



*Comprehensive Annual
Financial Report
Hernando County, Florida
for the Fiscal Year Ended September 30, 2020*

**HERNANDO COUNTY, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020**

PRINCIPAL OFFICIALS

as of September 30, 2020

BOARD OF COUNTY COMMISSIONERS

John Mitten, *Chairman* - District 1

John Allocco, *Vice Chairman*- District 3

Wayne Dukes - District 2

Jeff Holcomb - District 4

Steve Champion - District 5

TAX COLLECTOR

Sally L. Daniel, CFC

SHERIFF

Al Nienhuis

PROPERTY APPRAISER

John C. Emerson, CFA

SUPERVISOR OF ELECTIONS

Shirley Anderson

CLERK OF COURT AND COMPTROLLER

Doug Chorvat, Jr.

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

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INTRODUCTORY SECTION

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Doug Chorvat, Jr.

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

March 29, 2021

To the Citizens of Hernando County:

The Comprehensive Annual Financial Report of Hernando County, Florida, for the fiscal year ended September 30, 2020 is respectfully submitted. This report was prepared by the Clerk of Circuit Court and Comptroller, Department of Financial Services. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the Clerk of Circuit Court and Comptroller (Clerk and Comptroller) as Chief Financial Officer of Hernando County. To provide a reasonable basis in meeting this responsibility, a comprehensive internal control framework has been established that is designed both to protect the County's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The Management's Discussion and Analysis in the Financial Section of this report should be read in conjunction with this Letter of Transmittal.

Profile of the County

Hernando County, population 192,186, is located in the west central region of the State of Florida, allowing easy access to the Tampa and Orlando metropolitan areas. As part of the Tampa Bay Region, it is bound by the Gulf of Mexico on the west, Citrus County to the north, Sumter County to the east, and Pasco County to the south.

Hernando County, established in 1843, covers 473 square miles and is named in honor of Spanish explorer Hernando De Soto, who led an expedition through the county in 1539. Hernando County has one incorporated city: the City of Brooksville, the county seat, with a population of 8,983 is rich in history and traditions. Hernando County's unincorporated areas include Weeki Wachee, Ridge Manor, Bayport, Aripeka, Lake Lindsey, Istachatta/Nobleton, Masaryktown, Hernando Beach, and most notably, Spring Hill. Spring Hill located in the southwest part of the County, is the largest unincorporated Hernando County community.

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

Situated at the geographic center of the state with easy access to major highways like the Veterans/Suncoast Parkway, Interstate 75, State Road 50 and US Highway 41 make Hernando County a strategic business location. Hernando County is unique in the Tampa Bay area with its variety of industrial and manufacturing site options including a vibrant general aviation airport and

business complex, private land, and existing buildings with significant room for growth. Major industries include manufacturing, precision machining, distribution and healthcare. Growing retail trade and a wide selection of professional services enables Hernando County to offer significant choices for its residents.

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

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

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

Factors Affecting Financial and Economic Conditions

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

- The population of the County is currently approximately 192,186 which is an increase of 16% over what it was 10 years ago. The County's population is projected to be almost 219,000 by 2030 and over 237,000 by 2040.
- As part of the Tampa Bay