represent 11.67 percent of the assets and 80.51 percent of the liabilities of the aggregate remaining fund information. In addition, we did not audit the financial statements of the charter schools which are included in the discretely presented component units, which represent 76.26 percent of the assets. The financial statements for the school internal funds and the charter schools included in the discretely presented component units were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those financial statements, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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

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purvisgray.com

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

## INDEPENDENT AUDITOR'S REPORT

the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained and the report of the other auditors are sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2020, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of a Matter – COVID-19**

As more fully described in Note 14 to the financial statements, the District may be materially impacted by the outbreak of a novel coronavirus (COVID-19), which was declared a global pandemic by the World Health Organization in March 2020.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, required pension and OPEB related schedules and major fund budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual non-major fund financial statements, other budgetary comparison schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for

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

### INDEPENDENT AUDITOR'S REPORT

purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and other budgetary comparison schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual non-major fund financial statements, other budgetary comparison schedules, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the District's internal control over financial reporting and compliance.



January 28, 2021  
Ocala, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Hernando County District School Board (the District) has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2020. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, and should be considered in conjunction with the District's financial statements and notes to financial statements found immediately following the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2019-2020 fiscal year are as follows:

- Total Net Position is \$226,355,142, which represents a .07 percent increase from the 2018-2019 fiscal year.
- General revenues totaled \$219,166,402, or 94 percent, of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital gains and contributions total \$14,025,661, or 6.01 percent, of all revenues.
- Expenses total \$233,029,439; only \$14,025,661 of these expenses were offset by program revenues, with the remainder paid from general revenues.
- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$226,355,142.
- The total combined assigned and unassigned fund balance of the General Fund representing the net fund balance that is spendable and not restricted, totals \$27,465,744, or 15.57 percent, of total General Fund revenues.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

operations during the fiscal year. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

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

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

The government-wide financial statements can be found on pages 14-15 of this report.

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

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

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

The District maintains 13 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue – Federal Fund, Other Debt Service, and Other Capital Projects Fund, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The basic governmental fund financial statements and the major budgetary comparison schedules presented as required supplementary information can be found on pages 16-20 and 59-67.

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

The basic fiduciary funds financial statements can be found on pages 21-22 of this report.

**Notes to Financial Statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 23-58 of this report.

**Required Supplementary Information.** In addition to this management's discussion and analysis, this report also presents certain required supplementary information concerning the District's progress in funding its obligations to provide postemployment benefits other than pensions to its employees. The schedule of funding progress, other postemployment benefits plan, required supplementary information can be found on pages 59-74 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary Information. Combining and individual fund statements and other schedules can be found on pages 75-90 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following is a summary of the District's net position as of June 30, 2020, compared to net position as of June 30, 2019:



District School Board of Hernando County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Net Position**

	<b>Governmental Activities</b>	
	<b>June 30, 2020</b>	<b>June 30, 2019</b>
Current and Other Assets	\$ 80,678,185	\$ 73,766,896
Capital Assets	383,839,771	383,583,965
Total Assets	<u>464,517,956</u>	<u>457,350,861</u>
Deferred Outflows of Resources	<u>42,440,923</u>	<u>44,868,181</u>
Long-Term Liabilities	261,975,482	253,420,975
Other Liabilities	2,373,972	3,285,726
Total Liabilities	<u>264,349,454</u>	<u>256,706,701</u>
Deferred Inflows of Resources	<u>16,254,283</u>	<u>19,309,823</u>
Net Position:		
Net Investment in Capital Assets	277,874,189	268,410,915
Restricted	38,946,428	35,433,091
Unrestricted	(90,465,475)	(77,641,488)
Total Net Position	<u>\$ 226,355,142</u>	<u>\$ 226,202,518</u>

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

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2020 and June 30, 2019, are as follows:

District School Board of Hernando County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Changes in Net Position**

	<b>Governmental Activities</b>	
	<b>June 30, 2020</b>	<b>June 30, 2019</b>
Revenues:		
Program Revenues:		
Charges for Services	\$ 557,944	\$ 1,009,764
Operating Grants and Contributions	12,519,029	14,072,478
Capital Grants and Contributions	948,688	1,624,966
General Revenues:		
Property Taxes	63,000,979	59,992,689
Local Sales Tax	11,578,748	11,015,453
Grants and Contributions Not Restricted to Specific Programs	136,360,977	135,980,854
Unrestricted Investment Earnings	328,709	1,098,468
Miscellaneous	7,896,989	6,445,866
Total Revenues	<u>233,192,063</u>	<u>231,240,538</u>
Functions/Program Expenses:		
Instruction	122,952,772	116,734,406
Student Personnel Services	10,305,339	9,629,463
Instructional Media Services	1,499,407	1,406,550
Instruction and Curriculum Development Services	5,909,931	5,487,994
Instructional Staff Training Services	3,158,097	3,238,748
Instruction Related Technology	599,914	708,413
Board	549,206	569,835
General Administration	2,135,155	1,136,961
School Administration	12,665,115	12,578,189
Facility Services - Non-Capitalized	1,115,028	541,797
Fiscal Services	1,008,056	857,653
Food Services	13,692,564	12,700,237
Central Services	2,555,810	2,127,534
Student Transportation Services	8,070,432	8,227,042
Operation of Plant	18,265,529	16,987,276
Maintenance of Plant	7,227,468	5,885,546
Administrative Technology Services	4,592,787	2,939,278
Community Services	10,358	1,420
Unallocated Interest on Long-Term Debt	3,391,682	3,606,715
Unallocated Depreciation Expense	13,334,789	12,888,627
Total Functions/Program Expenses	<u>233,039,439</u>	<u>218,253,684</u>
Increase in Net Position	152,624	12,986,854
Net Position, Beginning	226,202,518	213,215,664
Net Position, Ending	<u>\$ 226,355,142</u>	<u>\$ 226,202,518</u>

District School Board of Hernando County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

The total governmental net position increased by \$152,624 during the current year, as compared to a net increase of \$12,986,854 in the previous year. Total revenues increased by \$1,951,525 compared to the prior year. District expenses increased \$14,785,755.

Direct instructional expenses, including school administration, increased \$2,700,455. Unallocated expenses for interest and depreciation increased \$231,129.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

**Major Governmental Funds.** The focus of the District's governmental funds is to provide information on *near-term* inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$72,437,965, an increase of \$7,700,709 in comparison with the prior year. The following schedule indicates the fund balances and changes in fund balances by major fund and other governmental (non-major) funds as reported in the basic financial statements for the fiscal years ended June 30, 2020 and June 30, 2019.

<u>Fund Balance</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Major Governmental Funds:				
General Fund	\$ 29,960,482	\$ 30,397,144	\$ (436,662)	-1.44%
Local Capital Improvement Fund	10,610,313	6,943,976	3,666,337	52.80%
Other Capital Projects	17,753,499	11,957,089	5,796,410	48.48%
Other Governmental Funds (Non-Major)	14,113,671	15,439,047	(1,325,376)	-8.58%
Total Fund Balance	<u>\$ 72,437,965</u>	<u>\$ 64,737,256</u>	<u>\$ 7,700,709</u>	11.90%

**General Fund.** The General Fund is the primary operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$12,745,823, while total fund balance was \$29,960,482. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total revenues. Unassigned fund balance represents 7.23 percent of General Fund revenues, while total assigned and unassigned fund balance represents 15.57 percent of that same amount.

During the current fiscal year, the total fund balance of the General Fund decreased by \$436,662.

**Capital Projects – Local Capital Improvements Fund.** The fund balance of the Capital Projects – Non-Voted Capital Improvements Fund increased by \$3,666,337 to \$10,610,313. This increase was primarily due to a decrease in transfers out for the payment of maintenance and site improvements.

**Capital Projects – Other Fund.** The fund balance of the Capital Projects – Other Fund increased by \$5,796,410 to \$17,753,499. This fund is restricted for educational capital outlay needs, including new construction, renovations and remodeling projects, and debt service payments.

District School Board of Hernando County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following schedule shows the changes in General Fund revenues and transfers in for fiscal years ended June 30, 2020 and June 30, 2019:

<u>General Fund Revenues and Other Financing Sources</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 284,900	\$ 266,448	\$ 18,452	6.93%
Federal through State Sources:				
Medicaid	998,624	1,356,409	(357,785)	-26.38%
Other Federal through State Sources	420,695	939,474	(518,779)	-55.22%
State Sources:				
Florida Education Finance Program (FEFP)	98,320,833	93,120,031	5,200,802	5.59%
Categorical Programs	24,705,998	24,484,972	221,026	0.90%
Other State Sources	97,428	2,834,016	(2,736,588)	-96.56%
Local Sources:				
Ad Valorem Taxes	47,658,751	45,800,900	1,857,851	4.06%
Interest Income	688,789	697,753	(8,964)	-1.28%
Other Local Sources	3,290,708	3,080,990	209,718	6.81%
	176,466,726	172,580,993	3,885,733	2.25%
Other Financing Sources:				
Transfers In	1,618,319	3,153,525	(1,535,206)	-48.68%
Other Financing Sources	29,612	35,896	(6,284)	-17.51%
Total Revenues and Other Financing Sources	<u>\$ 178,114,657</u>	<u>\$ 175,770,414</u>	<u>\$ 2,344,243</u>	1.33%

During the 2019-2020 fiscal year, Revenues and Other Financing Sources (Uses) increased by \$2,344,243, or 1.33 percent. The major impacts to funding were the State Legislature increase in Base Student Allocation and the increase in the number of unweighted full-time equivalent students.

The following schedule shows the changes in General Fund expenditures (by major object) for fiscal years ended June 30, 2020 and June 30, 2019:

<u>General Fund Expenditures by Major Object</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Salaries	\$ 113,838,685	\$ 107,938,944	\$ 5,899,741	5.47%
Employee Benefits	33,261,220	32,864,147	397,073	1.21%
Purchased Services	14,117,353	14,669,202	(551,849)	-3.76%
Energy Services	5,998,074	6,209,902	(211,828)	-3.41%
Materials and Supplies	4,939,585	4,896,733	42,852	0.88%
Capital Outlay	3,654,237	1,696,037	1,958,200	115.46%
Other Expenditures	1,166,456	1,069,599	96,857	9.06%
Total Expenditures by Major Object	<u>\$ 176,975,610</u>	<u>\$ 169,344,564</u>	<u>\$ 7,631,046</u>	4.51%

General Fund expenditures increased by \$7,631,046, or 4.51 percent. The largest portions of General Fund expenditures are for salaries and employee benefits with \$147,099,904 expended, or 83.12 percent, of total expenditures in the 2019-2020 fiscal year compared to \$140,803,091, or 83.15 percent, in the 2018-2019 fiscal year.

Capital Expenditures increased \$1,958,200 for the purchase of District-wide computer refresh.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The following schedule shows the changes in General Fund revenues and other financing sources between the original and final budgets for the fiscal year ended June 30, 2020:

District School Board of Hernando County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

<u>General Fund Revenues and Other Financing Sources</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 207,672	\$ 284,900	\$ 77,228	37.19%
Federal Through State Sources:				
Medicaid	996,158	998,624	2,466	0.25%
Other Federal Through State Sources	413,175	420,694	7,519	1.82%
State Sources:				
Florida Education Finance Program (FEFP)	98,320,833	98,320,833	-	0.00%
Categorical Programs	24,705,998	24,705,998	-	0.00%
Other State Sources	104,947	97,428	(7,519)	-7.16%
Local Sources:				
Ad Valorem Taxes	47,658,751	47,658,751	-	0.00%
Interest Income	688,789	688,789	-	0.00%
Other Local Sources	3,290,411	3,290,708	297	0.01%
Other Financing Sources:				
Transfers In	1,118,319	1,618,319	500,000	44.71%
Other Financing Sources	529,613	29,613	(500,000)	-94.41%
Total Revenues and Other Financing Sources	<u>\$ 178,034,666</u>	<u>\$ 178,114,657</u>	<u>\$ 79,991</u>	0.04%

Final budgeted revenues and other financing sources for the General Fund when compared to the initial budget were \$79,991, or .04 percent higher. Medicaid actual billing reimbursements increased \$2,466 than anticipated during budget planning. In addition, actual collections from Other Local Sources resulted in an increase of \$297 in actual revenues due in part to receipt of funds related to insurance refunds and profit share revenues.

The following schedule shows the changes in General Fund expenditures by function between the original and final budgets for the fiscal year ended June 30, 2020:

<u>General Fund Expenditures by Function</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Current:				
Instruction	\$ 118,366,427	\$ 110,850,257	\$ (7,516,170)	-6.35%
Pupil Personnel Services	7,259,555	7,604,910	345,355	4.76%
Instructional Media Services	1,072,513	1,418,722	346,209	32.28%
Instruction and Curriculum Development	2,010,256	2,710,129	699,873	34.82%
Instructional Staff Training	327,243	865,277	538,034	164.41%
Instruction Related Technology	286,697	387,696	100,999	35.23%
School Board	704,510	517,829	(186,681)	-26.50%
General Administration	1,533,649	1,408,690	(124,959)	-8.15%
School Administration	11,381,824	11,944,051	562,227	4.94%
Facility Services - Non-Capitalized	326,611	574,055	247,444	75.76%
Fiscal Services	1,157,773	950,464	(207,309)	-17.91%
Central Services	2,383,645	2,447,240	63,595	2.67%
Pupil Transportation Services	9,276,724	7,754,132	(1,522,592)	-16.41%
Operation of Plant	20,126,670	17,314,585	(2,812,085)	-13.97%
Maintenance of Plant	5,898,334	5,845,829	(52,505)	-0.89%
Administrative Related Technology Services	4,390,024	4,371,975	(18,049)	-0.41%
Community Services	13,550	9,768	(3,782)	-27.91%
Total Expenditures by Function	<u>\$ 186,516,005</u>	<u>\$ 176,975,609</u>	<u>\$ (9,540,396)</u>	-5.12%

District School Board of Hernando County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

The final budgeted expenditures and other financing uses were lower than the original budget by \$9,540,396, or 5.12 percent. Reductions were realized through the District's conservative spending and through savings initiatives that were implemented during the fiscal year.

**CAPITAL ASSETS AND LONG-TERM DEBT**

**Capital Assets.** The District's investment in capital assets for governmental activities as of June 30, 2020, amounts to \$383,839,771 (net of accumulated depreciation). This investment in capital assets includes land; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; and construction in progress. The total increase of \$385,768 in the District's investment in capital assets (net of accumulated depreciation) for the current fiscal year was .10 percent.

	<b>Governmental Activities</b>	
	<b>June 30, 2020</b>	<b>June 30, 2019</b>
Land	\$ 10,304,474	\$ 10,304,474
Improvements Other Than Buildings	10,295,332	9,825,377
Buildings and Fixed Equipment	340,638,935	350,863,577
Furniture, Fixtures, and Equipment	7,350,431	6,613,692
Motor Vehicles	2,305,590	1,763,242
Construction in Progress	12,945,009	4,083,641
<b>Total Capital Assets</b>	<b>\$ 383,839,771</b>	<b>\$ 383,454,003</b>

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

**Long-Term Debt.** At the end of the current fiscal year, the District has total long-term debt outstanding of \$100,700,284. This amount is comprised of \$96,020,284 in Certificates of Participation (COPs); and Bonds Payable of \$4,680,000, which is backed by full faith and credit of the State of Florida.

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

During the current fiscal year, the District paid \$8,384,114 of principal payments on long-term debt as follows:

State School Bonds	\$ 1,108,000
Other Debt Service:	
District Revenue Bonds	1,935,000
Certificates of Participation	4,337,543
Notes Payable	1,003,571
<b>Total Principal Payments</b>	<b>\$ 8,384,114</b>

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**ECONOMIC FACTORS AND FORECAST**

As of June 2020, the unemployment rate for Hernando County is currently 4.2 percent, which is a decrease from the rate of 4.5 percent a year ago. This compares to the State's average unemployment rate of 3.1 percent. These factors were considered in preparing the District budget for the 2020-2021 fiscal year.

During the current fiscal year, the fund balance in the General Fund decreased by \$436,662 to \$29,960,482. Included in this total, the District has inventories and prepaid of \$1,828,575 that are classified as non-spendable, \$1,038,324 in State categorical funds reported as restricted, and \$4,897 in Workforce Development and \$4,753,068 in encumbrances reported as assigned, which are reappropriated in the budget for the 2020-2021 fiscal year. Assigned fund balance also includes \$11,833, \$662 for FTE shortfall and \$2,840,796 for health insurance rebates and profit sharing, which will be held in fund balance until appropriated. It is anticipated that this use of unassigned fund balance will be replenished at year-end through unspent appropriations and operating fund property tax revenues in excess of the budget. It is anticipated that the fund balance at June 30, 2021, will be in excess of 3 percent of General Fund revenues.

At the time of issuance, the COVID-19 pandemic has created economic disruptions throughout the country causing significant declines in the financial markets and economic activity overall. The ultimate effect of these items is expected to be significant but is not quantifiable at this time.

**REQUESTS FOR INFORMATION**

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



**HERNANDO**  
**SCHOOL DISTRICT**

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# BASIC FINANCIAL STATEMENTS



**HERNANDO**  
SCHOOL DISTRICT

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**HERNANDO**  
SCHOOL DISTRICT

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**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	<b>Primary Governmental Activities</b>	<b>Component Units</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 28,513,598	\$ 567,432
Investments	40,200,674	-
Accounts Receivable	11,117	188,843
Due from Other Agencies	5,059,159	-
Inventories	1,718,527	289,328
Prepaid Items	504,744	3,276
Asset Held for Sale	-	224,000
Capital Credits Receivable	4,670,366	-
Capital Assets:		
Non-Depreciable Capital Assets	23,249,483	-
Depreciable Capital Assets, Net	360,590,288	70,218
<b>Total Assets</b>	<b>464,517,956</b>	<b>1,343,097</b>
<b>Deferred Outflows of Resources</b>		
OPEB Related	1,550,818	-
Pensions Related	40,890,105	-
<b>Total Deferred Outflows of Resources</b>	<b>42,440,923</b>	<b>-</b>
<b>Liabilities</b>		
Salaries and Benefits Payable	-	26,790
Accounts Payable	2,373,972	39,436
Long-Term Liabilities:		
Due Within One Year	7,963,161	15,545
Due in More Than One Year	254,012,321	38,354
<b>Total Liabilities</b>	<b>264,349,454</b>	<b>120,125</b>
<b>Deferred Inflows of Resources</b>		
Unearned Revenue	801,186	-
Gain on Refunding	618,998	-
OPEB Related	2,308,303	-
Pensions Related	12,525,796	-
<b>Total Deferred Inflows of Resources</b>	<b>16,254,283</b>	<b>-</b>
<b>Net Position</b>		
Net Investment in Capital Assets	277,874,189	16,319
Restricted for:		
State Required Carryover Programs	1,043,221	-
Food Service	5,044,225	-
Debt Service	7,287,018	-
Capital Projects	25,571,964	-
Other Purposes	-	809,529
Unrestricted	(90,465,475)	397,124
<b>Total Net Position</b>	<b>\$ 226,355,142</b>	<b>\$ 1,222,972</b>

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

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units
<b>Primary Government:</b>						
<b>Governmental Activities:</b>						
Instruction	\$ 122,952,772	\$ 118,511	\$ -	\$ -	\$ (122,834,261)	\$ -
Student Personnel Services	10,305,339	-	-	-	(10,305,339)	-
Instructional Media Services	1,499,407	-	-	-	(1,499,407)	-
Instruction and Curriculum Development Services	5,909,931	-	-	-	(5,909,931)	-
Instructional Staff Training Services	3,158,097	-	-	-	(3,158,097)	-
Instruction Related Technology	599,914	-	-	-	(599,914)	-
Board Related	549,206	-	-	-	(549,206)	-
General Administration	2,135,155	-	-	-	(2,135,155)	-
School Administration	12,665,115	-	-	-	(12,665,115)	-
Facility Services - Non-Capitalized	1,115,028	-	-	668,841	(446,187)	-
Fiscal Services	1,008,056	-	-	-	(1,008,056)	-
Food Services	13,692,564	355,162	12,519,029	-	(818,373)	-
Central Services	2,555,810	-	-	-	(2,555,810)	-
Student Transportation Services	8,070,432	84,271	-	-	(7,986,161)	-
Operation of Plant	18,265,529	-	-	-	(18,265,529)	-
Maintenance of Plant	7,227,468	-	-	12,167	(7,215,301)	-
Administrative Technology Services	4,592,787	-	-	-	(4,592,787)	-
Community Services	10,358	-	-	-	(10,358)	-
Unallocated Interest on Long-Term Debt	3,391,682	-	-	267,680	(3,124,002)	-
Unallocated Depreciation Expense *	13,334,789	-	-	-	(13,334,789)	-
<b>Total Primary Government</b>	<b>233,039,439</b>	<b>557,944</b>	<b>12,519,029</b>	<b>948,688</b>	<b>(219,013,778)</b>	<b>-</b>
<b>Component Units</b>						
Educational Foundation/Charter Schools	\$ 3,536,723	\$ 136,029	\$ 1,293,913	\$ 172,982	-	(1,933,799)
<b>General Revenues:</b>						
Taxes:						
Property Taxes, Levied for Operational Purposes					47,671,751	-
Property Taxes, Levied for Capital Projects					15,329,228	-
Local Sales Taxes					11,578,748	-
Grants and Contributions Not Restricted to Specific Programs					136,360,977	2,174,540
Unrestricted Investment Earnings					328,709	-
Miscellaneous Revenues (Expenses)					7,896,989	(1,312)
<b>Total General Revenues</b>					<b>219,166,402</b>	<b>2,173,228</b>
<b>Change in Net Position</b>					<b>152,624</b>	<b>239,429</b>
<b>Net Position - July 1, 2019</b>					<b>226,202,518</b>	<b>983,543</b>
<b>Net Position - June 30, 2020</b>					<b>\$ 226,355,142</b>	<b>\$ 1,222,972</b>

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

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

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	General Fund	Special Revenue - Other Federal Program Fund	Local Capital Improvement	Capital Projects - Other Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and Cash Equivalents	\$ 9,570,720	\$ 26,527	\$ 296,766	\$ 8,895,984	\$ 9,723,601	\$ 28,513,598
Investments	19,613,214	-	10,366,871	8,320,719	1,899,870	40,200,674
Accounts Receivable	8,548	-	-	800	1,769	11,117
Due from Other Funds	-	-	-	-	2,181,367	2,181,367
Due from Other Agencies	626,660	2,118,751	5,395	1,912,058	396,295	5,059,159
Prepaid Items	110,048	-	-	-	-	110,048
Inventories	1,341,469	-	-	-	377,058	1,718,527
<b>Total Assets</b>	<b>31,270,659</b>	<b>2,145,278</b>	<b>10,669,032</b>	<b>19,129,561</b>	<b>14,579,960</b>	<b>77,794,490</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>						
Liabilities:						
Accounts and Retainage Payable	1,310,177	773	58,719	629,200	375,103	2,373,972
Due to Other Funds	-	2,144,505	-	-	36,862	2,181,367
<b>Total Liabilities</b>	<b>1,310,177</b>	<b>2,145,278</b>	<b>58,719</b>	<b>629,200</b>	<b>411,965</b>	<b>4,555,339</b>
Deferred Inflows of Resources:						
Unavailable State Grant	-	-	-	-	54,324	54,324
Unavailable Revenue - Capital Outlay	-	-	-	746,862	-	746,862
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>746,862</b>	<b>54,324</b>	<b>801,186</b>
Fund Balances:						
Non-Spendable	1,451,517	-	-	-	377,058	1,828,575
Spendable:						
Restricted	1,043,221	-	10,401,457	13,610,369	13,371,994	38,427,041
Assigned	14,719,921	-	208,856	4,143,130	364,619	19,436,526
Unassigned	12,745,823	-	-	-	-	12,745,823
<b>Total Fund Balances</b>	<b>29,960,482</b>	<b>-</b>	<b>10,610,313</b>	<b>17,753,499</b>	<b>14,113,671</b>	<b>72,437,965</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 31,270,659</b>	<b>\$ 2,145,278</b>	<b>\$ 10,669,032</b>	<b>\$ 19,129,561</b>	<b>\$ 14,579,960</b>	<b>\$ 77,794,490</b>

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



**HERNANDO**  
**SCHOOL DISTRICT**

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**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

**Total Fund Balances - Governmental Funds** \$ 72,437,965

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

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

Non-Depreciable Capital Assets	\$ 23,249,483	
Depreciable Capital Assets, Net	<u>360,590,288</u>	383,839,771

Capital credits to be received in future years are not available to liquidate liabilities in governmental funds, but are accrued in the government-wide statements. 4,670,366

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

Deferred Outflows of Resources	40,890,105	
Deferred Inflows of Resources	<u>(12,525,796)</u>	28,364,309

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

Deferred Outflows of Resources	1,550,818	
Deferred Inflows of Resources	<u>(2,308,303)</u>	(757,485)

Bond Insurance for 2016 COPS Refunding Debt 394,696

Gain on Refunding of the 2005 COPS (618,998)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Bonds Payable	(5,152,751)	
Certificates of Participation Payable	(105,263,162)	
Other Postemployment Benefits Payable	(14,371,676)	
Net Pension Liability	(119,317,288)	
Compensated Absences Payable	<u>(17,870,605)</u>	<u>(261,975,482)</u>

**Total Net Position - Governmental Activities** \$ 226,355,142

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

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue - Other Federal Program Fund</u>
<b>Revenues</b>		
Intergovernmental:		
Federal Direct	\$ 284,900	\$ -
Federal Through State and Local State	1,419,319 123,124,259	12,994,917 -
Local:		
Property Taxes Levied for Operational Purposes	47,658,751	-
Property Taxes Levied for Capital Projects	-	-
Local Sales Taxes	-	-
Impact Fees	-	-
Charges for Service - Food Services	-	-
Other	3,979,497	-
<b>Total Revenues</b>	<u>176,466,726</u>	<u>12,994,917</u>
<b>Expenditures</b>		
Current:		
Instruction	110,759,393	5,132,107
Student Personnel Services	7,604,910	2,111,674
Instructional Media Services	1,413,745	-
Instruction and Curriculum Development Services	2,708,830	2,863,460
Instructional Staff Training Services	865,277	2,112,395
Instruction Related Technology Board	387,696 517,829	177,944 -
General Administration	1,408,690	471,194
School Administration	11,941,545	-
Facility Services - Non-Capitalized	563,118	-
Fiscal Services	950,464	-
Food Services	-	-
Central Services	2,408,961	-
Student Transportation Services	7,591,907	15,026
Operation of Plant	17,218,820	-
Maintenance of Plant	5,623,538	-
Administrative Technology Services	4,329,162	-
Community Services	9,768	-
Debt Service:		
Principal	-	-
Interest and Fiscal Charges	-	-
Dues and Fees	-	-
Capital Outlay:		
Facilities Acquisition and Construction	671,957	111,117
<b>Total Expenditures</b>	<u>176,975,610</u>	<u>12,994,917</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(508,884)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>		
Issuance of Bonds	-	-
Payment to Escrow Account	-	-
Transfers In	1,618,319	-
Insurance Loss Recoveries	29,612	-
Transfers (Out)	(1,575,709)	-
<b>Total Other Financing Sources (Uses)</b>	<u>72,222</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(436,662)	-
<b>Fund Balances, July 1, 2019</b>	30,397,144	-
<b>Fund Balances, June 30, 2020</b>	<u>\$ 29,960,482</u>	<u>\$ -</u>

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



Local Capital Improvement	Capital Projects - Other Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 284,900
-	-	12,398,908	26,813,144
-	81,856	1,462,865	124,668,980
-	-	-	47,658,751
15,329,228	-	-	15,329,228
-	11,578,748	-	11,578,748
-	2,153,894	-	2,153,894
-	-	373,343	373,343
134,124	120,260	55,416	4,289,297
<u>15,463,352</u>	<u>13,934,758</u>	<u>14,290,532</u>	<u>233,150,285</u>
-	-	36,862	115,928,362
-	-	-	9,716,584
-	-	-	1,413,745
-	-	-	5,572,290
-	-	-	2,977,672
-	-	-	565,640
-	-	-	517,829
-	-	-	1,879,884
-	-	-	11,941,545
-	-	488,086	1,051,204
-	-	-	950,464
-	-	12,905,046	12,905,046
-	-	-	2,408,961
-	-	-	7,606,933
-	-	-	17,218,820
876,164	308,082	-	6,807,784
-	-	-	4,329,162
-	-	-	9,768
-	-	7,483,165	7,483,165
-	-	4,083,318	4,083,318
-	-	141,364	141,364
<u>1,742,232</u>	<u>9,619,099</u>	<u>1,597,171</u>	<u>13,741,576</u>
<u>2,618,396</u>	<u>9,927,181</u>	<u>26,735,012</u>	<u>229,251,116</u>
<u>12,844,956</u>	<u>4,007,577</u>	<u>(12,444,480)</u>	<u>3,899,169</u>
-	-	4,674,633	4,674,633
-	-	(902,705)	(902,705)
-	1,788,833	9,809,262	13,216,414
-	-	-	29,612
(9,178,619)	-	(2,462,086)	(13,216,414)
<u>(9,178,619)</u>	<u>1,788,833</u>	<u>11,119,104</u>	<u>3,801,540</u>
3,666,337	5,796,410	(1,325,376)	7,700,709
6,943,976	11,957,089	15,439,047	64,737,256
<u>\$ 10,610,313</u>	<u>\$ 17,753,499</u>	<u>\$ 14,113,671</u>	<u>\$ 72,437,965</u>

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

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Net Change in Fund Balances - Governmental Funds** \$ 7,700,709

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

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

Capital Outlay - Facilities and Construction - Governmental Funds	\$ 6,769,503	
Capital Outlay - Other Capital Outlay - Governmental Funds	6,972,073	
Disposal of Capital Assets	-	
(Less Depreciation Expense)	<u>(13,355,808)</u>	385,768

Long-term debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceeded proceeds in the current period:

Debt Repayments		8,383,165
Proceeds from Issuance of Debt		<u>(4,258,000)</u>

Premiums are reported in the governmental funds in the year debt is issued, but are capitalized and amortized over the life of the debt in the statement of activities.

Unamortized Premium:		
Prior Year	9,979,318	
(Less Current Year)	<u>(9,715,629)</u>	263,689
Bond Insurance for the 2016 COPS Refunding Debt Amortization:		
Prior Year	(419,365)	
(Less Current Year)	<u>394,696</u>	(24,669)
Gain on Refunding of the 2005 COPS - Amortization:		
Prior Year	657,686	
(Less Current Year)	<u>(618,998)</u>	38,688

The net decrease in net pension liability and deferred outflows and inflows is reported in the statement of activities but not in the fund statements. (11,429,549)

Capital credits to be received in future years are accrued in the government-wide statements, but the credits do not provide current financial resources and are not recognized in the governmental funds:

Current Year Accruals	4,670,366	
(Less Prior Year Accruals)	<u>(4,658,199)</u>	
Net Increase in Capital Credits Receivable		12,167

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences used in excess of the amount earned in the current period. (879,519)

Other postemployment benefits costs are recorded in the governmental funds under the pay-as-you-go method, but under the full accrual method in the government-wide statements. This is the net increase in the other postemployment benefits liability, deferred inflows and outflows for the current period. (39,825)

**Change in Net Position - Governmental Activities** \$ 152,624

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

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2020**

	<b>Private-Purpose Trust Fund</b>	<b>Agency Funds</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 3,535	\$ 1,916,346
Investments	53,225	-
Accounts Receivable	-	9,365
<b>Total Assets</b>	56,760	1,925,711
<b>Liabilities</b>		
Internal Accounts Payable	-	1,925,711
<b>Total Liabilities</b>	-	\$ 1,925,711
<b>Net Position</b>		
Held in Trust for Scholarships and Other Purposes	\$ 56,760	

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

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Private-Purpose Trust Fund</b>
<b>Additions</b>	
Investment Earnings	\$ 2,967
<b>Deductions</b>	-
<b>Change in Net Position</b>	2,967
<b>Net Position, July 1, 2019</b>	53,793
<b>Net Position, June 30, 2020</b>	\$ 56,760

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

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

**Reporting Entity**

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

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

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

■ **Blended Component Unit**

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

■ **Discretely Presented Component Units**

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

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

■ **Discretely Presented Component Units**

The charter schools are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the *Florida Not for Profit Corporation Act*, and Section 1002.33, Florida Statutes. The

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

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

**Basis of Presentation**

■ **Government-Wide Financial Statements**

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

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

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

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

■ **Fund Financial Statements**

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

The District reports the following major governmental funds:

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

**Special Revenue – Other Federal Programs Fund**—to account for certain Federal Grant program revenue sources that are legally restricted for specified purposes. This Special Revenue Fund tracks Federal grants and entitlements that are received by the District from various Federal and State agencies.

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

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

Additionally, the District reports the following fiduciary fund types:

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

**Agency Funds**—to account for resources of the school internal funds which are used to administer moneys collected at the various schools in connection with school, student athletic, class, and club activities.

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

**Basis of Accounting**

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

The government-wide financial statements are prepared using the accrual basis of accounting, as are the fiduciary funds financial statements. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

recognized in the year for which they are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

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

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

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

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

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

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

The Foundation, shown as a discretely presented component unit, is accounted for under the not-for-profit basis of accounting and uses the accrual basis of accounting whereby revenues are recognized when earned, and expenses are recognized when incurred.



**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**Deposits**

The District's cash and cash equivalents are considered to be demand deposits. On June 30, 2020, the carrying amount of the District's bank deposit accounts was \$28,513,598 (Statement of Net Position) and \$3,535 (Fiduciary Funds).

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. The Agency Funds consider cash as those accounts used as demand deposit accounts and considers cash equivalents as those amounts invested in certificates of deposit.

**Investments**

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

■ **Fair Value Measurement**

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

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

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

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

Investments consist of amounts placed in State Board of Administration (SBA) Debt Service accounts for investment of debt service moneys and amounts placed with the SBA for participation in Florida PRIME (formerly known as the Local Government Surplus Funds Trust Fund Investment Pool) investment pool created by Section 218.405, Florida Statutes, and those made locally. The investment pools operate under investment guidelines established by Section 215.47, Florida Statutes.

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

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

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

**Inventories**

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

**Capital Assets**

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

Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction.

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

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

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

**Pensions**

In the government-wide statement of net position, liabilities are recognized for the District’s proportionate share of each pension plan’s net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS)

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defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS's and the HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

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

**Long-Term Liabilities**

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

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

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

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

**Deferred Outflows/Inflows of Resources**

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

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

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The District has financial items that qualify for reporting in this category related to unearned revenue, gain on refunding of bonds, OPEB, and pensions that are reported only in the government-wide statement of net position. A deferred amount on pension and OPEB results from the difference in the expected and actual amounts of experience, earnings, and contributions. This amount is deferred and amortized over the service life of all employees. Other items are unearned revenue from Hernando County impact fees and the State of Florida for Capital Outlay and Debt Service. The gain on refunding is related to premium on debt refunded in a prior period. This amount is recognized as a reduction of interest expense over the life of the new debt.

**State Revenue Sources**

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

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

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

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department.

A schedule of revenue from State sources for the current year is presented in a subsequent note.

**District Property Taxes**

The Board is authorized by State law to levy property taxes for District school operations, capital improvements, and debt service. Property taxes consist of ad valorem taxes on real and personal property within the District.

Property values are determined by the Hernando County Property Appraiser, and property taxes are collected by the Hernando County Tax Collector.

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The Board adopted the 2019 tax levy on September 11, 2019. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

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

**Local Sales Tax**

On March 9, 2004, the voters of Hernando County approved a one-half cent school capital outlay sales tax on sales in Hernando County for ten years, commencing January 1, 2005 and ending December 31, 2014, to pay for the construction of certain educational facilities and other related costs, in accordance with Section 212.055(6), Florida Statutes. An extension of the one-half cent school capital outlay sales tax was not approved by the voters on November 4, 2014; however, a new ten year one-half cent sales tax, commencing on January 1, 2017, was subsequently approved in a special election held on September 8, 2015.

**Educational Impact Fees**

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

**Federal Revenue Sources**

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

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**Note 2 - Investments**

**Cash and Cash Equivalents and Investment Portfolio**

On February 15, 2000, the District formally adopted a comprehensive investment policy, as revised on January 14, 2014, pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation and issuer limits, credit rating requirements, and maturity limits to protect the District's cash and investment assets. The District maintains a common cash and investment pool for the use of all funds. In addition, cash and investments are separately held by the District's special revenue, debt service, capital projects, enterprise, and trust funds.

**Investment Portfolio**

Investment holdings, totaling \$40,200,674 (Statement of Net Position) and \$53,225 (Fiduciary Funds) consist of amounts placed in a Local Government Surplus Funds Trust Fund, Registered Investment Companies (Money Market Mutual Funds), an Intergovernmental Investment Pool, and U.S. Treasury Bonds.

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

As of June 30, 2020, the District has the following investments and maturities:

<u>Security Type</u>	<u>Value</u>	<u>Weighted Average Duration</u>
External Investment Pools:		
State Board of Administration:		
Florida PRIME	\$ 13,942,434	53 days
Debt Service Accounts	28,125	53 days
Florida Palm	26,230,111	53 days
U.S. Treasury Bonds (Fiduciary Fund)	<u>53,225</u>	2.63 years
<b>Total</b>	<u>\$ 40,253,895</u>	54 days

The Florida PRIME (the SBA) June 30, 2020, report was the source for the weighted average maturity and credit rating for Florida PRIME. <https://www.sbafla.com/prime/>.

The Fund Fact Sheet as of June 30, 2020, was the source for the Florida Education Investment Trust Fund's (now called Florida Palm) credit rating and weighted average maturity. <http://www.feitfund.com/>.

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**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than 24 months. Investments of bond reserves, construction funds, and other non-operating funds (core funds) shall have a term appropriate to the need for funds and in accordance with debt covenants. The purchase of investments for core funds with maturities longer than 5 years requires Board approval prior to purchase.

The District also uses WAM as a measurement of interest rate risk and as of June 30, 2020, the investment portfolio had a weighted average duration of .15 years. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

**Credit Risk**

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

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

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

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

State and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least "Aa" by Moody's or "AA" by Standard & Poor's for long-term debt, or rated at least "MIG-2" by Moody's or "SP-2" by Standard & Poor's for short-term debt.

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

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Investment pools shall be rated “AAAm” by Standard & Poor’s or the equivalent by another rating agency.

As of June 30, 2020, \$40,200,674 of the District’s investment securities were individually rated “AAAm” by Standard & Poor’s, and \$53,225 rated “Aaa” by Standard & Poor’s.

The District’s bank balance of \$28,404,776 was deposited in a qualified public depository, as required by Chapter 280, Florida Statutes.

As of June 30, 2020, the District had the following credit quality:

<u>Security Type</u>	<u>Standard &amp; Poor’s Credit Rating</u>	<u>Portfolio Asset Allocation</u>
State Board of Administration:		
Florida PRIME	AAAm	34.64%
Florida PRIME (Debt Service Accounts)	N/A	0.07%
External Investment Pool:		
Florida Palm	AAAm	65.16%
U.S. Treasury Bonds	Aaa	0.13%
<b>Total</b>		<u>100.00%</u>

**Custodial Credit Risk**

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District’s investment policy pursuant to Section 218.415(18), Florida Statutes, requires securities, with the exception of certificates of deposits, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and is doing business in the State of Florida. Certificates of Deposit will be placed in the provider’s safekeeping department for the term of the deposit.

As of June 30, 2020, the District’s investment portfolio was held with a third-party custodian as required by the District’s investment policy.

**Concentration of Credit Risk**

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



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A maximum of 100% of available funds may be invested in the United States Government Securities, 50% of available funds may be invested in United States Government agencies with a 25% limit on individual issuers, 75% of available funds may be invested in Federal Instrumentalities with a 25% limit on individual issuers, 75% of available funds may be invested in non-negotiable interest bearing time certificates of deposit with a 25% limit on individual issuers, 25% of available funds may be invested in Commercial Paper with a 10% limit on individual issuers, 25% of available funds may be invested in Corporate Notes with a 10% limit on individual issuers, 30% of available funds may be invested in State and/or Local Government Taxable and/or Tax-Exempt Debt with a 10% limit on individual issuers, 50% of available funds may be invested in Registered Investment Companies (Money Market Mutual Funds) with a 25% limit of individual issuers, and 25% of available funds may be invested in Intergovernmental Investment Pools.

As of June 30, 2020, the District had the following issuer concentration based on fair value:

<u>Security Type</u>	<u>Value</u>	<u>Portfolio Asset Allocation</u>
External Investment Pool:		
State Board of Administration:		
Florida PRIME	\$ 13,942,434	34.64%
Debt Service Accounts	28,125	0.07%
Florida Palm	26,230,111	65.16%
U.S. Treasury Bonds	53,225	0.13%
<b>Total</b>	<u>\$ 40,253,895</u>	<u>100.00%</u>

**Foreign Currency Risk**

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

**Note 3 - Changes in Capital Assets**

Changes in capital assets are presented in the table below:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land (660)	\$ 10,304,474	\$ -	\$ -	\$ 10,304,474
Construction in Process	4,083,641	8,861,368	-	12,945,009
Total Capital Assets Not Being Depreciated	<u>14,388,115</u>	<u>8,861,368</u>	<u>-</u>	<u>23,249,483</u>
Capital Assets Being Depreciated:				
Improvements Other than Buildings (670)	30,524,674	1,761,398	-	32,286,072
Buildings and Fixed Equipment (680)	511,232,086	-	-	511,232,086
Furniture, Fixtures, and Equipment (641/643/691)	44,495,335	2,279,532	(437,266)	46,337,601
Motor Vehicles (652 Vehicles) (651 Buses)	16,332,897	839,278	-	17,172,175
Total Capital Assets Being Depreciated	<u>602,584,992</u>	<u>4,880,208</u>	<u>(437,266)</u>	<u>607,027,934</u>
Less Accumulated Depreciation for:				
Improvements Other than Buildings	(20,699,297)	(1,291,443)	-	(21,990,740)
Buildings and Fixed Equipment	(160,368,509)	(10,224,642)	-	(170,593,151)
Furniture, Fixtures, and Equipment	(37,881,643)	(1,542,793)	437,266	(38,987,170)
Motor Vehicles	(14,569,655)	(296,930)	-	(14,866,585)
Total Accumulated Depreciation	<u>(233,519,104)</u>	<u>(13,355,808)</u>	<u>437,266</u>	<u>(246,437,646)</u>
Total Capital Assets Being Depreciated, Net	<u>369,065,888</u>	<u>(8,475,600)</u>	<u>-</u>	<u>360,590,288</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 383,454,003</u>	<u>\$ 385,768</u>	<u>\$ -</u>	<u>\$ 383,839,771</u>

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Depreciation expense was charged to functions as follows:

Function	Amount
Governmental Activities:	
Facilities Acquisition and Construction	\$ 129
Food Services	5,565
Central Services	883
Operation of Plant	2,575
Maintenance of Plant	3,374
Transportation	7,183
Administrative Related Technology	1,310
Unallocated	13,334,789
<b>Total Depreciation Expense – Governmental Activities</b>	<b>\$ 13,355,808</b>

**Note 4 - Certificates of Participation**

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

On August 10, 2011, the Florida School Boards Association, Inc., irrevocably assigned to the Leasing Corporation all of its rights, title, and interest under the Master Trust Agreement and the Ground Lease Agreements.

As a condition of the financing arrangement, the District has given ground leases on District property to the Leasing Corporation, with terms ranging from 20 to 30 years.

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

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

**Series 2005 Certificates**

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

**Series 2013 Certificates**

Challenger K-8 School of Science and Mathematics

The lease payments for the 2013A and 2016A Series are payable by the District, semiannually, on July 1 and January 1, at interest rates ranging from 2.08% to 5%. The payment of principal and interest on the bonds underlying the lease agreements are due on July 1 and January 1 of each year. The July 1 payment is typically made on or around June 15 and is considered to be a reduction of bond principal as of June 30.

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 8,243,164	\$ 4,473,872	\$ 3,769,292
2022	8,243,164	4,608,977	3,634,187
2023	8,241,664	4,747,435	3,494,229
2024	8,654,200	5,305,000	3,349,200
2025	43,270,500	30,420,000	12,850,500
2026-2030	43,272,000	38,065,000	5,207,000
2031-2035	8,652,000	8,400,000	252,000
Total Minimum Lease Payments	128,576,692	96,020,284	32,556,408
Unamortized COP Premiums	9,242,878	9,242,878	-
<b>Total</b>	<b>\$ 137,819,570</b>	<b>\$ 105,263,162</b>	<b>\$ 32,556,408</b>

**Note 5 - Bonds Payable**

Bonds payable at June 30, 2020, are as follows:

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

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<u>Bond Type</u>	<u>Original Debt Issue Amount</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
State School Bonds:				
Series 2011A, Refunding	\$ 365,000	\$ 145,000	3.0 - 5.0	2023
Series 2014A, Refunding	523,000	277,000	3.0 - 5.0	2025
Series 2020A, Refunding	758,000	758,000	2.0 - 5.0	2030
Subtotal	<u>1,646,000</u>	<u>1,180,000</u>		
Unamortized Premium	<u>940,582</u>	<u>204,348</u>		
State School Bonds	<u>2,586,582</u>	<u>1,384,348</u>		
District Revenue Bonds:				
Series 2020, Refunding	3,500,000	3,500,000	3.0 - 4.0	2042
Unamortized Premium	<u>268,403</u>	<u>268,403</u>		
Revenue Bonds	<u>3,768,403</u>	<u>3,768,403</u>		
<b>Total Bonds Payable</b>	<u>\$ 6,354,985</u>	<u>\$ 5,152,751</u>		

**State School Bonds**

These bonds are issued by the State Board of Education (SBE) on behalf of the District. The bonds mature serially, and are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax.

The State's full faith and credit is also pledged as security for these bonds. Principal and interest payments, investment of Debt Service Fund resources, and compliance with reserve requirements are administered by the SBE and the SBA.

The 2010 SBE bonds were refunded with the 2020A issuance. The principal issued was \$758,000 with a premium of \$204,348.

**District Revenue Bonds**

■ **Refunding and Capital Improvement Revenue Bonds, Series 2001**

These bonds were issued in June 2001 to refund the Refunding and Improvement Revenue Bonds, Series 1992, and to finance the costs of various capital improvements within the District. These bonds were authorized by Chapter 79-471, Laws of Florida, which provides that the bonds be secured from racetrack funds and jai alai fronton funds accruing annually to the District from the State's Pari-Mutuel Tax Collection Trust Fund pursuant to Chapter 550, Florida Statutes (effective July 1, 2000, tax proceeds are distributed pursuant to Section 212.20(6)(d)7.a., Florida Statutes (2001), now Section 212.20(6)(d)6.a., Florida Statutes (2014). The annual distribution is remitted by the Florida Department of Financial Services to the District.

The District has pledged as sole security for the bonds, the entire annual pari-mutuel tax proceeds of \$209,750, which is remitted by the Florida Department of Financial Services to the District. The pledged revenue is committed until final maturity of the debt, or December 1, 2031. Approximately 98% of this revenue stream has been pledged in connection with the debt service on the revenue bonds. As required by the bond resolution, the District has established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account.

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The Series 2001 bonds, totaling \$3.3 million, were issued to provide funds, together with other available funds of the Board, sufficient to refund the District's outstanding Refunding Revenue Bonds, Series 1990, and finance the costs of acquisition, construction, and installation of, and renovation to, certain capital improvements and educational facilities within the District, and pay costs associated with the issuance of the bonds.

The Series 2001 bonds were refunded with the 2020 issuance with a present value savings of \$288,508.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2020, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
<b>State School Bonds</b>			
2021	\$ 215,715	\$ 163,000	\$ 52,715
2022	217,515	173,000	44,515
2023	217,820	180,000	37,820
2024	165,775	135,000	30,775
2025	130,950	107,000	23,950
2026-2030	476,900	422,000	54,900
	<u>1,424,675</u>	<u>1,180,000</u>	<u>244,675</u>
<b>Unamortized Bond Premium</b>	<u>204,348</u>	<u>204,348</u>	<u>-</u>
<b>Total State School Bonds</b>	<u>1,629,023</u>	<u>1,384,348</u>	<u>244,675</u>
<b>District Revenue Bonds</b>			
2021	220,500	100,000	120,500
2022	202,725	85,000	117,725
2023	205,100	90,000	115,100
2024	202,400	90,000	112,400
2025	204,150	95,000	109,150
2026-2030	1,015,050	530,000	485,050
2031-2035	900,150	525,000	375,150
2036-2040	822,250	550,000	272,250
2041-2045	826,800	660,000	166,800
2046-2050	834,625	775,000	59,625
	<u>5,433,750</u>	<u>3,500,000</u>	<u>1,933,750</u>
<b>Unamortized Bond Premium</b>	<u>268,403</u>	<u>268,403</u>	<u>-</u>
<b>Total Revenue Bonds</b>	<u>5,702,153</u>	<u>3,768,403</u>	<u>1,933,750</u>
<b>Total District Revenue Bonds</b>	<u>\$ 7,331,176</u>	<u>\$ 5,152,751</u>	<u>\$ 2,178,425</u>

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**Note 6 - Defeased Debt**

In prior years, the Board defeased in substance certain outstanding bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the In-substance defeased bonds are not included in the District's financial statements.

On June 30, 2020, bonds considered defeased in substance are as follows:

<b>Bond Issues</b>	<b>Amount Outstanding</b>
State School Bonds, Series 2003A	\$ 160,000
State School Bonds, Series 2004A	130,000
State School Bonds, Series 2005A	170,000
<b>Total Defeased Debt</b>	<b>\$ 460,000</b>

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

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

Description	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due in One Year
<b>Governmental Activities</b>					
Bonds Payable	\$ 3,465,000	\$ 4,258,000	\$ (3,043,000)	\$ 4,680,000	\$ 248,000
Unamortized Premium	158,760	416,633	(102,642)	472,751	27,081
Total Bonds Payable	3,623,760	4,674,633	(3,145,642)	5,152,751	275,081
Lease-Purchase Agreements Payable	100,357,827	-	(4,337,543)	96,020,284	4,473,872
Unamortized Premium	9,820,558	-	(577,680)	9,242,878	577,680
Total Certificates of Participation Payable	110,178,385	-	(4,915,223)	105,263,162	5,051,552
Note Payable - Direct Borrowing	1,002,622	-	(1,002,622)	-	-
Other Postemployment Benefits	12,913,965	1,457,711	-	14,371,676	983,743
Net Pension Liability (1)	108,711,787	10,605,501	-	119,317,288	652,785
Compensated Absences Payable	16,991,086	4,603,757	(3,724,238)	17,870,605	1,000,000
<b>Total Governmental Activities</b>	\$ 253,421,605	\$ 21,341,602	\$ (12,787,725)	\$ 261,975,482	\$ 7,963,161

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

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

**Note 8 - Fund Balance Reporting**

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

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

In addition to the non-spendable fund balance, GASB Statement No. 54 has provided a hierarchy of the spendable fund balances, based on a hierarchy of spending constraints.

**Restricted**—Fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.

**Committed**—Fund balances that contain constraints imposed by formal action of the government from its highest level of decision making authority. At the end of the fiscal year, there were no commitments.

**Assigned**—Fund balances that contain self-imposed constraints by the governing body to be used for a particular purpose.

**Unassigned**—Fund balance of the General Fund that is not constrained for any particular purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The District has classified its fund balances with the following hierarchy:

**Non-Spendable**—The District has inventories totaling \$1,718,527 and prepaid items totally \$110,048 that are classified as non-spendable.

**Spendable**—The District has classified the spendable fund balances as *Restricted, Assigned, and Unassigned* and considered each to have been spent when expenditures are incurred. The District currently has no fund balances classified as *Committed*.

**Restricted for State Categorical Programs, Workforce Development, Food Services, Debt Service, and Capital Projects**

Federal Laws, Florida Statutes, and Local Ordinances require that funds specifically designated for the purposes of capital and debt service requirements, as well as for certain designated State categorical spending be segregated into a separate category. These funds have been included in the restricted category of fund balance. The restricted fund balance totaled \$38,436,041 and represented \$1,038,324 for State categorical programs, \$4,897 for workforce development programs, \$4,972,030 for food services, \$7,287,018 for debt service, and \$25,133,772 for capital projects.

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**Assigned for School Operations, Department of Education (Department) Obligations, Health Insurance Rebates**

In accordance with Fund Balance Policy 7.11, the assigned fund balance includes amounts which are assigned for a specific purpose by the Board or by delegation to the Superintendent or his or her designee. The Board has set aside certain spendable fund balances for school operations. At year-end, the assigned fund balance of \$19,436,526 consists of \$4,753,068 assigned for outstanding encumbrances for school operations and \$14,674,458 assigned for other and health insurance rebates received to be used for premium increases.

**Unassigned**

The unassigned fund balance for the General Fund is \$12,745,823.

	<u>Major Funds</u>				<u>Total Governmental Funds</u>
	<u>General</u>	<u>Non-Voted Capital Improvement</u>	<u>Capital Projects Other</u>	<u>Non-Major Funds</u>	
Fund Balances:					
Non-Spendable:					
Inventory and Prepaids	\$ 1,451,517	\$ -	\$ -	\$ 377,058	\$ 1,828,575
Restricted:					
State Categoricals	1,038,324	-	-	-	1,038,324
Workforce Development	4,897	-	-	-	4,897
Debt Service	-	-	-	7,287,018	7,287,018
Capital Projects	-	10,401,457	13,619,369	1,112,946	25,133,772
Food Services	-	-	-	4,972,030	4,972,030
Assigned:					
School Operations:					
Encumbrances	45,463	208,856	4,134,130	364,619	4,753,068
Other	11,833,662	-	-	-	11,833,662
Health Insurance Rebates / Profit Sharing	2,840,796	-	-	-	2,840,796
Unassigned:	12,745,823	-	-	-	12,745,823
<b>Total Fund Balances</b>	<u>\$ 29,960,482</u>	<u>\$ 10,610,313</u>	<u>\$ 17,753,499</u>	<u>\$ 14,113,671</u>	<u>\$ 72,437,965</u>

At the end of the fiscal year, the assigned/unassigned General Fund balance was \$27,465,744, or 15.56%, of General Fund revenues.

**Note 9 - Inter-Fund Receivables, Payables, and Transfers**

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

<u>Funds</u>	<u>Inter-Fund</u>	
	<u>Receivables</u>	<u>Payables</u>
Funds:		
Other Federal Programs	\$ -	\$ 2,144,505
Other Governmental Funds	2,181,367	36,862
<b>Total Governmental Funds</b>	<u>\$ 2,181,367</u>	<u>\$ 2,181,367</u>



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

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

<u>Funds</u>	<u>Inter-Fund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General	\$ 1,618,319	\$ 1,575,709
Capital Projects Other	1,788,832	-
Local Capital Improvement	-	9,178,619
Non-Major Governmental	<u>9,809,263</u>	<u>2,462,086</u>
<b>Total Governmental Funds</b>	<u>\$ 13,216,414</u>	<u>\$ 13,216,414</u>

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

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

The following is a schedule of the District's State revenue for the 2019-2020 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program:	
Transportation	\$ 5,199,480
Instructional Materials	1,896,362
Florida Teachers Lead	443,090
Other	90,092,903
School Recognition	628,556
Categorical Educational Program - Class Size Reduction	24,038,718
Workforce Development Program	573,537
Motor Vehicle License Tax (Capital Outlay and Debt Service)	909,470
Food Service Supplement	156,983
Discretionary Lottery Funds	22,391
Charter School Capital Outlay	173,253
Interest on Investment of Bond Reserves	27,051
Miscellaneous	507,186
<b>Total</b>	<u>\$ 124,668,980</u>

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Accounting policies relating to certain State revenue sources are described in Note 1.

**Note 11 - Property Taxes**

The following is a summary of millages and taxes levied on the 2019 tax roll for 2019-2020 fiscal year:

	<b>Millages</b>	<b>Taxes Levied</b>
<b>General Fund</b>		
Non-Voted School Tax:		
Required Local Effort	3.908	\$ 39,614,204
Required Local Effort-Prior Period Adj.	0.007	70,957
Basic Discretionary Local Effort	0.748	7,582,248
<b>Capital Projects Fund</b>		
Non-Voted Tax:		
Local Capital Improvements	1.500	15,205,042
<b>Total</b>	<b>6.163</b>	<b>\$ 62,472,451</b>

**Note 12 - Retirement Plans**

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

**General Information about the FRS**

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

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

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**FRS Pension Plan**

■ **Plan Description**

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

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

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

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

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

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

■ **Benefits Provided**

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

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

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

■ **Contributions**

The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2019-2020 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	8.26
FRS, Elected County Officers	3.00	48.70
FRS, Senior Management Service	3.00	24.06
DROP – Applicable to		
Members from All of the Above Classes	0.00	13.03
FRS, Reemployed Retiree	(2)	(2)

**Notes:**

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

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

At June 30, 2019, the District reported a liability of \$80,843,743 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the District's 2013-2018 fiscal year contributions of all participating members. At June 30, 2019, the District's proportionate share was 0.23474741926%, which was a decrease of 0.00456030800 from its proportionate share measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the District recognized the Plan pension expense of \$7,149,554. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 4,795,074	\$ 50,171
Changes of Assumptions	20,764,152	-
Net Difference Between Projected and Actual Earnings	-	4,472,698
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	315,030	3,130,385
District FRS Contributions Subsequent to the Measurement Date	7,813,634	-
	<u>\$ 33,687,890</u>	<u>\$ 7,653,254</u>

The deferred outflows of resources related to pensions, totaling \$7,813,634, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 6,605,284
2022	1,347,604
2023	5,036,807
2024	4,052,916
2025	966,867
Thereafter	211,524
<b>Total</b>	<u>\$ 18,221,002</u>

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■ **Actuarial Assumptions**

The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment Rate of Return	6.90 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.3%	3.3%	1.2%
Fixed Income	18.0%	4.1%	4.1%	3.5%
Global Equity	54.0%	8.0%	6.8%	16.5%
Real Estate (Property)	10.0%	6.7%	6.1%	11.7%
Private Equity	11.0%	11.2%	8.4%	25.8%
Strategic Investments	6.0%	5.9%	5.7%	6.7%
<b>Total</b>	<b>100.00%</b>			
Assumed inflation - Mean			2.6%	1.7%

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

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■ **Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

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

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>5.90%</b>	<b>6.90%</b>	<b>7.90%</b>
District’s Proportionate Share of the Net Pension Liability	\$ 139,751,911	\$ 80,843,743	\$ 31,645,459

■ **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 Comprehensive Annual Financial Report.

**HIS Pension Plan**

■ **Plan Description**

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

■ **Benefits Provided**

For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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■ **Contributions**

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2019, the contribution rate was 1.66% of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100% of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

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

At June 30, 2020, the District reported a net pension liability of \$38,473,545 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within one year, net of the District's proportionate share of the pension plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The District's proportionate share of the net pension liability was based on the District's 2013-2018 fiscal year contributions relative to all participating members. At June 30, 2019, the District's proportionate share was .34385152792%, which was a decrease of 0.00223729012 from its proportionate share measured as of June 30, 2019.

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$1,399,817 related to the HIS Plan. In addition, the District reported deferred outflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual		
Experience	\$ 467,304	\$ 47,110
Changes in Assumptions	4,454,873	3,144,514
Net Difference Between Projected and Actual		
Earnings on HIS Pension Plan Investments	24,826	-
Changes in Proportion and Differences Between		
District HIS Contributions and Proportionate		
Share of Contributions	237,909	1,680,918
District HIS Contributions Subsequent to the		
Measurement Date	2,017,303	-
	<u>\$ 7,202,215</u>	<u>\$ 4,872,542</u>



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The deferred outflows of resources totaling \$2,017,303, resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Amount</b>
2021	\$ 375,850
2022	191,985
2023	(71,098)
2024	(443,014)
2025	14,555
Thereafter	244,092
<b>Total</b>	<b>\$ 312,370</b>

■ **Actuarial Assumptions**

The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	3.25%, average, including inflation
Municipal Bond Rate	3.50%

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

While an experience study had not been completed for the Plan, the Florida Retirement System Actuarial Assumptions Conference reviewed the actuarial assumptions for the Plan.

■ **Discount Rate**

The discount rate used to measure the total pension liability was 3.50%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.50%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current rate:

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**JUNE 30, 2020**

	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
District's Proportionate Share of the Net Pension Liability	\$ 43,919,524	\$ 38,473,545	\$ 33,937,661

■ **Pension Plan Fiduciary Net Position**

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

**B. FRS – Defined Contribution Pension Plan**

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

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

The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2019-2020 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	8.47
FRS, Elected County Officers	48.70
FRS, Senior Management Service	24.06

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For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$1,994,624 for the fiscal year ended June 30, 2020.

**Note 13 - OPEB Payable**

**Plan Description**

The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District and eligible dependents may continue to participate in the District's fully insured group health plan. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report and is not included in the report of a Public Employee Retirement System or another entity. OPEB Plan members receiving benefits contributed from \$628 to \$672 per month for retiree-only coverage and from \$1,202 to \$1,279 for retiree and spouse coverage, depending on the health plan selected.

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

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<b>Membership Data as of June 30, 2019</b>	
Inactive Members or Beneficiaries Currently Currently Receiving Benefits	71
Inactive Members Entitled to but Not Yet Receiving Benefits	-
Active Members	3,018
<b>Total Membership</b>	<b>3,089</b>

Benefit provisions for the OPEB Plan are pursuant to provisions of Section 112.081, Florida Statutes, and are amended through negotiations between the District and the respective unions.

**Changes in Total OPEB Liability**

Description	Amount
<b>Total OPEB Liability, Beginning of Year</b>	\$ 12,913,965
<b>Changes for the Year</b>	
Service Cost	945,389
Interest on Net OPEB Liability	494,953
Difference Between Expected and Actual Experience	(55,582)
Changes of Assumptions or Other Inputs	324,301
Benefit Payments and Implicit Subsidy Credit	(251,350)
Increase in Total OPEB Liability	1,457,711
<b>Total OPEB Liability, End of Year</b>	<b>\$ 14,371,676</b>

■ **Funded Status and Funding Progress**

As of June 30, 2019, the most recent actuarial valuation date accrued liability for benefits was \$14,371,676, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$14,371,676 and a funded ratio of 0.00%. The covered payroll (annual payroll of active participating employees) was \$105,631,388 for the 2019-2020 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 13.61%.

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

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**JUNE 30, 2020**

■ **Actuarial Methods and Assumptions**

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

The District's OPEB actuarial valuation as of June 30, 2019, used the projected unit credit actuarial cost method to estimate the unfunded actuarial accrued liability as of June 30, 2019, and to estimate the District's 2018-2019 fiscal year annual required contribution. Because the OPEB liability is currently unfunded, the actuarial assumption included a 3.87% rate of return on invested assets. The actuarial assumptions also included a payroll growth rate of 3.25% annually and an annual healthcare cost trend of 7.25% for the 2018 fiscal year, reduced by 0.5% per year, to an ultimate rate of 5% after 6 years. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis over a 30-year period. The remaining amortization period at June 30, 2019, was 30 years. In addition, the actuarial accrued liability is determined using the "entry age normal" method. Under this method, the accrued liability is the difference between the present value of expected future benefits payable and the present value of expected future normal costs.

*Discount Rate.* There are no invested plan assets held in trust to finance the OPEB Plan liability. The discount rate used equals the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA rating as of the measurement date. For the purpose of the OPEB Plan valuation, the municipal bond rate was 3.87% (based on the daily rate closest to, but not later than, the measurement date of the "Fidelity General Obligation AA Index"). The discount rate was 3.56% as of the beginning of the measurement period.

The District's annual OPEB expense totaled \$943,743 for the fiscal year ended June 30, 2020. At June 30, 2020, the District reported deferred outflows and inflows of resources related to the OPEB Plan liability from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 2,068,560
Changes of Assumptions	567,075	239,743
District Contributions Subsequent to the Measurement Date	<u>983,743</u>	<u>-</u>
	<u>\$ 1,550,818</u>	<u>\$ 2,308,303</u>

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The deferred outflows of resources related to pensions, totaling \$983,743, resulting from District contributions to the OPEB Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Amount
2020	\$ (456,599)
2021	(456,599)
2022	(456,599)
2023	(400,936)
2024	27,726
Thereafter	1,779
<b>Total</b>	<b>\$ (1,741,228)</b>

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

**Health Care Cost Trend Rate Sensitivity**

	1% Decrease	Current	1% Increase
<b>Total OPEB Liability</b>	\$ 12,562,725	\$ 14,371,676	\$ 16,509,084

*Sensitivity of the District's Total OPEB Plan Liability to Changes in the Discount Rate.* The following presents the District's OPEB Plan liability calculated using the discount rate of 3.50%, as well as what the OPEB Plan liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current rate:

**Discount Rate Sensitivity**

	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
<b>Total OPEB Liability</b>	\$ 15,239,196	\$ 14,371,676	\$ 13,496,628

**Note 14 - Commitments and Contingencies**

Encumbrances - The District uses encumbrance accounting for recording purchase order commitments for goods and services. At June 30, 2020, encumbrances totaled \$4,753,068 within the General Fund. There were construction commitments for various school construction projects at fiscal year-end.

COVID-19 - In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in federal, state, and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public

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**JUNE 30, 2020**

gatherings, stay at home orders and advisories, and quarantining of people who may have been exposed to the virus. After close monitoring and responses and guidance from federal, state, and local governments, in an effort to mitigate the spread of COVID-19, effective in late March 2020, many facilities and services were modified and/or closed to meet the state requirements. The District continued many operations remotely and continues to monitor developments, including government requirements and recommendations at the national, state, and local level to evaluate the possibility of ongoing continued restrictions.

The District has modified operations to adapt to the restricted environment, including instituting cost reducing measures. While financial markets experienced a temporary decline, many of the financial asset values had recovered by June 30, 2020.

At this point, the District cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on its results of operations, financial position, and cash flows.

**Note 15 - Membership in Non-Profit Corporation**

The District participated in a non-profit electric cooperative, the Withlacoochee River Electric Cooperative, Inc. (the Cooperative), established under the provisions of Chapter 425, Florida Statutes. In accordance with this Statute, revenues in excess of operating expenses, unless determined by a vote of the membership, are distributed by the Cooperative on a pro rata basis to its members. The policy of the Cooperative is to credit the excess revenues to members' accounts. Capital credits are distributed only after the Cooperative attains a certain margin of profit required by the Rural Electrification Administration. At June 30, 2020, the accumulated credits to the District's account are \$4,670,366. During the 2019-2020 fiscal year, the District received \$352,568 in capital credits.

**Note 16 - Risk Management Programs**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a participating district of the North East Florida Educational Consortium (the Consortium) under which several district school boards have established a combined limited self-insurance program for property protection, general liability, automobile liability, workers' compensation, money and securities, employee fidelity and faithful performance, boiler and machinery, and other coverage deemed necessary by the members and participants of the Consortium. Section 1001.42(12)(k), Florida Statutes, provides the authority for the

District to enter into such a risk management program. The Consortium is self-sustaining through member and participant assessments (premiums), and purchases coverage through commercial companies for claims in excess of specified amounts. Reinsurance from commercial companies provided excess property coverage of up to \$75 million during the 2019-2020 fiscal year, which is the same excess property coverage provided during the 2018-2019 fiscal year. The Board of Directors for the Consortium is composed of superintendents of all member districts. The Putnam County District School Board serves as fiscal agent for the Consortium.

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Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Health and hospitalization coverage is being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

**Note 17 - Litigation and Contingencies**

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

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



# REQUIRED SUPPLEMENTARY INFORMATION



**HERNANDO**  
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Learn it. Love it. Live it.



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**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Intergovernmental:				
Federal Direct	\$ 115,800	\$ 207,672	\$ 207,672	\$ -
Federal Through State and Local	1,847,229	1,419,319	1,419,319	-
State	126,666,376	123,124,259	123,124,259	-
Local:				
Property Taxes Levied for				
Operational Purposes	47,591,782	47,658,751	47,658,751	-
Miscellaneous	1,630,545	3,979,497	3,979,497	-
<b>Total Revenues</b>	<b>177,851,732</b>	<b>176,389,498</b>	<b>176,389,498</b>	<b>-</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Salaries	78,421,928	78,432,628	78,432,628	-
Employee Benefits	25,347,283	22,320,816	22,320,816	-
Purchased Services	5,222,415	5,892,725	5,892,725	-
Energy Services	-	209	209	-
Materials and Supplies	8,807,007	2,853,680	2,853,680	-
Capital Outlay	164,152	343,814	343,814	-
Other Expenses	403,643	915,521	915,521	-
Total Instruction	<b>118,366,428</b>	<b>110,759,393</b>	<b>110,759,393</b>	<b>-</b>
Student Personnel Services:				
Salaries	5,357,967	5,906,901	5,906,901	-
Employee Benefits	1,848,209	1,610,760	1,610,760	-
Purchased Services	18,115	32,126	32,126	-
Energy Services	7,000	1,444	1,444	-
Materials and Supplies	22,900	45,224	45,224	-
Capital Outlay	-	3,758	3,758	-
Other Expenses	5,364	4,697	4,697	-
Total Student Personnel Services	<b>7,259,555</b>	<b>7,604,910</b>	<b>7,604,910</b>	<b>-</b>
Instructional Media Services:				
Salaries	687,482	923,862	923,862	-
Employee Benefits	271,407	262,506	262,506	-
Purchased Services	86,969	138,958	138,958	-
Materials and Supplies	11,300	8,440	8,440	-
Capital Outlay	7,950	76,648	76,648	-
Other Expenses	7,405	3,331	3,331	-
Total Instructional Media Services	<b>1,072,513</b>	<b>1,413,745</b>	<b>1,413,745</b>	<b>-</b>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
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**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
*(Continued)*

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Expenditures</b>				
Current <i>(Continued)</i> :				
Instruction and Curriculum Development				
Services:				
Salaries	\$ 1,313,073	\$ 1,935,823	\$ 1,935,823	\$ -
Employee Benefits	403,241	537,501	537,501	-
Purchased Services	229,001	217,849	217,849	-
Energy Services	100	-	-	-
Materials and Supplies	24,191	14,023	14,023	-
Capital Outlay	39,000	2,146	2,146	-
Other Expenses	1,650	1,488	1,488	-
Total Instruction and Curriculum				
Development Services	2,010,256	2,708,830	2,708,830	-
Instructional Staff Training Services:				
Salaries	207,535	607,881	607,881	-
Employee Benefits	66,058	151,242	151,242	-
Purchased Services	10,150	36,948	36,948	-
Materials and Supplies	11,500	13,807	13,807	-
Other Expenses	32,000	55,399	55,399	-
Total Instructional Staff Training Services	327,243	865,277	865,277	-
Instruction Related Technology:				
Salaries	181,223	276,763	276,763	-
Employee Benefits	105,474	109,600	109,600	-
Purchased Services	-	1,333	1,333	-
Total Instruction Related Technology	286,697	387,696	387,696	-
Board of Education:				
Salaries	231,578	228,399	228,399	-
Employee Benefits	157,477	133,121	133,121	-
Purchased Services	288,225	127,332	127,332	-
Materials and Supplies	2,040	1,414	1,414	-
Capital Outlay	-	8,503	8,503	-
Other Expenses	25,190	19,060	19,060	-
Total Board of Education	704,510	517,829	517,829	-
General Administration:				
Salaries	977,463	1,024,079	1,024,079	-
Employee Benefits	299,776	289,269	289,269	-
Purchased Services	167,100	40,169	40,169	-
Materials and Supplies	27,500	14,129	14,129	-
Capital Outlay	-	1,730	1,730	-
Other Expenses	61,810	39,314	39,314	-
Total General Administration	1,533,649	1,408,690	1,408,690	-

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
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**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
*(Continued)*

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Expenditures</b>				
Current <i>(Continued)</i> :				
School Administration:				
Salaries	\$ 8,441,802	\$ 9,170,405	\$ 9,170,405	\$ -
Employee Benefits	2,900,609	2,640,545	2,640,545	-
Purchased Services	6,776	42,614	42,614	-
Materials and Supplies	8,925	57,063	57,063	-
Capital Outlay	3,500	24,628	24,628	-
Other Expenses	20,212	6,290	6,290	-
Total School Administration	<u>11,381,824</u>	<u>11,941,545</u>	<u>11,941,545</u>	<u>-</u>
Facility Services - Non-Capitalized:				
Salaries	201,311	378,571	378,571	-
Employee Benefits	62,620	97,081	97,081	-
Purchased Services	56,940	43,786	43,786	-
Materials and Supplies	3,600	7,040	7,040	-
Capital Outlay	-	35,992	35,992	-
Other Expenses	2,140	648	648	-
Total Facility Services - Non-Capitalized	<u>326,611</u>	<u>563,118</u>	<u>563,118</u>	<u>-</u>
Fiscal Services:				
Salaries	725,246	585,375	585,375	-
Employee Benefits	185,043	160,219	160,219	-
Purchased Services	167,442	154,170	154,170	-
Materials and Supplies	9,300	7,023	7,023	-
Capital Outlay	38,030	21,927	21,927	-
Other Expenses	32,712	21,750	21,750	-
Total Fiscal Services	<u>1,157,773</u>	<u>950,464</u>	<u>950,464</u>	<u>-</u>
Central Services:				
Salaries	1,221,567	1,271,230	1,271,230	-
Employee Benefits	383,150	375,982	375,982	-
Purchased Services	627,396	629,555	629,555	-
Materials and Supplies	101,420	71,097	71,097	-
Capital Outlay	3,745	21,638	21,638	-
Other Expenses	46,367	39,459	39,459	-
Total Central Services	<u>2,383,645</u>	<u>2,408,961</u>	<u>2,408,961</u>	<u>-</u>
Student Transportation Services:				
Salaries	4,475,642	4,419,107	4,419,107	-
Employee Benefits	2,099,557	1,573,197	1,573,197	-
Purchased Services	484,075	276,843	276,843	-
Energy Services	1,304,000	718,351	718,351	-
Materials and Supplies	813,150	582,071	582,071	-
Capital Outlay	100,000	3,875	3,875	-
Other Expenses	300	18,463	18,463	-
Total Student Transportation Services	<u>9,276,724</u>	<u>7,591,907</u>	<u>7,591,907</u>	<u>-</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
*(Continued)*

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Expenditures</b>				
Current (Concluded) :				
Operation of Plant:				
Salaries	\$ 4,888,947	\$ 4,769,186	\$ 4,769,186	\$ -
Employee Benefits	2,165,742	1,795,469	1,795,469	-
Purchased Services	4,697,582	4,464,174	4,464,174	-
Energy Services	5,902,060	5,179,884	5,179,884	-
Materials and Supplies	2,284,406	626,522	626,522	-
Capital Outlay	82,095	354,293	354,293	-
Other Expenses	105,839	29,292	29,292	-
Total Operation of Plant	<u>20,126,670</u>	<u>17,218,820</u>	<u>17,218,820</u>	<u>-</u>
Maintenance of Plant:				
Salaries	2,859,654	2,764,079	2,764,079	-
Employee Benefits	1,010,168	877,947	877,947	-
Purchased Services	968,444	1,129,805	1,129,805	-
Energy Services	147,000	98,184	98,184	-
Materials and Supplies	846,788	590,553	590,553	-
Capital Outlay	56,840	158,411	158,411	-
Other Expenses	9,440	4,559	4,559	-
Total Maintenance of Plant	<u>5,898,334</u>	<u>5,623,538</u>	<u>5,623,538</u>	<u>-</u>
Administrative Technology Services:				
Salaries	1,336,174	1,144,160	1,144,160	-
Employee Benefits	425,257	325,903	325,903	-
Purchased Services	512,343	628,272	628,272	-
Materials and Supplies	75,200	47,498	47,498	-
Capital Outlay	2,040,000	2,176,052	2,176,052	-
Other Expenses	1,050	7,277	7,277	-
Total Administrative Technology Services	<u>4,390,024</u>	<u>4,329,162</u>	<u>4,329,162</u>	<u>-</u>
Community Services:				
Purchased Services	11,775	9,768	9,768	-
Materials and Supplies	1,775	-	-	-
Total Community Services	<u>13,550</u>	<u>9,768</u>	<u>9,768</u>	<u>-</u>
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	201,567	201,567	-
Other Capital Outlay	-	470,390	470,390	-
Total Fixed Capital Outlay	<u>-</u>	<u>671,957</u>	<u>671,957</u>	<u>-</u>
<b>Total Expenditures</b>	<u>186,516,006</u>	<u>176,975,610</u>	<u>176,975,610</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(8,664,274)</u>	<u>(586,112)</u>	<u>(586,112)</u>	<u>-</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
*(Concluded)*

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Other Financing Sources (Uses)</b>				
Transfers In	\$ -	\$ 1,118,319	\$ 1,118,319	\$ -
Sale of Capital Assets	-	500,000	500,000	-
Insurance Loss Recoveries	-	29,612	29,612	-
Transfers (Out)	-	(1,575,709)	(1,575,709)	-
<b>Total Other Financing Sources (Uses)</b>	-	72,222	72,222	-
<b>Net Change in Fund Balances</b>	(8,664,274)	(513,890)	(513,890)	-
Fund Balances, July 1, 2019	30,397,144	30,397,144	30,397,144	-
Adjustments to Fund Balances	(31,594)	(31,594)	(31,594)	-
<b>Fund Balances, June 30, 2020</b>	<u>\$ 21,701,276</u>	<u>\$ 29,851,660</u>	<u>\$ 29,851,660</u>	<u>\$ -</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<b>Special Revenue Fund - Other Federal Programs</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>				
Intergovernmental:				
Federal Through State and Local	\$ 12,650,544	\$ 12,994,917	\$ 12,994,917	\$ -
<b>Total Revenues</b>	<b>12,650,544</b>	<b>12,994,917</b>	<b>12,994,917</b>	<b>-</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Salaries	2,867,230	2,772,703	2,772,703	-
Employee Benefits	1,227,603	944,089	944,089	-
Purchased Services	509,278	723,876	723,876	-
Materials and Supplies	1,226,553	341,479	341,479	-
Capital Outlay	189,210	280,975	280,975	-
Other Expenses	52,780	68,985	68,985	-
<b>Total Instruction</b>	<b>6,072,654</b>	<b>5,132,107</b>	<b>5,132,107</b>	<b>-</b>
Student Support Services:				
Salaries	1,322,018	1,571,907	1,571,907	-
Employee Benefits	414,180	475,692	475,692	-
Purchased Services	14,903	27,201	27,201	-
Materials and Supplies	5,342	33,341	33,341	-
Capital Outlay	-	1,233	1,233	-
Other Expenses	1,050	2,300	2,300	-
<b>Total Student Personnel Services</b>	<b>1,757,493</b>	<b>2,111,674</b>	<b>2,111,674</b>	<b>-</b>
Instruction and Curriculum				
Development Services:				
Salaries	1,829,948	2,165,005	2,165,005	-
Employee Benefits	544,096	591,838	591,838	-
Purchased Services	27,313	35,335	35,335	-
Materials and Supplies	1,291	33,511	33,511	-
Capital Outlay	250	19,715	19,715	-
Other Expenses	-	18,056	18,056	-
<b>Total Instruction and Curriculum Development Services</b>	<b>2,402,898</b>	<b>2,863,460</b>	<b>2,863,460</b>	<b>-</b>
Instructional Staff Training Services:				
Salaries	1,062,469	1,210,899	1,210,899	-
Employee Benefits	297,763	345,911	345,911	-
Purchased Services	380,141	519,476	519,476	-
Materials and Supplies	23,781	14,723	14,723	-
Capital Outlay	-	531	531	-
Other Expenses	30,000	20,855	20,855	-
<b>Total Instructional Staff Training Services</b>	<b>1,794,154</b>	<b>2,112,395</b>	<b>2,112,395</b>	<b>-</b>



**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
*(Concluded)*

<b>Special Revenue Fund - Other Federal Programs</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Expenditures</b>				
Current <i>(Concluded)</i> :				
Instruction Related Technology:				
Salaries	\$ 147,278	\$ 124,288	\$ 124,288	\$ -
Employee Benefits	66,211	53,656	53,656	-
Total Instruction Related Technology	<u>213,489</u>	<u>177,944</u>	<u>177,944</u>	<u>-</u>
General Administration:				
Other Expenses	213,485	471,194	471,194	-
Total General Administration	<u>213,485</u>	<u>471,194</u>	<u>471,194</u>	<u>-</u>
Student Transportation Services:				
Salaries	15,689	7,179	7,179	-
Employee Benefits	2,811	1,270	1,270	-
Materials and Supplies	2,300	128	128	-
Energy Services	16,500	6,449	6,449	-
Total Student Transportation Services	<u>37,300</u>	<u>15,026</u>	<u>15,026</u>	<u>-</u>
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	111,117	111,117	-
Total Fixed Capital Outlay	<u>-</u>	<u>111,117</u>	<u>111,117</u>	<u>-</u>
<b>Total Expenditures</b>	<u>12,491,473</u>	<u>12,994,917</u>	<u>12,994,917</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	159,071	-	-	-
<b>Fund Balances, July 1, 2019</b>	-	-	-	-
<b>Fund Balances, June 30, 2020</b>	<u>\$ 159,071</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**CAPITAL PROJECTS FUND - LOCAL CAPITAL IMPROVEMENT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Capital Projects Fund - Local Capital Improvement</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Local:				
Property Taxes Levied for Capital Projects	\$ 15,205,042	\$ 15,329,228	\$ 15,329,228	\$ -
Other Local Revenue	-	134,124	134,124	-
<b>Total Revenues</b>	<u>15,205,042</u>	<u>15,463,352</u>	<u>15,463,352</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Facility Services - Non-Capitalized:				
Furniture, Fixtures, and Equipment	1,529,995	-	-	-
Facilities, Acquisition and Construction	325,000	2,618,396	2,618,396	-
Software	1,069,444	-	-	-
Total Facility Services - Non-Capitalized	<u>2,924,439</u>	<u>2,618,396</u>	<u>2,618,396</u>	<u>-</u>
<b>Total Expenditures</b>	<u>2,924,439</u>	<u>2,618,396</u>	<u>2,618,396</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>12,280,603</u>	<u>12,844,956</u>	<u>12,844,956</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers (Out)	<u>(9,192,980)</u>	<u>(9,178,619)</u>	<u>(9,178,619)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(9,192,980)</u>	<u>(9,178,619)</u>	<u>(9,178,619)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	3,087,623	3,666,337	3,666,337	-
<b>Fund Balances, July 1, 2019</b>	<u>6,943,976</u>	<u>6,943,976</u>	<u>6,943,976</u>	<u>-</u>
<b>Fund Balances, June 30, 2020</b>	<u><u>\$ 10,031,599</u></u>	<u><u>\$ 10,610,313</u></u>	<u><u>\$ 10,610,313</u></u>	<u><u>\$ -</u></u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND - OTHER CAPITAL PROJECTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Capital Projects Fund - Other Capital Projects</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Intergovernmental:				
State	\$ 50,000	\$ 81,856	\$ 81,856	\$ -
Local:				
Other Local Revenue	11,630,000	13,852,902	13,852,902	-
<b>Total Revenues</b>	<u>11,680,000</u>	<u>13,934,758</u>	<u>13,934,758</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Facility Services - Capitalized:				
Furniture, Fixtures and Equipment	35,000	95,066	95,066	-
Motor Vehicles	100,000	801,379	801,379	-
Improvements Other than Buildings	10,300,000	957,496	957,496	-
Remodeling and Renovations	6,000	8,073,240	8,073,240	-
<b>Total Expenditures</b>	<u>10,441,000</u>	<u>9,927,181</u>	<u>9,927,181</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,239,000</u>	<u>4,007,577</u>	<u>4,007,577</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Bonds	-	1,788,833	1,788,833	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>1,788,833</u>	<u>1,788,833</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	1,239,000	5,796,410	5,796,410	-
<b>Fund Balances, July 1, 2019</b>	<u>11,957,089</u>	<u>11,957,089</u>	<u>11,957,089</u>	<u>-</u>
<b>Fund Balances, June 30, 2020</b>	<u>\$ 13,196,089</u>	<u>\$ 17,753,499</u>	<u>\$ 17,753,499</u>	<u>\$ -</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF NET CHANGES IN OPEB PLAN LIABILITY**  
**OTHER POSTEMPLOYMENT BENEFITS PLAN**  
**LAST TEN FISCAL YEARS\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 945,389	\$ 1,029,637	\$ 1,062,870
Interest on the Total OPEB Plan Liability	494,953	500,632	403,753
Difference Between Expected and Actual Experience	(55,582)	(2,975,368)	(60,978)
Changes of Assumptions	324,301	443,230	(456,379)
Benefits Payments	<u>(251,350)</u>	<u>(291,175)</u>	<u>(309,654)</u>
Net Change in Total OPEB Plan Liability	1,457,711	(1,293,044)	639,612
<b>Total OPEB Plan Liability, Beginning of the Year</b>	<u>12,913,965</u>	<u>14,207,009</u>	<u>13,567,397</u>
<b>Total OPEB Plan Liability, End of Year</b>	<u><u>\$ 14,371,676</u></u>	<u><u>\$ 12,913,965</u></u>	<u><u>\$ 14,207,009</u></u>
<b>Covered-Employee Payroll</b>	<u><u>\$ 105,631,388</u></u>	<u><u>\$ 105,631,388</u></u>	<u><u>\$ 109,705,009</u></u>
<b>Total OPEB Plan Liability as a Percentage of Covered-Employee Payroll</b>	13.61%	12.23%	12.95%

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

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

Schedule of Other Postemployment Benefit (OPEB) Plan Liability and Schedule of Change in OPEB Plan Liability.

Changes in assumptions and other inputs include the change in the discount rate from 3.87% as of the beginning of the measurement period to 3.50% as of the end of the measurement period. This change is reflected in the Schedule of Net Changes in OPEB Plan Liability.

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the FRS Net Pension Liability	0.2347474192600%	0.2393077272586%	0.236737893439716%	0.243941041000827%	0.275441373781394%	0.277347267000000%
District's Proportionate Share of the FRS Net Pension Liability	<u>\$ 80,843,743</u>	<u>\$ 72,080,728</u>	<u>\$ 70,025,480</u>	<u>\$ 61,595,303</u>	<u>\$ 35,576,948</u>	<u>\$ 16,922,262</u>
District's Covered- Employee Payroll	<u>\$ 95,751,297</u>	<u>\$ 95,437,312</u>	<u>\$ 109,437,312</u>	<u>\$ 109,705,301</u>	<u>\$ 97,642,573</u>	<u>\$ 95,928,404</u>
District's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered-Employee Payroll	84.43%	75.53%	63.99%	56.15%	36.44%	17.64%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required							
FRS Contribution	\$ 7,813,634	\$ 7,278,864	\$ 6,213,024	\$ 5,740,861	\$ 5,588,867	\$ 6,715,495	\$ 6,075,082
FRS Contributions in Relation to the Contractually Required Contribution	<u>(7,813,634)</u>	<u>(7,278,864)</u>	<u>(6,213,024)</u>	<u>(5,740,861)</u>	<u>(5,588,867)</u>	<u>(6,715,495)</u>	<u>(6,075,082)</u>
FRS Contribution Deficiency (Excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
District's Covered-Employee Payroll	<u>\$ 98,338,271</u>	<u>\$ 95,751,298</u>	<u>\$ 109,437,312</u>	<u>\$ 109,508,812</u>	<u>\$ 109,705,301</u>	<u>\$ 97,642,573</u>	<u>\$ 95,928,404</u>
FRS Contributions as a Percentage of Covered- Employee Payroll	7.95%	7.60%	5.68%	5.24%	5.09%	6.88%	6.33%

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the HIS Net Pension Liability	0.343815279200%	0.346088818041%	0.343544358509%	0.355329704330%	0.373508027713%	0.375157423000%
District's Proportionate Share of the HIS Net Pension Liability	<u>\$ 38,473,545</u>	<u>\$ 36,630,429</u>	<u>\$ 36,733,348</u>	<u>\$ 41,412,206</u>	<u>\$ 38,091,943</u>	<u>\$ 35,078,134</u>
District's Covered-Employee Payroll	<u>\$ 95,751,298</u>	<u>\$ 95,437,312</u>	<u>\$ 109,437,312</u>	<u>\$ 109,705,301</u>	<u>\$ 113,452,195</u>	<u>\$ 111,491,590</u>
District's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered- Employee Payroll	40.18%	38.38%	33.57%	37.75%	33.58%	31.46%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

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



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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required							
HIS Contribution	\$ 2,017,303	\$ 1,909,374	\$ 1,663,487	\$ 1,626,251	\$ 1,583,194	\$ 1,427,780	\$ 1,285,163
HIS Contributions in Relation to the Contractually Required Contribution	<u>(2,017,303)</u>	<u>(1,909,374)</u>	<u>(1,663,487)</u>	<u>(1,626,251)</u>	<u>(1,583,194)</u>	<u>(1,427,780)</u>	<u>(1,285,163)</u>
HIS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	<u>\$ 98,338,271</u>	<u>\$ 95,751,298</u>	<u>\$ 109,437,312</u>	<u>\$ 109,508,812</u>	<u>\$ 109,705,301</u>	<u>\$ 113,452,195</u>	<u>\$ 111,491,590</u>
HIS Contributions as a Percentage of Covered- Employee Payroll	2.05%	1.99%	1.52%	1.49%	1.44%	1.26%	1.15%

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

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2020**

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

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

**2. BUDGETARY COMPLIANCE AND ACCOUNTABILITY**

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

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

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

**Changes of Assumptions**

As of June 30, 2019, the long-term expected rate of return decreased from 7.10% to 7.00%.

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

**Changes of Assumptions**

The municipal rate used to determine total pension liability increased from 3.58% to 3.87%.

# OTHER SUPPLEMENTARY INFORMATION



**HERNANDO**  
SCHOOL DISTRICT

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Learn it. Love it. Live it.



**HERNANDO**  
**SCHOOL DISTRICT**

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Learn it. Love it. Live it.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
NON-MAJOR GOVERNMENTAL FUNDS**

**Special Revenue Funds**

The Special Revenue Funds are used to account for the revenue resources that are legally restricted for specified purposes.

**Food Service Fund**—to account for and report on activities for the food service program in servicing breakfast and lunch at the schools. These activities are primarily funded through local charges and federal awards.

**Other Federal Programs**—to account for certain Federal grant program revenue sources that are legally restricted for specified purposes (COVID-19 funding). This Special Revenue Fund tracks Federal grants that are received by the Hernando County School District (the District) from various Federal and State agencies.

**Debt Service Funds**

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

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

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

**Debt Service – Other Fund**—to account for principal, interest, and related costs of the Notes Payable and the Certificates of Participation issued in 2013A and 2016A.

**Capital Projects Funds**

Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, or for major renovation projects.

**State Board of Education Bonds Fund**—To account for and report on proceeds received from the bonds issued by the State Board of Education on behalf of the District.

**Public Education Capital Outlay (PECO) Fund**—To account for and report on funds received from the State for the construction and maintenance of schools.

**Capital Outlay and Debt Service Fund**—To account for and report on the dollars received through the State's Capital Outlay and Debt Service (CO & DS) program, used for construction and maintenance of schools.

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	Special Revenue		Debt Service Funds	
	Food Services	Other Federal	SBE/COBI	Special Act
	410	Programs	Bonds	Bonds
	410	441	210	220
<b>Assets</b>				
Cash and Cash Equivalents	\$ 3,122,309	\$ -	\$ -	\$ 330,717
Investments	14,549	-	28,125	5,305
Accounts Receivable	1,769	-	-	-
Due from Other Funds	2,181,367	-	-	-
Inventory	377,058	-	-	-
Due from Other Agencies	357,681	36,862	-	-
<b>Total Assets</b>	6,054,733	36,862	28,125	336,022
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts Payable	343,205	-	898	-
Unearned Revenue	54,324	-	-	-
Due to Other Funds	-	36,862	-	-
<b>Total Liabilities</b>	397,529	36,862	898	-
<b>Fund Balances</b>				
Non-Spendable:				
Other Not in Spendable Form	377,058	-	-	-
Total Non-Spendable Fund Balance	377,058	-	-	-
Restricted for:				
Debt Service	-	-	27,227	336,022
Capital Projects	-	-	-	-
Food Service	5,280,146	-	-	-
Total Restricted Fund Balance	5,280,146	-	27,227	336,022
<b>Total Fund Balances</b>	5,657,204	-	27,227	336,022
<b>Total Liabilities and Fund Balances</b>	\$ 6,054,733	\$ 36,862	\$ 28,125	\$ 336,022

<b>Debt Service Funds</b>		<b>Capital Projects Funds</b>			
<b>Other Debt Service</b>	<b>State Board of Education Bonds</b>	<b>Public Education Capital Outlay Fund</b>	<b>Capital Outlay and Debt Service</b>	<b>Total Non-Major Governmental Funds</b>	
<b>290</b>	<b>310</b>	<b>340</b>	<b>360</b>		
\$ 5,075,046	\$ -	\$ 2,518	\$ 1,193,011	\$ 9,723,601	
1,847,826	-	-	4,065	1,899,870	
-	-	-	-	1,769	
-	-	-	-	2,181,367	
-	-	-	-	377,058	
-	-	-	1,752	396,295	
<u>6,922,872</u>	<u>-</u>	<u>2,518</u>	<u>1,198,828</u>	<u>14,579,960</u>	
-	-	-	31,000	375,103	
-	-	-	-	54,324	
-	-	-	-	36,862	
-	-	-	31,000	466,289	
-	-	-	-	377,058	
-	-	-	-	377,058	
6,922,872	-	-	-	7,286,121	
-	-	2,518	1,167,828	1,170,346	
-	-	-	-	5,280,146	
<u>6,922,872</u>	<u>-</u>	<u>2,518</u>	<u>1,167,828</u>	<u>13,736,613</u>	
<u>6,922,872</u>	<u>-</u>	<u>2,518</u>	<u>1,167,828</u>	<u>14,113,671</u>	
<u>\$ 6,922,872</u>	<u>\$ -</u>	<u>\$ 2,518</u>	<u>\$ 1,198,828</u>	<u>\$ 14,579,960</u>	

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Special Revenue		Debt Service Funds	
	Food Services	Other	SBE/COBI	Special Act
	410	Federal Programs 441	Bonds 210	Bonds 220
<b>Revenues</b>				
Intergovernmental:				
Federal Direct	\$ 12,362,046	\$ 36,862	\$ -	\$ -
State	156,983	-	267,680	209,750
Local:				
Charges for Service - Food Service	373,343	-	-	-
Other Local Revenue	10,565	-	-	113
<b>Total Revenues</b>	12,902,937	36,862	267,680	209,863
<b>Expenditures</b>				
Current:				
Instruction	-	36,862	-	-
Facility Services - Non-Capitalized	-	-	-	-
Food Services	13,258,147	-	-	-
Fixed Capital Outlay:				
Facilities Acquisition and Construction	1,094,346	-	-	-
Debt Service:				
Principal	-	-	208,000	1,935,000
Interest and Fiscal Charges	-	-	64,240	106,843
Dues and Fees	-	-	4,543	128,535
<b>Total Expenditures</b>	14,352,493	36,862	276,783	2,170,378
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(1,449,556)	-	(9,103)	(1,960,515)
<b>Other Financing Sources (Uses)</b>				
Proceeds from Debt Issuance	-	-	906,230	3,768,403
Payment to Escrow Account	-	-	(902,705)	-
Transfers In	60,223	-	-	500,000
Transfers (Out)	-	-	-	(2,288,833)
<b>Total Other Financing Sources (Uses)</b>	60,223	-	3,525	1,979,570
<b>Net Change in Fund Balances</b>	(1,389,333)	-	(5,578)	19,055
<b>Fund Balances, July 1, 2019</b>	7,046,537	-	32,805	316,967
<b>Fund Balances, June 30, 2020</b>	\$ 5,657,204	\$ -	\$ 27,227	\$ 336,022



Debt Service Funds	Capital Projects Funds			Total Non-Major Governmental Funds
Other Debt Service 290	State Board of Education Bonds 310	Public Education Capital Outlay (PECO) 340	Capital Outlay and Debt Service 360	
\$ -	\$ -	\$ -	\$ -	\$ 12,398,908
-	-	173,253	655,199	1,462,865
-	-	-	-	373,343
44,422	-	-	316	55,416
<u>44,422</u>	<u>-</u>	<u>173,253</u>	<u>655,515</u>	<u>14,290,532</u>
-	-	-	-	36,862
-	-	-	134,985	134,985
-	-	-	-	13,258,147
-	-	182,921	319,904	1,597,171
5,340,165	-	-	-	7,483,165
3,912,235	-	-	-	4,083,318
7,348	-	-	938	141,364
<u>9,259,748</u>	<u>-</u>	<u>182,921</u>	<u>455,827</u>	<u>26,735,012</u>
<u>(9,215,326)</u>	<u>-</u>	<u>(9,668)</u>	<u>199,688</u>	<u>(12,444,480)</u>
-	-	-	-	4,674,633
-	-	-	-	(902,705)
9,249,039	-	-	-	9,809,262
-	-	(173,253)	-	(2,462,086)
<u>9,249,039</u>	<u>-</u>	<u>(173,253)</u>	<u>-</u>	<u>11,119,104</u>
33,713	-	(182,921)	199,688	(1,325,376)
<u>6,889,159</u>	<u>-</u>	<u>185,439</u>	<u>968,140</u>	<u>15,439,047</u>
<u>\$ 6,922,872</u>	<u>\$ -</u>	<u>\$ 2,518</u>	<u>\$ 1,167,828</u>	<u>\$ 14,113,671</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 1,882,703	\$ 4,282,860	\$ 4,249,217	\$ 1,916,346
Accounts Receivable	13,788	(4,423)	-	9,365
<b>Total Assets</b>	<u>1,896,491</u>	<u>4,278,437</u>	<u>4,249,217</u>	<u>1,925,711</u>
<b>Liabilities</b>				
Accounts Payable and				
Other Current Liabilities	1,896,491	4,278,437	4,249,217	1,925,711
<b>Total Liabilities</b>	<u>\$ 1,896,491</u>	<u>\$ 4,278,437</u>	<u>\$ 4,249,217</u>	<u>\$ 1,925,711</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**OTHER SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND - FOOD SERVICE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Special Revenue Fund - Food Service</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Intergovernmental:				
Federal Through State	\$ 13,138,816	\$ 12,372,611	\$ 12,372,611	\$ -
State	137,935	156,983	156,983	-
Local	698,555	373,343	373,343	-
<b>Total Revenues</b>	<u>13,975,306</u>	<u>12,902,937</u>	<u>12,902,937</u>	<u>-</u>
<b>Expenditures</b>				
Salaries	3,747,903	4,141,887	4,141,887	-
Employee Benefits	1,951,233	1,711,785	1,711,785	-
Purchased Services	738,650	431,098	431,098	-
Energy Services	316,900	291,904	291,904	-
Materials and Supplies	6,515,500	5,973,799	5,973,799	-
Capital Outlay	595,000	1,510,195	1,510,195	-
Other	260,000	291,825	291,825	-
<b>Total Expenditures</b>	<u>14,125,186</u>	<u>14,352,493</u>	<u>14,352,493</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(149,880)</u>	<u>(1,449,556)</u>	<u>(1,449,556)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	60,223	60,223	-
Transfers (Out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>60,223</u>	<u>60,223</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(149,880)</u>	<u>(1,389,333)</u>	<u>(1,389,333)</u>	<u>-</u>
<b>Fund Balances, July 1, 2019</b>	<u>3,948,311</u>	<u>7,046,537</u>	<u>7,046,537</u>	<u>-</u>
<b>Fund Balances, June 30, 2020</b>	<u>\$ 3,798,431</u>	<u>\$ 5,657,204</u>	<u>\$ 5,657,204</u>	<u>\$ -</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
OTHER SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND - FUND 441X  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Special Revenue Fund - Fund 441X			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Intergovernmental:				
Federal Through State and Local	\$ 482,673	\$ 36,862	\$ 36,862	\$ -
<b>Total Revenues</b>	<u>482,673</u>	<u>36,862</u>	<u>36,862</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Operation of Plant:				
Salaries	126,910	743	743	-
Employee Benefits	125	129	129	-
Other Expenses	40,628	-	-	-
Total Operation of Plant	<u>167,663</u>	<u>872</u>	<u>872</u>	<u>-</u>
Maintenance of Plant:				
Purchased Services	150,000	2,068	2,068	-
Materials and Supplies	144,306	30,823	30,823	-
Capital Outlay	20,704	3,099	3,099	-
Total Maintenance of Plant	<u>315,010</u>	<u>35,990</u>	<u>35,990</u>	<u>-</u>
<b>Total Expenditures</b>	<u>482,673</u>	<u>36,862</u>	<u>36,862</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	-	-	-	-
<b>Fund Balances, July 1, 2019</b>	-	-	-	-
<b>Fund Balances, June 30, 2020</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
OTHER SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND - SBE/COBI BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Debt Service Fund - SBE/COBI Bonds</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Intergovernmental:				
State	\$ 272,740	\$ 267,680	\$ 267,680	\$ -
<b>Total Revenues</b>	<u>272,740</u>	<u>267,680</u>	<u>267,680</u>	<u>-</u>
<b>Expenditures</b>				
Debt Service:				
Principal	208,000	208,000	208,000	-
Interest and Fiscal Charges	64,240	64,240	64,240	-
Dues and Fees	500	4,543	4,543	-
<b>Total Expenditures</b>	<u>272,740</u>	<u>276,783</u>	<u>276,783</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(9,103)</u>	<u>(9,103)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Refunding Bonds Issued	-	758,000	758,000	-
Premium on Refunding Bonds	-	148,230	148,230	-
Payments to Refunded Bond Escrow Agent	-	(902,705)	(902,705)	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>3,525</u>	<u>3,525</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>-</u>	<u>(5,578)</u>	<u>(5,578)</u>	<u>-</u>
<b>Fund Balances, July 1, 2019</b>	<u>32,805</u>	<u>32,805</u>	<u>32,805</u>	<u>-</u>
<b>Fund Balances, June 30, 2020</b>	<u>\$ 32,805</u>	<u>\$ 27,227</u>	<u>\$ 27,227</u>	<u>\$ -</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
OTHER SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND - SPECIAL ACT BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Debt Service Fund - Special Act Bonds</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Intergovernmental:				
State	\$ 205,888	\$ 209,750	\$ 209,750	\$ -
Local:				
Other Local Revenue	-	113	113	-
<b>Total Revenues</b>	<u>205,888</u>	<u>209,863</u>	<u>209,863</u>	<u>-</u>
<b>Expenditures</b>				
Debt Service:				
Principal	110,000	1,935,000	1,935,000	-
Interest and Fiscal Charges	95,313	106,843	106,843	-
Dues and Fees	575	128,535	128,535	-
<b>Total Expenditures</b>	<u>205,888</u>	<u>2,170,378</u>	<u>2,170,378</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(1,960,515)</u>	<u>(1,960,515)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Refunding Bonds Issued	-	3,500,000	3,500,000	-
Premium on Refunding Bonds	-	268,403	268,403	-
Transfers In	500,000	500,000	500,000	-
Racetrack Revenue Bonds	98,298	(2,288,833)	(2,288,833)	-
<b>Total Other Financing Sources (Uses)</b>	<u>598,298</u>	<u>1,979,570</u>	<u>1,979,570</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	598,298	19,055	19,055	-
<b>Fund Balances, July 1, 2019</b>	<u>316,967</u>	<u>316,967</u>	<u>316,967</u>	<u>-</u>
<b>Fund Balances, June 30, 2020</b>	<u>\$ 915,265</u>	<u>\$ 336,022</u>	<u>\$ 336,022</u>	<u>\$ -</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
OTHER SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND - OTHER DEBT SERVICE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Debt Service Fund - Other Debt Service</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Local:				
Other Local Revenue	\$ 25,000	\$ 44,422	\$ 44,422	\$ -
<b>Total Revenues</b>	<u>25,000</u>	<u>44,422</u>	<u>44,422</u>	<u>-</u>
<b>Expenditures</b>				
Debt Service:				
Principal	5,349,011	5,340,165	5,340,165	-
Interest and Fiscal Charges	3,899,371	3,912,235	3,912,235	-
Dues and Fees	11,000	7,348	7,348	-
<b>Total Expenditures</b>	<u>9,259,382</u>	<u>9,259,748</u>	<u>9,259,748</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(9,234,382)</u>	<u>(9,215,326)</u>	<u>(9,215,326)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	9,259,382	9,249,039	9,249,039	-
<b>Total Other Financing Sources (Uses)</b>	<u>9,259,382</u>	<u>9,249,039</u>	<u>9,249,039</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	25,000	33,713	33,713	-
<b>Fund Balances, July 1, 2019</b>	<u>6,889,159</u>	<u>6,889,159</u>	<u>6,889,159</u>	<u>-</u>
<b>Fund Balances, June 30, 2020</b>	<u>\$ 6,914,159</u>	<u>\$ 6,922,872</u>	<u>\$ 6,922,872</u>	<u>\$ -</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
OTHER SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND - STATE BOARD OF EDUCATION BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Capital Projects Fund - State Board of Education Bonds</u>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues</b>				
Local:				
Other Local Revenue	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	-	-	-
Remodeling and Renovations	-	-	-	-
Total Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	-	-	-	-
<b>Fund Balances, July 1, 2019</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances, June 30, 2020</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
OTHER SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND - PUBLIC EDUCATION CAPITAL OUTLAY (PECO)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Capital Projects Fund - Public Education Capital Outlay (PECO)</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues</b>				
Intergovernmental:				
Federal Through State	\$ 588,525	\$ 173,253	\$ 173,253	\$ -
<b>Total Revenues</b>	<u>588,525</u>	<u>173,253</u>	<u>173,253</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Facility Services - Non-Capitalized:				
Remodeling and Renovations	-	182,921	182,921	-
<b>Total Expenditures</b>	<u>-</u>	<u>182,921</u>	<u>182,921</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>588,525</u>	<u>(9,668)</u>	<u>(9,668)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	-
Transfers (Out)	-	(173,253)	(173,253)	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(173,253)</u>	<u>(173,253)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	588,525	(182,921)	(182,921)	-
<b>Fund Balances, July 1, 2019</b>	<u>185,439</u>	<u>185,439</u>	<u>185,439</u>	<u>-</u>
<b>Fund Balances, June 30, 2020</b>	<u>\$ 773,964</u>	<u>\$ 2,518</u>	<u>\$ 2,518</u>	<u>\$ -</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
OTHER SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND - CAPITAL OUTLAY AND DEBT SERVICE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Capital Projects Fund - Capital Outlay and Debt Service</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Intergovernmental:				
State	\$ 581,359	\$ 655,199	\$ 655,199	\$ -
Local:				
Other Local Revenue	2,500	316	316	-
<b>Total Revenues</b>	<u>583,859</u>	<u>655,515</u>	<u>655,515</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Facility Services - Non-Capitalized:				
Remodeling and Renovations	435,000	8,064	8,064	-
Remodeling and Renovations	153,525	126,921	126,921	-
Total Facility Services - Non-Capitalized	<u>588,525</u>	<u>134,985</u>	<u>134,985</u>	<u>-</u>
Fixed Capital Outlay:				
Facilities Acquisition and Construction				
Remodeling and Renovations	-	309,904	309,904	-
Total Facilities Acquisition and Construction	<u>-</u>	<u>309,904</u>	<u>309,904</u>	<u>-</u>
Debt Service:				
Dues and Fees	-	938	938	-
<b>Total Expenditures</b>	<u>588,525</u>	<u>445,827</u>	<u>445,827</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(4,666)</u>	<u>209,688</u>	<u>209,688</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(4,666)	209,688	209,688	-
<b>Fund Balances, July 1, 2019</b>	<u>968,140</u>	<u>968,140</u>	<u>968,140</u>	<u>-</u>
<b>Fund Balances, June 30, 2020</b>	<u>\$ 963,474</u>	<u>\$ 1,177,828</u>	<u>\$ 1,177,828</u>	<u>\$ -</u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
NON-MAJOR COMPONENT UNITS**

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

**Brooksville Engineering, Science & Technology, Inc.**—A charter school which is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the *Florida Not-For-Profit Corporation Act*, and Section 1002.33, Florida Statutes. The charter school operates under a charter of the sponsoring school district and is considered a component unit since it is fiscally dependent on the Hernando County School District (the District) to levy taxes for its support.

**Gulf Coast Academy of Science and Technology, Inc.**—A charter school which is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the *Florida Not-For-Profit Corporation Act*, and Section 1002.33, Florida Statutes. The charter school operates under a charter of the sponsoring school district and is considered a component unit since it is fiscally dependent on the District to levy taxes for its support.

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

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**COMBINING SCHEDULE OF NET POSITION - NON-MAJOR COMPONENT UNITS**  
**JUNE 30, 2020,**  
**(WITH COMPARATIVE TOTALS FOR 2019)**

	<b>BEST Academy (Charter School)</b>	<b>Gulf Coast Academy of Science and Technology, Inc. (Charter School)</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 124,526	\$ 216,300
Accounts Receivable	8,236	-
Inventory	-	-
Prepaid Items	-	-
Asset Held for Sale	-	-
Capital Assets:		
Improvements Other than Buildings	-	-
Furniture, Fixtures, and Equipment, Net	3,385	7,437
Motor Vehicles, Net	-	59,396
<b>Total Assets</b>	<b>136,147</b>	<b>283,133</b>
<b>Liabilities</b>		
Salaries and Benefits Payable	14,730	3,380
Accounts Payable	1,257	-
Long-Term Liabilities:		
Due Within One Year:		
Note Payable	-	15,545
Due in More than One Year:		
Note Payable	-	38,354
<b>Total Liabilities</b>	<b>15,987</b>	<b>57,279</b>
<b>Net Position</b>		
Net Investment in Capital Assets	3,385	12,934
Restricted for:		
Other Purposes	-	-
Unrestricted	116,775	212,920
<b>Total Net Position</b>	<b>\$ 120,160</b>	<b>\$ 225,854</b>

Hernando County  
 Education Direct  
 Support  
 Organization, Inc.  
 (Foundation)

		Totals	
		2020	2019
\$	226,606	\$ 567,432	\$ 622,607
	180,607	188,843	147,790
	289,328	289,328	223,233
	3,276	3,276	4,981
	224,000	224,000	
	-	-	1,846
	-	10,822	30,096
	-	59,396	98,018
	<u>923,817</u>	<u>1,343,097</u>	<u>1,128,571</u>
	8,680	26,790	30,021
	38,179	39,436	20,980
	-	15,545	40,128
	-	38,354	53,899
	<u>46,859</u>	<u>120,125</u>	<u>145,028</u>
	-	16,319	134,802
	809,529	809,529	474,594
	67,429	397,124	374,147
\$	<u><u>876,958</u></u>	<u><u>\$ 1,222,972</u></u>	<u><u>\$ 983,543</u></u>

**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
COMBINING SCHEDULE OF ACTIVITIES - NON-MAJOR COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Total Charter Schools</u>	<u>Hernando Education Foundation</u>	<u>Total Component Units</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>			
<b>Charter Schools</b>							
<b>Governmental Activities:</b>							
Instruction	\$ 1,415,041	\$ 136,029	\$ -	\$ -	\$ (1,279,012)	\$ -	\$ (1,279,012)
Instructional Staff Training Services	2,753	-	-	-	(2,753)	-	(2,753)
Board	3,927	-	-	-	(3,927)	-	(3,927)
General Administration	61,127	-	-	-	(61,127)	-	(61,127)
School Administration	57,367	-	-	-	(57,367)	-	(57,367)
Facility Services - Non-Capitalized	597,938	-	-	-	(597,938)	-	(597,938)
Fiscal Services	237,171	-	-	169,741	(67,430)	-	(67,430)
Food Services	22,633	-	-	-	(22,633)	-	(22,633)
Student Transportation Services	639	-	-	-	(639)	-	(639)
Operation of Plant	48,873	-	74,672	-	25,799	-	25,799
Community Services	94,757	-	-	3,241	(91,516)	-	(91,516)
Interest on Long-Term Debt	15,718	-	-	-	(15,718)	-	(15,718)
Loss on Disposal	4,603	-	-	-	(4,603)	-	(4,603)
Unallocated Depreciation	58,430	-	-	-	(58,430)	-	(58,430)
<b>Total Charter Schools</b>	<b>2,620,977</b>	<b>136,029</b>	<b>74,672</b>	<b>172,982</b>	<b>(2,237,294)</b>	<b>-</b>	<b>(2,237,294)</b>
<b>Hernando Education Foundation</b>	<b>915,746</b>	<b>-</b>	<b>1,219,241</b>	<b>-</b>	<b>-</b>	<b>303,495</b>	<b>303,495</b>
<b>Total Component Units</b>	<b>\$ 3,536,723</b>	<b>\$ 136,029</b>	<b>\$ 1,293,913</b>	<b>\$ 172,982</b>	<b>(2,237,294)</b>	<b>303,495</b>	<b>(1,933,799)</b>
<b>General Revenues:</b>							
Grants and Contributions Not Restricted to Specific Programs					2,174,540	-	2,174,540
Transferred In - Gulf Coast Middle Charter					-	-	-
State and Local Sources					-	-	-
Other					(1,312)	-	(1,312)
<b>Total General Revenues</b>					<b>2,173,228</b>	<b>-</b>	<b>2,173,228</b>
<b>Change in Net Position</b>					<b>(64,066)</b>	<b>303,495</b>	<b>239,429</b>
<b>Net Position - July 1, 2019</b>					<b>410,080</b>	<b>573,463</b>	<b>983,543</b>
<b>Net Position - June 30, 2020</b>					<b>\$ 346,014</b>	<b>\$ 876,958</b>	<b>\$ 1,222,972</b>

# STATISTICAL SECTION



**HERNANDO**  
SCHOOL DISTRICT

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Learn it. Love it. Live it.



**HERNANDO**  
SCHOOL DISTRICT

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Learn it. Love it. Live it.



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

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

<b>Contents</b>	<b>Page</b>
Financial Trend Information <i>These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.</i>	91
Revenue Capacity Information <i>These schedules contain information to help the reader assess the District’s most significant local revenue sources, the property tax.</i>	101
Debt Capacity Information <i>These schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and the District’s ability to issue additional debt in the future.</i>	107
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place.</i>	115
Operating Information <i>These schedules contain service data to help the reader understand how the information in the District’s financial report relates to the services the District provides and the activities it performs.</i>	117

TABLE 1

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

	Fiscal Year Ending			
	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
<b>Primary Government:</b>				
Governmental Activities:				
Net Investment in Capital Assets (1)	\$ 272,982,528	\$ 266,338,102	\$ 245,324,633	\$ 252,232,149
Restricted	31,888,578	30,470,226	42,909,843	31,149,082
Unrestricted	4,312,371	59,489	387,651	(3,116,673)
Total Governmental Activities Net Position	<u>309,183,477</u>	<u>296,867,817</u>	<u>288,622,127</u>	<u>280,264,558</u>
<b>Total Primary Government Net Position</b>	<u>\$ 309,183,477</u>	<u>\$ 296,867,817</u>	<u>\$ 288,622,127</u>	<u>\$ 280,264,558</u>

(1) Prior to 2011, the growth in net position was due primarily to the increase in property taxes, increase in impact fees, and inception of the second voter approved local option half cent sales tax. These revenues were used to payoff debt and to construct or purchase capital assets that will be expensed in future years through depreciation.

(2) The decline in net position is primarily due to the implementation of GASB Statement No. 68 which required the District to report a proportionate share of pension liabilities.

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Source: District records

TABLE 1 (Continued)

Fiscal Year Ending					
June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
\$ 247,598,971	\$ 243,008,106	\$ 249,506,834	\$ 255,798,875	\$ 268,410,915	\$ 277,874,189
34,480,595	36,222,596	41,168,493	32,481,524	35,433,091	38,946,428
<u>(84,211,485)</u>	<u>(78,168,863)</u>	<u>(79,918,029)</u>	<u>(75,064,735)</u>	<u>(77,641,488)</u>	<u>(90,465,475)</u>
<u>197,868,081</u>	<u>201,061,839</u>	<u>210,757,298</u>	<u>213,215,664</u>	<u>226,202,518</u>	<u>226,355,142</u>
<u>\$ 197,868,081</u>	<u>\$ 201,061,839</u>	<u>\$ 210,757,298</u>	<u>\$ 213,215,664</u>	<u>\$ 226,202,518</u>	<u>\$ 226,355,142</u>

(2)

TABLE 2

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

	Fiscal Year Ending		
	June 30, 2011	June 30, 2012	June 30, 2013
<b>Expenses</b>			
Governmental Activities:			
Instruction	\$ 109,286,283	\$ 98,717,026	\$ 100,345,605
Student Personnel Services	11,190,219	9,550,196	9,481,173
Instructional Media Services	2,158,115	1,962,166	1,944,186
Instruction and Curriculum Development Services	3,607,898	3,661,358	4,153,389
Instructional Staff Training Services	3,695,145	3,122,643	2,742,317
Instruction Related Technology	1,078,892	1,283,515	1,466,935
Board	470,422	371,024	460,031
General Administration	1,173,733	944,946	1,036,546
School Administration	11,630,524	11,041,666	11,209,818
Facility Services - Non-Capitalized	7,223,486	18,555,981	3,125,424
Fiscal Services	1,043,193	919,336	784,117
Food Services	10,123,836	10,458,339	10,639,194
Central Services	1,906,293	1,905,301	1,784,314
Student Transportation Services	9,464,261	7,675,794	7,396,420
Operation of Plant	15,095,661	14,319,724	14,386,258
Maintenance of Plant	5,073,419	4,554,190	4,749,690
Administrative Technology Services	1,884,354	1,722,324	1,950,483
Community Services	51,574	52,954	33,324
Unallocated Interest on Long-Term Debt	8,446,040	8,088,488	7,596,032
Unallocated Deprecation	15,360,681	-	12,641,415
Total Governmental Activities Expenses	<u>219,964,029</u>	<u>198,906,971</u>	<u>197,926,671</u>
<b>Program Revenues</b>			
Governmental Activities:			
Charges for Services			
Food Service	2,530,839	2,473,071	2,455,483
Transportation	91,506	9,774	-
Instruction	7,796	56,592	57,567
Operating Grants and Contributions	7,846,239	8,156,319	8,334,627
Capital Grants and Contributions	2,149,168	866,466	888,495
Total Governmental Activities Program Revenues	<u>12,625,548</u>	<u>11,562,222</u>	<u>11,736,172</u>
Net Expenses Governmental Activities	<u>(207,338,481)</u>	<u>(187,344,749)</u>	<u>(186,190,499)</u>
Total Primary Government Net Expenses	<u>(207,338,481)</u>	<u>(187,344,749)</u>	<u>(186,190,499)</u>
<b>General Revenues and Other Changes in Net Assets</b>			
Governmental Activities:			
Property Taxes			
Levied for Operational Purposes	51,986,840	48,807,293	48,159,073
Levied for Capital Projects	13,189,912	12,242,466	12,136,449
Local Sales Tax	7,828,758	7,832,909	8,206,074
Grants and Contributions not restricted to specific programs	118,663,422	101,639,556	105,093,241
Unrestricted Investment Earnings	652,985	459,580	443,527
Miscellaneous	2,802,386	4,047,285	3,906,445
Total Governmental Activities	<u>195,124,303</u>	<u>175,029,089</u>	<u>177,944,809</u>
Total Primary Government General Revenues and Other Changes in Net Position	<u>195,124,303</u>	<u>175,029,089</u>	<u>177,944,809</u>
<b>Change in Net Position</b>			
Governmental Activities	<u>(12,214,178)</u>	<u>(12,315,660)</u>	<u>(8,245,690)</u>
<b>Total Primary Government</b>	<u>\$ (12,214,178)</u>	<u>\$ (12,315,660)</u>	<u>\$ (8,245,690)</u>

Source: District records

TABLE 2 (Continued)

		Fiscal Year Ending					
	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
\$	105,662,000	\$ 106,464,738	\$ 105,595,214	\$ 108,581,464	\$ 112,178,899	\$ 116,734,406	\$ 122,952,772
	9,262,052	9,271,687	8,570,746	8,978,591	9,475,910	9,629,463	10,305,339
	2,118,740	2,189,442	1,832,370	1,580,760	1,670,186	1,406,550	1,499,407
	4,103,785	4,611,206	4,345,473	4,606,251	4,984,827	5,487,994	5,909,931
	2,214,563	2,834,048	2,992,562	3,366,519	3,187,021	3,238,748	3,158,097
	1,681,610	1,495,715	740,282	634,787	615,107	708,413	599,914
	460,573	480,877	501,111	485,796	702,006	569,835	549,206
	1,286,149	1,391,321	1,297,242	1,646,718	1,385,010	1,136,961	2,135,155
	11,230,650	11,254,519	11,166,980	11,297,615	11,885,259	12,578,189	12,665,115
	2,013,899	2,430,003	2,470,261	2,188,737	6,876,093	541,797	1,115,028
	1,101,844	1,107,565	778,107	854,703	859,712	857,653	1,008,056
	10,901,515	10,428,835	10,358,424	11,602,638	12,811,088	12,700,237	13,692,564
	1,895,196	1,538,384	1,381,116	1,841,843	2,076,296	2,127,534	2,555,810
	8,120,089	7,905,288	6,980,040	7,033,814	7,522,704	8,227,042	8,070,432
	14,998,980	14,866,067	14,482,370	14,972,754	16,363,264	16,987,276	18,265,529
	4,786,141	4,715,632	5,201,852	5,374,764	5,412,786	5,885,546	7,227,468
	1,944,813	2,140,357	2,580,640	2,734,734	2,889,131	2,939,278	4,592,787
	186,817	20,549	6,104	1,452	983	1,420	10,358
	7,604,707	5,804,308	6,102,038	4,042,505	3,781,555	3,606,715	3,391,682
	15,209,697	12,079,806	12,090,214	11,339,724	12,024,965	12,888,627	13,334,789
	<u>206,783,822</u>	<u>203,030,347</u>	<u>199,473,146</u>	<u>203,166,169</u>	<u>216,702,802</u>	<u>218,253,684</u>	<u>233,039,439</u>
	2,453,338	2,143,141	1,858,156	1,796,468	1,394,814	709,880	355,162
	157,721	152,795	152,003	150,590	167,416	148,583	84,271
	64,628	86,746	84,512	87,244	107,632	151,301	118,511
	8,740,134	8,909,622	9,842,901	9,731,565	11,623,384	14,072,478	12,519,029
	881,129	1,063,330	1,549,777	1,536,802	3,131,121	1,624,966	948,688
	<u>12,296,950</u>	<u>12,355,634</u>	<u>13,487,349</u>	<u>13,302,669</u>	<u>16,424,367</u>	<u>16,707,208</u>	<u>14,025,661</u>
	<u>(194,486,872)</u>	<u>(190,674,713)</u>	<u>(185,985,797)</u>	<u>(189,863,500)</u>	<u>(200,278,435)</u>	<u>(201,546,476)</u>	<u>(219,013,778)</u>
	<u>(194,486,872)</u>	<u>(190,674,713)</u>	<u>(185,985,797)</u>	<u>(189,863,500)</u>	<u>(200,278,435)</u>	<u>(201,546,476)</u>	<u>(219,013,778)</u>
	45,785,613	45,018,129	46,435,418	44,718,926	45,514,011	45,800,900	47,671,751
	11,873,491	11,912,140	12,229,002	12,489,651	13,334,037	14,191,789	15,329,228
	9,007,765	5,284,711	4,955,233	10,391,995	11,353,186	11,015,453	11,578,748
	114,790,011	117,033,440	120,575,310	127,269,757	130,386,623	135,980,854	136,360,977
	479,244	(121,985)	276,542	305,927	431,310	1,098,468	328,709
	5,641,459	2,661,570	4,708,050	4,382,703	4,041,105	6,445,866	7,896,989
	<u>187,577,583</u>	<u>181,788,005</u>	<u>189,179,555</u>	<u>199,558,959</u>	<u>205,060,272</u>	<u>214,533,330</u>	<u>219,166,402</u>
	<u>187,577,583</u>	<u>181,788,005</u>	<u>189,179,555</u>	<u>199,558,959</u>	<u>205,060,272</u>	<u>214,533,330</u>	<u>219,166,402</u>
	<u>(6,909,289)</u>	<u>(8,886,708)</u>	<u>3,193,758</u>	<u>9,695,459</u>	<u>4,781,837</u>	<u>12,986,854</u>	<u>152,624</u>
\$	<u>(6,909,289)</u>	<u>(8,886,708)</u>	<u>3,193,758</u>	<u>9,695,459</u>	<u>4,781,837</u>	<u>12,986,854</u>	<u>152,624</u>

TABLE 3

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

	Fiscal Year Ending				
	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Property Taxes:					
Levied for Operational Purposes	\$ 51,986,840	\$ 48,807,293	\$ 48,159,073	\$ 45,785,613	\$ 45,018,129
Levied for Capital Projects	13,189,912	12,242,466	12,136,449	11,873,491	11,912,140
Local Sales Taxes (1)	7,828,758	7,832,909	8,206,074	9,007,765	5,284,711
<b>Total</b>	<b>\$ 73,005,510</b>	<b>\$ 68,882,668</b>	<b>\$ 68,501,596</b>	<b>\$ 66,666,869</b>	<b>\$ 62,214,980</b>

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

Source: District records

TABLE 3 (Continued)

Fiscal Year Ending				
June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
\$ 46,435,418	\$ 44,718,926	\$ 45,514,011	\$ 45,800,900	\$ 47,671,751
12,229,002	12,489,651	13,334,037	14,191,789	15,329,228
4,955,233	10,391,995	11,353,186	11,015,453	11,578,748
<u>\$ 63,619,653</u>	<u>\$ 67,600,572</u>	<u>\$ 70,201,234</u>	<u>\$ 71,008,141</u>	<u>\$ 74,579,727</u>

TABLE 4

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

	Fiscal Year Ending				
	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
<b>General Fund</b>					
Fund Balances:					
Non-Spendable	\$ 1,536,754	\$ 1,440,561	\$ 1,490,830	\$ 1,434,975	\$ 1,373,299
Spendable:					
Restricted	1,119,658	978,496	478,153	30,755	1,779,073
Assigned	13,572,025	10,216,038	9,455,599	5,957,272	1,435,474
Unassigned (2)	4,476,866	4,224,837	4,849,807	6,938,011	1,814,821
<b>Total General Fund</b>	<u>\$ 20,705,303</u>	<u>\$ 16,859,932</u>	<u>\$ 16,274,389</u>	<u>\$ 14,361,013</u>	<u>\$ 6,402,667</u>
<b>All Other Governmental Funds</b>					
Fund Balances:					
Non-Spendable	\$ 2,784,619	\$ 2,452,182	\$ 1,601,859	\$ 969,525	\$ 109,867
Spendable:					
Restricted	59,268,493	46,419,030	40,924,387	41,101,828	35,224,108
Assigned	80,059	-	-	-	-
Unassigned (2)	(1,878,472)	-	-	-	-
<b>Total All Other Governmental Funds</b>	<u>\$ 60,254,699</u>	<u>\$ 48,871,212</u>	<u>\$ 42,526,246</u>	<u>\$ 42,071,353</u>	<u>\$ 35,333,975</u>
<b>Total Combined All Governmental funds</b>	<u>\$ 80,960,002</u>	<u>\$ 65,731,144</u>	<u>\$ 58,800,635</u>	<u>\$ 56,432,366</u>	<u>\$ 41,736,642</u>

(1) The District implemented GASB Statement No. 54 for the fiscal year ended June 30, 2011. The fund balances from the prior fiscal years were restated for comparison purposes.

(2) The District reported a negative unassigned fund balance for the All Other Governmental Funds for fiscal year ending June 30, 2011. This was the result of a Section 1011, Florida Statutes, loan.

Source: District records



TABLE 4 (Continued)

June 30, 2016	June 30, 2017	Fiscal Year Ending		
		June 30, 2018	June 30, 2019	June 30, 2020
\$ 1,570,675	\$ 1,343,934	\$ 1,465,072	\$ 1,342,406	\$ 1,451,517
966,179	659,550	553,807	1,173,775	1,043,221
923,563	4,208,679	5,220,275	4,935,020	14,719,921
6,575,155	13,288,610	18,369,962	22,945,943	12,745,823
<u>\$ 10,035,572</u>	<u>\$ 19,500,773</u>	<u>\$ 25,609,116</u>	<u>\$ 30,397,144</u>	<u>\$ 29,960,482</u>
\$ 132,059	\$ 141,688	\$ 119,702	\$ 80,796	\$ 377,058
36,379,446	26,286,195	27,870,166	34,259,316	37,383,820
-	7,902,438	4,091,654	-	4,716,605
-	-	-	-	-
<u>\$ 36,511,505</u>	<u>\$ 34,330,321</u>	<u>\$ 32,081,522</u>	<u>\$ 34,340,112</u>	<u>\$ 42,477,483</u>
<u>\$ 46,547,077</u>	<u>\$ 53,831,094</u>	<u>\$ 57,690,638</u>	<u>\$ 64,737,256</u>	<u>\$ 72,437,965</u>

TABLE 5

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

	Fiscal Year Ending				
	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
<b>Revenues</b>					
Federal Direct Sources:					
Reserve Officers Training Corps (ROTC)	\$ 225,623	\$ 212,982	\$ 181,480	\$ 211,147	\$ 214,600
Miscellaneous Federal Direct	-	-	-	-	-
<b>Total Federal Direct</b>	<b>225,623</b>	<b>212,982</b>	<b>181,480</b>	<b>211,147</b>	<b>214,600</b>
Federal Through State and Local Sources:					
Food Service	6,971,515	7,358,101	7,538,918	7,948,367	7,980,511
Donated Foods and Cash in Lieu of	726,851	647,480	650,756	646,529	787,997
Other Federal Through State and Local Grants	28,318,563	15,354,876	14,223,225	12,883,165	14,004,179
<b>Total Federal Through State and Local Sources</b>	<b>36,016,929</b>	<b>23,360,457</b>	<b>22,412,899</b>	<b>21,478,061</b>	<b>22,772,687</b>
State Sources:					
Florida Education Finance Program (FEFP)	63,220,906	60,448,872	65,005,531	75,288,663	77,610,844
Other Categoricals	1,093,016	480,823	785,735	338,778	588,486
Class Size Reduction	24,438,240	24,160,280	23,768,179	23,768,179	23,277,212
District Discretionary Lottery Funds	83,024	71,021	-	209,627	76,689
Motor Vehicle License Tax (Capital Outlay and Debt Service)	868,853	857,309	885,165	881,096	890,774
Gross Receipts Tax (Public Education Capital Outlay)	942,885	-	-	-	171,925
Food Services	147,873	148,847	144,953	145,238	141,114
Other State Sources and State Grants	1,292,207	1,916,672	1,094,671	2,156,177	1,259,137
<b>Total State Sources</b>	<b>92,087,004</b>	<b>87,083,824</b>	<b>91,684,234</b>	<b>102,787,758</b>	<b>104,016,181</b>
Local Sources:					
Ad Valorem Taxes	65,176,752	61,049,759	60,295,522	57,659,104	56,930,269
Food Services Sales	2,530,839	2,473,071	2,455,483	2,453,338	2,143,141
Sales Taxes	7,828,758	7,832,909	8,206,074	9,007,765	5,284,711
Impact Fees	327,925	156,980	17,400	-	-
Investment Income	652,985	459,580	443,527	479,244	(121,985)
Local Grants and Other Local Sources	2,423,840	3,738,298	3,780,410	4,763,741	2,324,313
<b>Total Local Sources</b>	<b>78,941,099</b>	<b>75,710,597</b>	<b>75,198,416</b>	<b>74,363,192</b>	<b>66,560,449</b>
<b>Total Revenues</b>	<b>207,270,655</b>	<b>186,367,860</b>	<b>189,477,029</b>	<b>198,840,158</b>	<b>193,563,917</b>
<b>Expenditures</b>					
Current:					
Instruction	107,247,996	98,066,676	98,589,783	104,389,399	108,232,447
Student Personnel Services	10,986,694	9,511,114	9,318,507	9,152,498	9,427,045
Instructional Media	2,117,279	1,953,328	1,929,947	2,095,267	2,227,387
Instruction & Curriculum Development Services	3,580,302	3,652,268	4,122,970	4,063,373	4,694,020
Instructional Staff Training Services	3,670,248	3,113,823	2,722,233	2,198,139	2,887,886
Instruction Related Technology	1,068,551	1,191,584	1,456,191	1,661,574	1,518,686
Board	467,180	370,010	456,661	456,414	489,759
General Administration	1,167,900	943,700	1,028,954	1,297,673	1,408,320
School Administration	11,525,178	10,939,393	11,108,102	11,132,690	11,449,262
Facility Services - Non-Capitalized	7,160,263	4,906,994	536,955	2,014,145	2,483,626
Fiscal Services	1,035,147	916,353	778,374	1,091,962	1,127,499
Food Services	9,977,413	10,165,772	10,455,762	10,777,737	10,606,646
Central Services	1,871,409	1,807,463	1,753,480	1,874,395	1,563,721
Student Transportation Services	9,265,825	7,614,044	7,268,604	8,013,177	8,020,090
Operation of Plant	14,829,965	14,278,025	14,132,010	14,591,305	15,141,503
Maintenance of Plant	4,992,144	4,482,917	4,668,408	4,728,859	4,793,969
Administrative Technology Services	1,837,435	1,713,875	1,936,198	1,923,355	2,179,690
Community Services	51,065	52,702	33,081	185,766	21,017
Fixed Capital Outlay:					
Facilities Acquisition & Construction	29,595,893	4,601,562	4,061,686	491,326	534,263
Other Capital Outlay	4,030,948	2,697,848	631,706	871,600	1,004,850
Debt Service:					
Principal	10,651,500	11,182,245	11,930,409	12,338,922	12,283,682
Interest	8,264,159	7,951,530	7,527,482	6,692,404	5,882,626
Dues and Fees	-	-	-	-	13,494
Miscellaneous	54,839	42,831	22,270	113,267	-
<b>Total Expenditures</b>	<b>245,449,333</b>	<b>202,156,057</b>	<b>196,469,773</b>	<b>202,155,247</b>	<b>207,991,488</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(38,178,678)</b>	<b>(15,788,197)</b>	<b>(6,992,744)</b>	<b>(3,315,089)</b>	<b>(14,427,571)</b>
<b>Other Financing Sources (Uses)</b>					
Refunding Note Payable Issued	-	-	-	-	-
Refunding Bonds Issued	-	365,000	-	29,685,000	1,299,000
Premium on Refunding Bonds	-	55,865	-	82,496	123,525
Sale of Bonds	1,554,601	-	-	-	-
Loans	-	-	-	-	-
Insurance Loss Recoveries	127,921	75,157	62,235	57,181	87,923
Certificates of Participation	-	-	-	-	-
Payments to Refunding Bonds Escrow Agent	(3,574,267)	(419,780)	-	(28,877,849)	(1,778,601)
Payment to Refund Note Payable	-	-	-	-	-
Premium on Long-Term Debt Issued	-	-	-	-	-
Discount on Long-Term Debt Issued	-	-	-	-	-
Inception of Capital Leases	346,649	483,097	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Face Value of Refunding Bonds	-	-	-	-	-
Transfers In	31,476,798	23,871,497	20,641,428	21,214,610	20,582,195
Transfers Out	(31,476,798)	(23,871,497)	(20,641,428)	(21,214,610)	(20,582,195)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,545,096)</b>	<b>559,339</b>	<b>62,235</b>	<b>946,828</b>	<b>(268,153)</b>
<b>Net Change in Fund Balance</b>	<b>(39,723,774)</b>	<b>(15,228,858)</b>	<b>(6,930,509)</b>	<b>(2,368,261)</b>	<b>(14,695,724)</b>
Debt Service as a Percentage of Non-Capital Expenditures	8.9%	9.8%	10.1%	9.5%	8.8%
Beginning Fund Balance	120,683,776	80,960,002	65,731,144	58,800,627	56,432,366
<b>Ending Fund Balance</b>	<b>\$ 80,960,002</b>	<b>\$ 65,731,144</b>	<b>\$ 58,800,635</b>	<b>\$ 56,432,366</b>	<b>\$ 41,736,642</b>

Source: District records

TABLE 5 (Continued)

		Fiscal Year Ending				
June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020		
\$ 212,975	\$ 204,649	\$ 199,442	\$ 204,705	\$ 207,672		
-	5,527	4,705	61,743	77,228		
<u>212,975</u>	<u>210,176</u>	<u>204,147</u>	<u>266,448</u>	<u>284,900</u>		
8,925,859	8,805,504	10,707,799	13,046,405	11,237,891		
780,408	794,049	787,894	892,106	1,124,155		
<u>12,497,218</u>	<u>13,393,272</u>	<u>14,539,840</u>	<u>15,239,374</u>	<u>14,451,098</u>		
<u>22,203,485</u>	<u>22,992,825</u>	<u>26,035,533</u>	<u>29,177,885</u>	<u>26,813,144</u>		
82,146,741	87,411,334	88,568,231	93,120,031	97,631,835		
1,251,270	388,271	814,639	565,063	573,537		
23,405,339	23,665,654	23,526,247	23,919,919	24,039,718		
74,859	363,643	38,604	75,470	22,391		
871,031	891,311	891,291	905,266	936,148		
678,746	645,305	435,038	440,908	-		
136,634	132,012	127,689	133,967	156,983		
<u>1,265,011</u>	<u>1,837,593</u>	<u>3,019,837</u>	<u>3,979,185</u>	<u>1,308,368</u>		
<u>109,829,631</u>	<u>115,335,123</u>	<u>117,421,576</u>	<u>123,139,809</u>	<u>124,668,980</u>		
58,664,420	57,208,577	58,848,048	59,992,688	62,930,323		
1,853,722	1,796,468	1,394,814	709,880	372,581		
4,955,233	10,391,995	11,353,186	11,015,453	11,636,400		
-	1,631,051	1,748,325	2,427,403	2,153,894		
75,400	304,548	431,310	1,098,465	905,006		
<u>4,583,457</u>	<u>2,728,271</u>	<u>3,705,566</u>	<u>3,090,070</u>	<u>3,385,057</u>		
<u>70,132,232</u>	<u>74,060,910</u>	<u>77,481,249</u>	<u>78,333,959</u>	<u>81,383,261</u>		
<u>202,378,323</u>	<u>212,599,034</u>	<u>221,142,505</u>	<u>230,918,101</u>	<u>233,150,285</u>		
106,537,953	105,150,370	108,971,048	112,707,854	115,928,362		
8,647,264	8,694,875	9,205,158	9,297,311	9,716,584		
1,848,730	1,530,809	1,622,464	1,358,033	1,413,745		
4,384,269	4,460,697	4,841,452	5,298,695	5,572,290		
3,019,279	3,260,140	3,095,004	3,127,033	2,977,672		
746,891	614,729	597,531	683,977	565,640		
505,584	470,445	681,947	550,179	517,829		
1,308,823	1,446,155	1,336,897	1,399,321	1,879,884		
<u>11,266,677</u>	<u>10,940,618</u>	<u>11,545,666</u>	<u>11,835,587</u>	<u>11,941,545</u>		
2,530,237	261,216	6,862,457	522,988	1,051,204		
785,054	827,696	835,148	828,070	950,464		
10,447,569	11,231,422	12,427,740	12,256,971	12,905,046		
1,393,002	1,782,914	2,016,197	2,053,324	2,408,961		
7,040,108	6,809,430	7,305,505	7,940,862	7,606,933		
14,607,003	14,496,847	15,892,768	16,398,181	17,218,820		
5,247,754	5,199,010	5,251,839	5,675,832	6,807,784		
2,602,849	2,647,241	2,805,435	2,836,674	4,329,162		
6,159	1,406	956	1,372	9,768		
5,584,160	15,650,703	10,977,330	19,014,189	13,741,576		
875,413	321,446	648,085	-	-		
5,164,115	4,711,753	6,073,736	5,868,985	7,483,165		
3,541,896	4,680,315	4,419,363	4,244,523	4,083,318		
642,355	153,375	8,791	7,418	141,364		
632	-	-	-	-		
<u>198,733,776</u>	<u>205,343,612</u>	<u>217,422,517</u>	<u>223,907,379</u>	<u>229,251,116</u>		
<u>3,644,547</u>	<u>7,255,422</u>	<u>3,719,988</u>	<u>7,010,722</u>	<u>3,899,169</u>		
-	-	-	-	4,674,633		
90,645,000	-	-	-	-		
11,553,598	-	-	-	-		
-	-	-	-	-		
-	-	12,700	-	-		
59,145	28,595	126,856	35,896	29,612		
(101,091,855)	-	-	-	(902,705)		
-	-	-	-	-		
-	-	-	-	-		
-	-	-	-	-		
-	-	-	-	-		
-	-	-	-	-		
24,921,175	9,891,305	14,749,455	13,003,285	13,216,414		
<u>(24,921,175)</u>	<u>(9,891,306)</u>	<u>(14,749,455)</u>	<u>(13,003,285)</u>	<u>(13,216,414)</u>		
<u>1,165,888</u>	<u>28,594</u>	<u>139,556</u>	<u>35,896</u>	<u>3,801,540</u>		
4,810,435	7,284,016	3,859,544	7,046,618	7,700,709		
4.5%	5.0%	5.1%	4.9%	5.4%		
41,736,642	46,547,078	53,831,094	57,690,638	64,737,256		
<u>\$ 46,547,077</u>	<u>\$ 53,831,094</u>	<u>\$ 57,690,638</u>	<u>\$ 64,737,256</u>	<u>\$ 72,437,965</u>		

TABLE 6

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

Fiscal Year	Property Tax		Sales Tax		Total Governmental Activities
	General Fund	Capital Projects Funds	Capital Projects Funds	Capital Projects Funds	
2019-2020	\$ 47,658,751	\$ 15,329,228	\$ 11,578,748	\$ 74,566,727	
2018-2019	45,800,900	14,191,789	11,015,453	71,008,142	
2017-2018	45,514,011	13,334,037	11,353,186	70,201,234	
2016-2017	44,718,926	12,489,651	10,391,995	67,600,572	
2015-2016	46,435,418	12,229,002	4,955,233	63,619,653	
2014-2015	45,018,129	11,912,140	5,284,711	62,214,980	
2013-2014	45,785,613	11,873,491	9,007,765	66,666,869	
2012-2013	48,159,073	12,136,449	8,206,074	68,501,596	
2011-2012	48,807,293	12,242,466	7,832,909	68,882,668	
2010-2011	51,986,840	13,189,912	7,828,758	73,005,510	

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

Source: District records

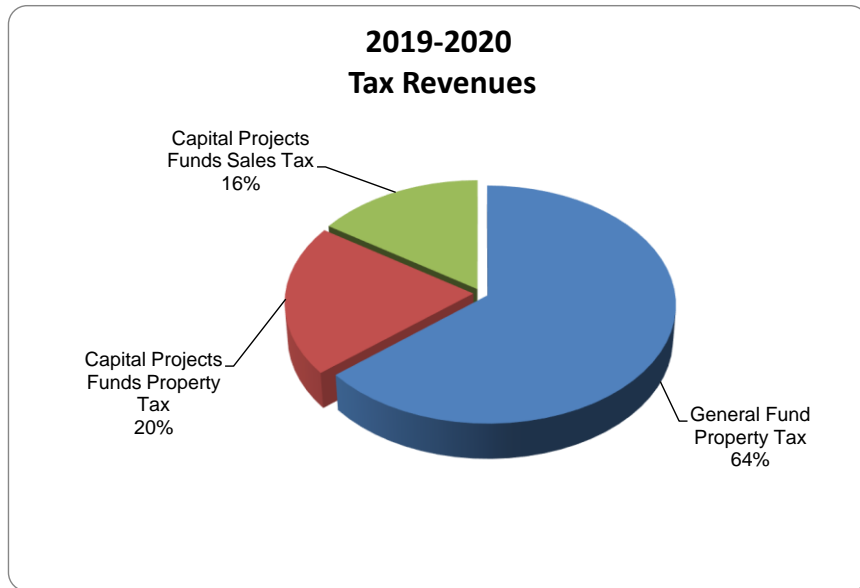


TABLE 7

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
 FAIR MARKET VALUE, ASSESSED VALUE, AND TAXABLE VALUE OF PROPERTY  
 LAST TEN FISCAL YEARS  
 (Amounts Expressed in Thousands)  
 (Unaudited)

Fiscal Year	Fair Market Value (1)		Assessed Value (2)		Exemptions (3)		Taxable Value (4)			Ratio of Taxable Value to Assessed Value	Base Millage Rate (6)	
	Real Property	Personal Property	Real Property	Personal Property	Real Property	Personal Property	Real Property	Personal Property	Centrally Assessed (5)			
2019-2020	\$ 16,567,712	\$ 1,766,668	\$ 12,807,078	\$ 1,739,674	\$ 3,963,063	\$ 612,476	\$ 8,844,015	\$ 1,127,198	\$ 9,594	\$ 9,980,807	68.61%	15.1536
2018-2019	13,300,359	1,846,816	11,306,661	1,776,292	2,540,206	601,446	8,766,455	1,174,846	7,926	9,949,228	76.05%	14.3460
2017-2018	12,247,949	1,834,656	10,685,753	1,766,495	2,511,925	600,848	8,173,828	1,165,647	7,483	9,346,958	75.06%	14.6426
2016-2017	11,208,262	1,703,765	10,084,383	1,703,015	2,468,286	596,852	7,616,097	1,106,163	8,326	8,730,586	74.07%	15.0112
2015-2016	10,800,268	1,585,644	9,845,265	1,589,744	2,429,043	600,481	7,416,222	984,263	7,869	8,408,354	73.53%	15.3533
2014-2015	10,349,863	1,606,000	9,507,309	1,604,589	2,399,670	608,798	7,170,639	995,791	7,842	8,174,272	73.56%	15.3433
2013-2014	9,989,311	1,602,911	9,368,594	1,594,242	2,417,252	627,891	6,951,343	966,351	7,626	7,925,320	72.29%	15.4480
2012-2013	9,949,202	1,691,643	9,351,346	1,645,987	2,437,024	339,564	6,914,323	1,306,423	7,325	8,228,071	74.82%	14.6674
2011-2012	10,600,374	1,629,933	9,949,584	1,585,617	2,417,670	325,372	7,531,914	1,260,245	7,445	8,799,604	76.28%	14.4324
2010-2011	11,572,263	1,669,623	10,731,692	1,652,662	3,593,658	336,472	7,138,035	1,316,191	6,499	8,460,725	68.32%	14.1371

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

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

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

(4) Taxable value of property is the resulting value after all applicable exemptions have been deducted from the assessed value of the property. The taxable value is what the millage rates are applied to develop the ad valorem property tax. The 2011 values are based on Final Certification dated October 4, 2011. All other years based on re-certification values after the Value Adjustment Board.

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

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

Source: Hernando County Property Appraiser

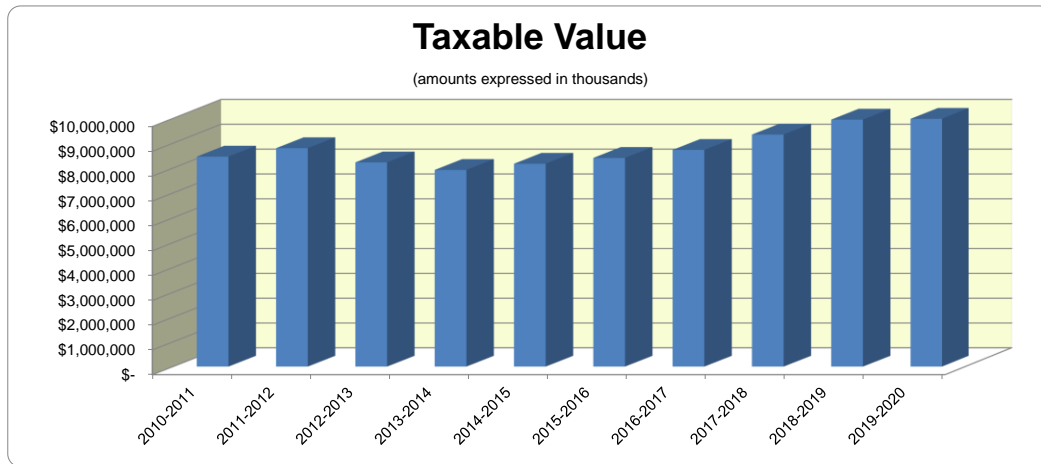


TABLE 8

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

	Fiscal Year Ending			
	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
<b>District Direct Rates</b>				
District School Board:				
Local Required Effort	5.1690	5.2600	5.2060	5.0320
Discretionary Local	0.7480	0.7480	0.7480	0.7480
Supplemental Discretionary	0.0000	0.0000	0.0000	0.0000
Voted Debt Service	0.0000	0.0000	0.0000	0.0000
Local Capital Improvement	1.5000	1.5000	1.5000	1.5000
<b>Total District School Board Direct Rates</b>	<u>7.4170</u>	<u>7.5080</u>	<u>7.4540</u>	<u>7.2800</u>
<b>Overlapping Rates</b>				
Other Hernando County:				
General Fund	5.4394	5.6279	5.9169	6.8669
Public Health	0.1102	0.1102	0.1102	0.1102
Road and Bridge	0.7091	0.7091	0.7091	0.7091
Recreation/Sensitive Lands	0.0844	0.0844	0.0844	0.1000
Special Ad Valorem Districts	3.1737	3.1737	3.1737	0.6673
<b>Total Other Hernando County Rates</b>	<u>9.5168</u>	<u>9.7053</u>	<u>9.9943</u>	<u>8.4535</u>
Southwest Florida Water Management Districts (SWFWMD):				
SWFWMD County-Wide	0.3770	0.3928	0.3928	0.3818
Hillsborough Basin				
Withlacoochee Basin	0.2308	0.0000	0.0000	0.0000
Coastal Basin	0.1885	0.0000	0.0000	0.0000
<b>Total Southwest Florida Water Management Districts</b>	<u>0.7963</u>	<u>0.3928</u>	<u>0.3928</u>	<u>0.3818</u>
Municipalities:				
City of Brooksville	6.3700	6.3700	6.6000	6.7317
City of Weeki Wachee	2.6587	2.7838	2.7137	2.7654
<b>Total Municipalities</b>	<u>9.0287</u>	<u>9.1538</u>	<u>9.3137</u>	<u>9.4971</u>
<b>Total Overlapping Rates (1)</b>	<u>19.3418</u>	<u>19.2519</u>	<u>19.7008</u>	<u>18.3324</u>
 <b>Base Millage Rate (2)</b>	 14.1371	 14.4324	 14.6674	 15.4480

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

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

Source: Hernando County Property Appraiser

TABLE 8 (Continued)

Fiscal Year Ending					
June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
4.9190	4.9480	4.6210	4.3710	4.0920	3.9150
0.7480	0.7480	0.7480	0.7480	0.7480	0.7480
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
<u>7.1670</u>	<u>7.1960</u>	<u>6.8690</u>	<u>6.6190</u>	<u>6.3400</u>	<u>6.1630</u>
6.9912	6.9912	6.9912	6.8912	6.8912	7.8912
0.1102	0.1102	0.1102	0.1102	0.1102	0.1102
0.7091	0.7091	0.7091	0.7091	0.7091	0.7091
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.6673	0.7839	0.7839	0.7839	1.0239	1.0239
<u>8.4778</u>	<u>8.5944</u>	<u>8.5944</u>	<u>8.4944</u>	<u>8.7344</u>	<u>9.7344</u>
0.3658	0.3468	0.3317	0.3131	0.2955	0.2801
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<u>0.3658</u>	<u>0.3468</u>	<u>0.3317</u>	<u>0.3131</u>	<u>0.2955</u>	<u>0.2801</u>
6.6962	6.6439	6.6426	6.9763	6.2000	6.2000
2.6267	2.7622	2.8478	2.8470	2.8421	2.8658
9.3229	9.4061	9.4904	9.8233	9.0421	9.0658
<u>18.1665</u>	<u>18.3473</u>	<u>18.4165</u>	<u>18.6308</u>	<u>18.0720</u>	<u>19.0803</u>
15.3433	15.3533	15.0112	14.6426	14.3460	15.1536

TABLE 9

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

Taxpayer	2019-2020				2010-2011			
	Type of Business	Taxable Value	Rank	Percent of Taxable Value (1)	Type of Business	Taxable Value	Rank	Percent of Taxable Value (1)
Cemex, Inc.	Cement Manufacturing	\$ 277,179,242	1	3.02%	Cement Manufacturing	\$ 358,510,225	1	4.24%
Withlacochee River Electric Co-op	Public Utility	225,261,233	2	2.45%	Public Utility	263,677,254	2	3.12%
Duke Energy (Florida Power Corporation)	Public Utility	111,427,885	3	1.21%	Public Utility	94,271,888	4	147.00%
Wal-Mart Regional Distribution	Retail Sales	61,465,733	4	0.67%	Retail Sales	124,676,279	3	1.11%
HCA Health Services of Florida, Inc.	Hospital/ Health Care	56,707,572	5	0.62%	Hospital/ Health Care	61,099,859	6	0.72%
BW Hibiscus Springs LLC of Florida, Inc.	Apartments	49,400,351	6	0.54%				
Florida Gas Transmission Co	Utilities	48,112,140	7	0.52%	Cable Utility	44,637,051	8	0.53%
Wal-Mart Stores, Inc.	Retail Sales	45,690,078	8	0.50%				
Wal-Mart Stores East LP	Retail Sales	31,461,413	9	0.34%				
BRE DDR BR Nature Coast FL LLC	Retail Sales	25,215,334	10	0.27%	Telecommunications	70,434,601	5	0.83%
					Cable Utility	54,779,635	7	0.65%
					Rock Mining	24,135,234	9	0.29%
					Assisted Living	23,133,905	10	0.27%

(1) Percentage of Taxable Value to County Total Taxable Value. Total Taxable Value can be found on Table 7 page 111 of this report.

Source: Hernando County Property Appraiser



TABLE 10

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)

Fiscal Year	Total Tax Levy	Collected to End of Tax Year			Collected in Fiscal Year	
		Current Tax Collections (1)	Percent of Levy	Delinquent Collections (1)	Total Collections (1)	Percent of Levy
2019-2020	\$ 62,472,451	\$ 47,614,096	76.22%	\$ 57,655	\$ 47,671,751	76.31%
2018-2019	60,056,599	45,800,900	76.26%	-	45,800,900	76.26%
2017-2018	59,304,391	58,741,901	99.05%	106,147	58,848,048	99.23%
2016-2017	59,970,401	57,007,130	95.06%	201,447	57,208,577	95.39%
2015-2016	60,506,513	58,492,947	96.67%	171,473	58,664,420	96.96%
2014-2015	58,585,003	56,797,930	96.95%	132,339	56,930,269	97.18%
2013-2014	57,696,331	57,372,277	99.44%	286,827	57,659,104	99.94%
2012-2013	61,332,036	59,856,352	97.59%	439,170	60,295,522	98.31%
2011-2012	66,067,422	60,364,306	91.37%	685,453	61,049,759	92.41%
2010-2011	71,473,086	64,278,055	89.93%	439,784	64,717,839	90.55%

(1) Net of allowable discounts

Note: Property taxes become due and are payable between November 1st of the year assessed and March 31st of the following year. A four percent (4%) discount is allowed if the taxes are paid in November, with the discount declining by one percent (1%) each month thereafter. Accordingly, taxes collected will never equal 100% of the tax levy. Taxes become delinquent on April 1st of each tax year and tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1st of each year. Accordingly, the majority of taxes are collected in the fiscal year levied.

Source: Hernando County Tax Collector and District records

TABLE 11

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Unaudited)

Governmental Activities (1)										
Fiscal Year	General Obligation Bonds	State Board of Education Bonds	Certificates of Participation	District Revenue Bonds	Sales Tax Revenue Bonds	Notes	Capital Leases	Total Primary Government	Per Capita (2)	Percentage of Per Capita Income (2)
2019-2020	\$ -	\$ 1,384,348	\$ 105,263,162	\$ 3,768,403	\$ -	\$ -	\$ -	\$ 110,415,913	575	1.51%
2018-2019	-	1,688,760	110,178,385	1,935,000	-	1,002,622	-	114,804,767	619	1.71%
2017-2018	-	1,967,869	114,976,325	2,040,000	-	2,313,347	-	121,297,541	654	1.81%
2016-2017	-	2,607,978	119,648,434	2,140,000	-	3,598,654	-	127,995,066	703	2.09%
2015-2016	-	3,217,089	111,464,668	2,235,000	-	4,860,255	-	121,777,012	674	2.08%
2014-2015	-	3,877,466	123,451,185	2,325,000	-	6,097,551	-	135,751,202	764	2.43%
2013-2014	-	5,065,436	127,485,183	2,410,000	6,415,592	7,262,686	50,273	148,689,170	847	2.65%
2012-2013	-	5,047,935	131,150,945	2,495,000	12,596,181	8,371,212	283,633	159,944,906	923	3.00%
2011-2012	-	5,260,000	133,755,000	2,575,000	18,590,000	9,438,299	1,041,954	170,660,253	986	3.21%
2010-2011	-	6,158,406	136,282,396	2,650,000	24,342,358	10,465,497	2,833,904	182,732,561	1,055	3.59%
2009-2010	-	5,117,145	141,343,121	2,725,000	29,902,947	11,454,297	4,539,955	195,082,465	1,177	3.93%

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

Source:

(1) District Records

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

TABLE 12

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
June 30, 2020  
(Unaudited)

Jurisdiction	Other Debt Outstanding	Direct Debt		Direct and Overlapping Debt (1)	
		Percentage Applicable to School Board of Hernando County	Amount Applicable to School Board of Hernando County	Percentage Applicable To Hernando County	Amount Applicable To Hernando County
Hernando County Board of County Commissioners					
Non-Revolving Line of Credit Draws	\$ 7,560,433			100.00%	\$ 7,560,433
Non-Ad Valorem Refunding Bonds, Series 2012	12,776,000			100.00%	12,776,000
Non-Ad Valorem Refunding Bonds, Series 2010	<u>1,615,000</u>			100.00%	<u>1,615,000</u>
Subtotal Overlapping Debt	<u>21,951,433</u>				<u>21,951,433</u>
District School Board of Hernando County					
State Board of Education Bonds, Series 2011A Refunding	145,000	100.00%	145,000	100.00%	145,000
State Board of Education Bonds, Series 2014A Refunding	277,000	100.00%	277,000	100.00%	277,000
State Board of Education Bonds, Series 2020A Refunding	758,000	100.00%	758,000	100.00%	758,000
Bonds Payable-Unamortized Premium	472,751	100.00%	472,751	100.00%	472,751
Certificates of Participation, Series 2013A	9,295,284	100.00%	9,295,284	100.00%	9,295,284
Certificates of Participation, Series 2016A	86,725,000	100.00%	86,725,000	100.00%	86,725,000
Capital Improvement Bonds, Series 2001 Refunding	9,242,878	100.00%	9,242,878	100.00%	9,242,878
2020 Series Refunding	<u>3,500,000</u>	100.00%	<u>3,500,000</u>	100.00%	<u>3,500,000</u>
Subtotal Direct Debt	<u>110,415,913</u>		<u>110,415,913</u>		<u>110,415,913</u>
Totals	<u>\$ 132,367,346</u>		<u>\$ 110,415,913</u>		<u>\$ 132,367,346</u>

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

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

TABLE 13

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

	Fiscal Year Ending			
	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Taxable Value (1)	\$ 8,460,725	\$ 8,799,604	\$ 8,228,070	\$ 7,925,320
Debt Limit - 10% of Taxable Value (2)	\$ 846,073	\$ 879,960	\$ 822,807	\$ 792,532
Amount of Debt Applicable to the Debt Limit:				
General Obligation Bonds Payable	\$ -	\$ -	\$ -	\$ -
Less, Amount Available for Debt Service	-	-	-	-
Total Debt Applicable to the Debt Limit	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	\$ 846,073	\$ 879,960	\$ 822,807	\$ 792,532
Total Debt Applicable to the Debt Limit as a Percentage of the Debt Limit	0.00%	0.00%	0.00%	0.00%

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

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

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Source: District Records

TABLE 13 (Continued)

Fiscal Year Ending					
June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
\$ 8,174,271	\$ 8,408,354	\$ 8,730,587	\$ 9,346,958	\$ 9,949,228	\$ 9,980,807
\$ 817,427	\$ 840,834	\$ 873,058	\$ 934,696	\$ 994,923	\$ 998,081
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 817,427	\$ 840,834	\$ 873,058	\$ 934,696	\$ 994,923	\$ 998,081
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

TABLE 14

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
 RATIO OF NET GENERAL BONDED DEBT OUTSTANDING  
 LAST TEN FISCAL YEARS  
 (dollar amounts expressed in thousands)  
 (Unaudited)

Fiscal Year	Population (1)	Taxable Value	Gross General Bonded Debt (2)	Less Debt Service Funds (3)	Net General Bonded Debt	Ratio of Net General Bonded Debt to Taxable Value	Per Capita
2019-2020	192,186	\$ 9,980,807	\$ -	\$ -	\$ -	0.00%	
2018-2019	188,358	9,949,228	-	-	-	0.00%	
2017-2018	182,114	9,346,958	-	-	-	0.00%	
2016-2017	182,114	8,730,587	-	-	-	0.00%	
2015-2016	180,777	8,408,354	-	-	-	0.00%	
2014-2015	177,584	8,174,271	-	-	-	0.00%	
2013-2014	175,502	7,925,320	-	-	-	0.00%	
2012-2013	173,227	8,228,070	-	-	-	0.00%	
2011-2012	173,142	8,799,604	-	-	-	0.00%	
2010-2011	173,162	8,460,725	-	-	-	0.00%	

(1) Hernando County Monthly Demographics Update Summary - through February 1, 2017

(2) Includes General Obligation Bonds only

(3) Reserved for Debt Service - General Obligation Bonds only

Source: District records

TABLE 15

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
 FOR GENERAL OBLIGATION BONDED DEBT  
 TO TOTAL GENERAL GOVERNMENT EXPENDITURES  
 LAST TEN FISCAL YEARS  
 (Unaudited)

Fiscal Year	Principal	Interest and Dues & Fees	Total Debt Service	Total General Governmental Noncapital Expenditures	Ratio of Debt Service to General Governmental Noncapital Expenditures
2019-2020	\$ -	\$ -	\$ -	\$ 215,509,540	0.00%
2018-2019	-	-	-	204,771,357	0.00%
2017-2018	-	-	-	201,621,234	0.00%
2016-2017	-	-	-	189,371,463	0.00%
2015-2016	-	-	-	191,701,406	0.00%
2014-2015	-	-	-	206,416,604	0.00%
2013-2014	-	-	-	200,803,789	0.00%
2012-2013	-	-	-	191,775,959	0.00%
2011-2012	-	-	-	194,856,647	0.00%
2010-2011	-	-	-	211,749,992	0.00%

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Source: District records

TABLE 16

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

Fiscal Year	Taxable Value	Annual Lease Payment	Millage Levy to Provide 1.00x Coverage (1)
2019-2020	\$ 9,980,807	\$ 8,236	0.860 Mills
2018-2019	9,949,228	8,245	0.863 Mills
2017-2018	9,346,958	8,241	0.918 Mills
2016-2017	8,730,587	7,144	0.852 Mills
2015-2016	8,408,354	5,891	0.730 Mills
2014-2015	8,174,271	9,254	1.179 Mills
2013-2014	7,925,320	9,376	1.232 Mills
2012-2013	8,228,070	9,641	1.221 Mills
2011-2012	8,799,604	7,771	0.920 Mills
2010-2011	8,460,725	7,775	0.957 Mills

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

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

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Source: District records



TABLE 17

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

Fiscal Year	10-Year Sales Tax Revenue (1)	Principal	Interest and Dues & Fees	Annual Debt Service on Sales Tax Revenue Bonds	Sales Tax Revenue Coverage (2)
2019-2020	\$ 11,578,748	\$	\$	\$	
2018-2019	11,015,453				
2017-2018	11,353,186				
2016-2017	10,391,995				
2015-2016	4,955,233				
2014-2015	5,284,711	6,415,000	118,175	6,533,175	0.81
2013-2014	9,007,765	6,180,000	353,449	6,533,449	1.38
2012-2013	8,206,074	5,995,000	578,938	6,573,938	1.25
2011-2012	7,832,909	5,750,000	792,834	6,542,834	1.20
2010-2011	7,828,758	5,560,000	997,240	6,557,240	1.19

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

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

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Source: District records

TABLE 18

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

Fiscal Year	Estimated Population (1)	Personal Income (2)	Per Capita Income (1)	Public School Enrollment (3)	Percentage of Students on Free and Reduced Lunch (5)	Labor Force (1)	Unemployment Rate % (1)	Median Age (1)	Citizens With a Bachelor's Degree (4)
2019-2020	192,186	\$ 7,345,925	\$ 38,223	22,398	57.3%	70,615	4%	49.4	17.5%
2018-2019	188,358	6,946,266	36,878	23,357	57.0%	71,547	3%	47.7	17.5%
2017-2018	185,604	6,711,626	36,161	23,340	65.0%	63,757	4.2%	49.2	17.1%
2016-2017	182,114	6,131,050	33,666	23,950	66.9%	67,842	5.9%	47.7	16.4%
2015-2016	180,777	5,843,436	32,324	23,621	69.3%	67,937	6.2%	47.7	15.5%
2014-2015	177,584	5,580,044	31,422	22,444	65.1%	66,785	7.0%	47.7	15.5%
2013-2014	175,502	5,603,252	31,927	22,186	64.3%	64,040	8.4%	47.7	15.7%
2012-2013	173,227	5,323,092	30,729	22,228	66.1%	63,513	8.9%	47.7	16.2%
2011-2012	173,142	5,320,481	30,729	22,442	62.6%	63,088	10.8%	47.7	16.2%
2010-2011	173,162	5,090,443	29,397	22,998	60.5%	62,854	13.8%	47.7	16.1%

## Source:

- (1) Hernando County Monthly Demographics Update Summary - through January 31, 2017  
(2) Personal Income was calculated by multiplying the Estimated Population and Per Capita Income. Personal Income stated in thousands.  
(3) District enrollment records as of August 31, 2017  
(4) U.S. Census Bureau - State & County Quickfacts  
Bachelor's degree or higher, % of persons 25+ 2012-2016  
(5) Food & Nutrition Data as of 8/1/17 Reduced = 6.36% Free = 60.54%

TABLE 19

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

Employer / Type of Business	2019-2020			2018-2019	
	Number of Employees	Rank	% (1)	Number of Employees	Rank
Citrus Memorial Health Care Systems	1,320	6	1.9%	1,320	1
Oak Hill Hospital Healthcare	930	2	1.3%	1,089	2
Hernando Healthcare	900	3	1.3%	1,032	3
Wal-Mart Distribution Center Distribution Center	1,044	1	1.5%	1,020	4
Heart Institute at Oak Hill Hospital Health Care	947	8	1.3%	947	5
HealthSouth	355	7	0.5%	355	6
Accuform, Inc. Manufacturer	280	9	0.4%	280	7
Florida Crushed Stone Mining	300	5	0.4%	250	8
Hernando Pasco Hospice Healthcare	221	10	0.3%	221	9
Sparton Electronics Manufacturer	325	4	0.5%	219	10
Total	<u>6,622</u>		<u>9.5%</u>	<u>6,733</u>	

(1) Percentage shown represents the number of employees as a percent of Hernando County's total labor force of 70,615

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

Source: <https://www.fdot.gov/docs/default-source/planning/systems/programs/mspi/pdf/freight/onlineviewing/Hernando.pdf>

TABLE 20

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
SCHOOL BUILDING INFORMATION AND STUDENT ENROLLMENT DATA  
LAST TEN FISCAL YEARS  
(Unaudited)

	Year Constructed (1)	Age of School in Years	Square Footage (2)	Permanent Student Stations (3)	Current Utilization Based on Permanent Student Stations	Relocatable Stations	Relocatable Student Stations (4)
<b>Elementary Schools:</b>							
Brooksville Elementary	1968	49	118,217	751	85.4%	8	150
Chocachatti Elementary (Magnet)	1998	19	111,262	737	98.5%	8	300
Deltona Elementary	1989	28	114,971	743	109.8%	7	156
Eastside Elementary	1973	44	93,669	736	82.7%	6	72
John D. Floyd Elementary	1986	31	108,736	696	139.2%	19	480
Moton Elementary	1989	28	95,943	755	75.9%	4	98
Pine Grove Elementary	1988	29	123,530	698	123.9%	12	332
Spring Hill Elementary	1980	37	95,285	588	139.8%	11	265
Suncoast Elementary	1994	23	130,003	744	121.1%	4	128
Westside Elementary	1972	45	83,917	590	86.8%	13	240
<b>Total Elementary School Student Enrollment</b>							
<b>Middle Schools:</b>							
Fox Chapel Middle School	1978	39	123,502	1,120	65.4%	7	132
D. S. Parrott Middle School	1988	29	147,544	1,143	57.0%		
Powell Middle School	1984	33	153,878	1,195	82.1%		
West Hernando Middle School	1993	24	198,184	1,269	56.6%	6	220
<b>Total Middle School Student Enrollment</b>							
<b>Combination Schools:</b>							
Challenger K-8 School of Science and Mathematics (Magnet)	2004	13	237,114	1,734	85.2%	1	44
Explorer K-8	2008	9	278,292	2,073	79.9%		
Winding Waters K-8	2012	5	183,590	1,560	83.4%		
<b>Total Combination School Student Enrollment</b>							
<b>High Schools:</b>							
Central High School	1989	28	244,451	1,581	83.0%	4	100
Hernando High School	1962	55	247,679	1,665	72.6%	5	120
Nature Coast Technical High School (Magnet)	2001	16	255,290	1,413	93.9%		
Springstead High School	1975	42	224,751	1,685	102.2%	22	525
Weeki Wachee High School (Grades 9-12)	2011	6	211,964	1,665	80.7%		
<b>Total High School Student Enrollment</b>							
<b>Specialty Schools:</b>							
Endeavor Academy (formerly STAR Center)	1974	43	19,260	121	95.9%	4	70
Hernando eSchool	N/A		N/A	N/A	N/A	N/A	N/A
Incarcerated Youth Program	N/A		N/A	N/A	N/A	N/A	N/A
Stop Camp/Withlacoochee DJJ	N/A		N/A	N/A	N/A	N/A	N/A
<b>Total Specialty Schools Student Enrollment</b>							
<b>Charter Schools:</b>							
Best Academy	N/A		N/A	N/A	N/A	N/A	N/A
Gulf Coast Elementary School	N/A		N/A	N/A	N/A	N/A	N/A
Gulf Coast Middle School	N/A		N/A	N/A	N/A	N/A	N/A
Gulf Coast Academy of Science and Mathematics	N/A		N/A	N/A	N/A	N/A	N/A
<b>Total Charter School Student Enrollment</b>							
<b>Total Pre-Kindergarten to Grade 12 Student Enrollment</b>							
<b>Adult Education:</b>							
Adult Education Centers	N/A		N/A	N/A	N/A	N/A	N/A
Heart Literacy	1986	31	3,598	N/A	N/A	N/A	N/A
<b>Total Adult Student Enrollment</b>							
<b>District Total Pre-Kindergarten to Adult Student Enrollment</b>							

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

Average age of the schools 28.5 years.

(2) Square footage is current permanent and does not include portables.

(3) Permanent student stations reflect student stations in permanent buildings which excludes student stations in relocatables.

(4) Student stations in relocatable classrooms.

(5) Permanent student stations reflect utilization factor per State Requirements for Educational Facilities (SREF).

Source: District records

TABLE 20 (Continued)

Student Enrollment									
2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
881	765	778	788	782	661	641	648	674	662
936	920	865	826	762	744	726	739	736	704
808	806	831	833	922	793	816	828	808	686
540	532	508	468	528	580	609	652	663	598
-	-	-	-	-	-	969	954	945	888
793	632	650	615	603	640	573	569	551	539
1,085	616	578	610	650	763	865	914	948	844
735	680	697	914	735	749	822	924	870	795
923	941	926	693	988	860	901	891	908	777
778	581	571	594	564	518	512	557	582	516
7,479	6,473	6,404	6,341	6,534	6,308	7,434	7,676	7,685	7,009
702	677	681	642	594	698	733	772	751	729
836	840	811	792	683	632	652	661	724	763
979	1,021	919	827	797	922	981	1,013	1,082	934
963	953	847	738	617	660	718	689	694	610
3,480	3,491	3,258	2,999	2,691	2,912	3,084	3,135	3,251	3,036
1,648	1,626	1,586	1,593	1,574	1,542	1,477	1,429	1,397	1,369
1,799	1,770	1,827	1,770	1,748	1,668	1,656	1,686	1,689	1,503
-	805	1,044	1,208	1,391	1,298	1,301	1,378	1,391	1,277
3,447	4,201	4,457	4,571	4,713	4,508	4,434	4,493	4,477	4,149
1,579	1,337	1,169	1,151	1,160	1,253	1,312	1,267	1,259	1,173
1,410	1,371	1,296	1,270	1,189	1,179	1,209	1,161	1,205	1,221
1,408	1,331	1,304	1,284	1,266	1,327	1,327	1,457	1,404	1,325
1,833	1,774	1,615	1,606	1,656	1,784	1,722	1,724	1,791	1,678
569	915	1,265	1,381	1,459	1,402	1,343	1,278	1,274	1,196
6,799	6,728	6,649	6,692	6,730	6,945	6,913	6,887	6,933	6,593
92	39	57	52	71	104	116	125	133	108
45	39	60	31	5	7	55	49	43	76
20	11	10	12	9	9	8	2	2	-
-	-	-	-	-	-	-	-	-	-
157	89	127	95	85	120	179	176	178	184
-	-	-	76	126	121	130	119	90	60
-	-	-	-	-	-	-	-	-	114
-	-	-	108	107	109	110	-	-	-
119	120	117	116	130	128	124	236	236	236
119	120	117	300	363	358	364	355	326	410
21,481	21,102	21,012	20,998	21,116	21,151	22,408	22,722	22,850	21,381
99	6	1	22	49	35	28	53	53	24
258	175	166	159	261	86	96	101	123	73
357	181	167	181	310	121	124	154	176	97
21,838	21,283	21,179	21,179	21,426	21,272	22,532	22,876	23,026	21,478

TABLE 21

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA  
 NUMBER OF PERSONNEL  
 LAST TEN FISCAL YEARS  
 (Unaudited)

Fiscal Year	Classroom Teachers (1)	Other Instructional (2)	Administrative (3)	Support Services (4)	Total Full Time	Ratio of Instructional Personnel to Administrators
2019-2020	1,643	91	104	1,437	3,275	16.67
2018-2019	1,442	82	98	1,253	2,875	15.55
2017-2018	1,452	86	100	1,259	2,897	15.38
2016-2017	1,433	87	92	1,226	2,838	16.52
2015-2016	1,473	87	97	1,192	2,849	16.08
2014-2015	1,514	98	95	1,230	2,937	16.97
2013-2014	1,507	69	96	1,135	2,807	16.42
2012-2013	1,525	169	92	1,113	2,899	18.41
2011-2012	1,575	175	93	1,134	2,977	18.82
2010-2011	1,590	201	92	1,241	3,124	19.47

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

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

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

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

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Source: District records

TABLE 22

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

Fiscal Year	Bachelor's	Master's	Specialist's	Doctorate	All Degrees
2019-2020	\$ 48,398	\$ 50,898	\$ 51,898	\$ 52,898	\$ 49,313
2018-2019	46,321	48,821	49,821	50,821	47,236
2017-2018	46,729	49,229	50,229	51,229	47,644
2016-2017	45,777	48,277	49,277	50,277	43,176
2015-2016	45,034	47,534	48,534	49,534	43,176
2014-2015	43,026	48,930	48,131	47,402	45,017
2013-2014	40,614	49,042	40,453	52,577	43,107
2012-2013	40,872	47,773	47,841	48,932	43,970
2011-2012	41,425	47,678	47,892	48,095	43,616
2010-2011	40,880	46,096	46,431	48,202	42,681

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Source: District records

TABLE 23

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

Fiscal Year	Government-Wide Governmental Activities Expenses	Public School Enrollment (1)	Percentage Change	Cost per Student	Percentage Change	Classroom Teachers	Percentage Change	Pupil Teacher Ratio
2019-2020	\$ 233,039,439	22,398	-4.8%	\$ 10,448	13.1%	1,643	13.9%	13.63
2018-2019	217,385,088	23,533	0.8%	9,237	-0.5%	1,442	-0.7%	16.32
2017-2018	216,702,802	23,340	-2.5%	9,285	9.5%	1,452	1.3%	16.07
2016-2017	203,166,169	23,950	1.4%	8,483	0.7%	1,433	-2.7%	16.71
2015-2016	199,052,650	23,621	5.2%	8,427	-6.8%	1,473	-2.7%	16.04
2014-2015	203,030,347	22,444	1.2%	9,046	-2.9%	1,514	0.5%	14.82
2013-2014	206,783,822	22,186	-0.2%	9,320	4.7%	1,507	-1.2%	14.72
2012-2013	197,926,671	22,228	-1.0%	8,904	0.5%	1,525	-3.2%	14.58
2011-2012	198,906,971	22,442	-2.4%	8,863	-7.3%	1,575	-0.9%	14.25
2010-2011	219,964,029	22,998	-1.3%	9,564	6.9%	1,590	5.4%	14.46

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

Source: District records



# COMPLIANCE SECTION



**HERNANDO**  
SCHOOL DISTRICT

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**HERNANDO**  
SCHOOL DISTRICT

---

Learn it. Love it. Live it.

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

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

<b>Content</b>	<b>Page</b>
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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	123
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**DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/Program or Cluster	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Expenditures
<b>Clustered</b>			
<b>Child Nutrition Cluster</b>			
United States Department of Agriculture:			
Florida Department of Agriculture and Consumer Services:			
School Breakfast Program	10.553	14002	\$ 2,833,690
National School Lunch Program	10.555	14001, 14003	8,504,323
Summer Food Service Program for Children	10.559	14006, 14007	530,717
<b>Total Child Nutrition Cluster</b>			<b>11,868,730</b>
<b>Student Financial Assistance Cluster</b>			
United States Department of Education:			
Federal Pell Grant Program	84.063	N/A	49,648
<b>Special Education Cluster</b>			
United States Department of Education:			
Florida Department of Education:			
Special Education - Grants to States	84.027	262,263	4,837,674
Special Education - Preschool Grants	84.173	267	116,193
<b>Total Special Education Cluster</b>			<b>4,953,867</b>
<b>Not Clustered</b>			
<b>United States Department of Agriculture</b>			
Florida Department of Health:			
Child and Adult Care Food Program	10.558	A-4575	534,161
<b>Total United States Department of Agriculture</b>			<b>534,161</b>
<b>United States Department of Defense</b>			
Air Force Junior Reserve Officers Training Corps	12 UNK	N/A	140,411
Navy Junior Reserve Officers Training Corps	12 UNK	N/A	67,261
<b>Total United States Department of Defense</b>			<b>207,672</b>
<b>United States Department of Education</b>			
Florida Department of Education:			
Adult Education - Basic Grants to States	84.002	191,193	246,624
Title I Grants to Local Educational Agencies	84.010	212,226	6,096,982
Career and Technical Education - Basic Grants to States	84.048	161	177,259
Education for Homeless Children and Youth	84.196	127	63,809
English Language Acquisition State Grants	84.365	102	76,040
Supporting Effective Instruction State Grants	84.367	224	968,951
Student Support and Academic Enrichment Program	84.424	241	395,869
ESSER (CARES Act)	84.425	124	36,862
Hurricane Education Recovery Assistance	84.938	107	15,516
<b>Total United States Department of Education</b>			<b>8,077,912</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 25,691,990</b>

The notes below are an integral part of this Schedule.

**Notes:**

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Hernando County District School Board (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 28, 2021.

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

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement

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

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

of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as items 2019-1 to be a material weakness.

*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. We consider the deficiency described in the accompany schedule of findings and questioned costs under prior year findings as item 2017-1.

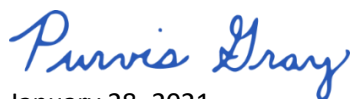
**Compliance and Other Matters**

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

The District's response to the findings identified in our audit is described in the accompanying management's response and schedule of findings and questioned costs. Management's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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



January 28, 2021  
Ocala, Florida

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

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

**Report on Compliance for the Major Federal Program**

We have audited the Hernando County District School Board's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2020. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the District's compliance.

**Opinion on the Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

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Brooksville, Florida

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

**Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District’s internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**


We have audited the financial statements of the District as of and for the year ended June 30, 2020, and have issued our report thereon dated January 28, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and



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

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

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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



January 28, 2021  
Ocala, Florida

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

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

**Financial Statements**

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

Internal control over financial reporting:

Material weakness(es) identified? Yes

Significant deficiency(ies) identified? Yes

Non-compliance material to financial statements noted? No

**Federal Awards**

Internal control over the major Federal program:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

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

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

Identification of the major Federal program:

CFDA Numbers: 84.010	Name of Federal Program or Cluster: Title I Grants to Local Educational Agencies
-------------------------	--

Dollar threshold used to distinguish between type A and type B programs: \$770,760

Auditee qualified as low risk auditee? Yes

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

**SECTION II - FINANCIAL STATEMENT FINDINGS**

The following material weakness in internal control over financial reporting was noted as follows:

**2019-1 Software Implementation Issues (Updated for 2020)**

The Hernando County District School Board (the District) implemented new financial reporting software during the prior fiscal year, which created transitional difficulties with how the software was setup. Certain aspects of the software setup was not properly designed and the District’s Finance Department needed to obtain additional assistance from the software provider to correct problems with the initial setup of the software.

In response to the system set up limitations and issues, finance management had to find ways to override the software system and implement extensive manual reconciliation processes that were difficult to resolve and required several material audit adjustments in the following area:

■ Capital Assets

The difficulties associated with implementation of financial reporting software are common to entities as employees learn the new system. We recommend the District continue to work with the software vendor to provide timely software training to employees to assist with understanding the reporting capabilities associated with the software and to ensure timely financial reporting.

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

No matters are reported.

**HERNANDO COUNTY SCHOOL BOARD PRIOR AUDIT FOLLOW-UP**

The District partially corrected the financial statement finding included in the prior financial audit report.

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

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

## INDEPENDENT ACCOUNTANT'S REPORT

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


We have examined the Hernando County District School Board's (the District) compliance with the requirements of Section 218.415, Florida Statutes, with regards to the District's investments during the year ended June 30, 2020. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, 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.

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements during the fiscal year ended June 30, 2020.

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



January 28, 2021  
Ocala, Florida

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## MANAGEMENT LETTER

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

### Report on the Financial Statements

We have audited the financial statements of the Hernando County District School Board (the District) as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated January 28, 2021. Our report includes a reference to other auditors. Other auditors audited the financial statements of the aggregate discretely presented component units, as described in our report on the District's financial statements. This letter does not include the results of the other auditors, and such information related to those audits is reported on separately by those auditors.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance, Schedule of Findings and Questioned Costs, and our Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants 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 January 28, 2021, 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 our preceding annual financial audit report for the fiscal year-end June 30, 2019. Partial corrective actions have been taken to address findings and recommendations made in our preceding annual financial audit report. See Question Costs and Findings Report comment 2017-1.

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## MANAGEMENT LETTER

### Financial Condition and Management

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

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

Section 10.554(1)(i)2, *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, there are no management letter comments.

### Additional Matters

Section 10.554(1)(4i)3, *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### Purpose of this Letter

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



January 28, 2021  
Ocala, Florida

## MANAGEMENT LETTER COMMENTS

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

During the course of the 2020 audit, the following items came to your attention. These items involve primarily operational matters, if improved, will result in more efficient and effective operations.

### Current Year Comments

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

An inventory observation was completed during fieldwork for the Warehouse department. Several differences between the system inventory reports and amounts on hand were noted during the inventory recount process. Per discussion with the Hernando County District School Board (the District), it was noted that there were several newer staff members and potential training issues that resulted in discrepancies between the system and amounts on hand. We also compared individual recount sheets and final system report for the fiscal year-end (June 30, 2020) to ensure that the amounts reported on the financial statements were properly supported.

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

#### **2020-02 Bank Account Reconciliations**

While reviewing the Suncoast Technical Education Center (the Center) bank account reconciliation, it was determined that during the year, the transactions that occurred within the account, including the deposits made and checks written, were not recorded in the District's general ledger by the Center's management. As a result, the District management had to analyze the yearly transactions and record a journal entry to record the missing transactions and bring the reconciled bank account up to date.

We recommend that the Center's bank account transactions be recorded in the District's general ledger on a timelier basis to ensure all information is up to date for better transparency and financial accountability regarding the operations of the Center.

At this time, we would like to thank the management and Superintendent of the District for the professionalism and courteous assistance provided throughout the audit process.



January 28, 2021  
Ocala, Florida

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**HERNANDO  
SCHOOL DISTRICT**

Learn it. Love it. Live it.

January 28, 2021

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

Re: Hernando County District School Board Preliminary and Tentative Audit Findings for the Fiscal Year Ended June 30, 2020

Dear Ms. Painter,

In response to your recent letter regarding the Comprehensive Annual Financial Report for the Hernando County District School Board fiscal year end June 30, 2020, you will find the status of the corrective actions taken as seen below to the audit findings and the supporting documentation to ensure compliance with the laws and regulations that were cited by the auditors.

**Audit Finding 2019-01: Software Implementation Issues (Updated for 2020) Capital Assets**

Management will continue to work with the new financial reporting software to ensure all assets are properly recorded and reconciled. Internal control procedures will be reviewed with all staff to identify procedural difficulties and devise strategies/changes needed to improve controls.

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

Management will review and update inventory procedures to clearly define the responsibilities for managing inventory levels. Inventories will be performed on a quarterly basis or at other intervals as determined by management. Once the physical inventory count is completed, management will conduct a reconciliation process. When differences have been identified and explained, the inventory is considered reconciled. Once the inventory is reconciled, management will certify the reconciliation and provide a copy of this report to Director of Facilities & Construction. If the certification cannot be made, management will report this fact to the Director of Facilities & Construction to determine the appropriate course of action.

**Audit Comment 2020-02: Bank Account Reconciliations**

District staff will review bank account procedures with the technical center bookkeeper on recording and reconciling all financial transactions in the current financial reporting software. The bookkeeper will submit monthly bank reconciliations to the Finance Department to ensure all financial transactions are properly recorded and reconciled on a timely basis.

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

Sincerely,

Joyce McIntyre

Cc: John Stratton, Superintendent  
Heather Martin, Assistant Superintendent of Business & Support Operations  
Gina Michalicka, Assistant Superintendent of Teaching & Learning  
Lisa Becker, Executive Director of Business Services



**AFFIDAVIT**

BEFORE ME, the undersigned authority, personally appeared Joyce McIntyre, Director of Finance & Purchasing, who being duly sworn, deposes and says on oath that:

1. I am the Director of Finance & Purchasing of the District School Board of Hernando County which is a district school board of the State of Florida;
2. The Board of County Commissioners adopted Ordinance No. 2019-6 filed on December 18, 2019 implementing an impact fee; and
3. The District School Board of Hernando County has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Joyce McIntyre  
Director of Finance & Purchasing

STATE OF FLORIDA  
COUNTY OF Hernando

SWORN TO AND SUBSCRIBED before me this 3rd day of November 2020

Kendra Y. Sittig  
NOTARY PUBLIC

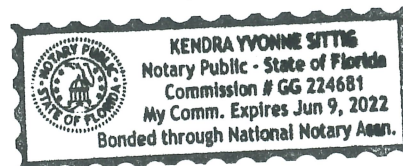
Print Name Kendra Y. Sittig

Personally known  or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires:

06/09/2022





**HERNANDO**  
SCHOOL DISTRICT

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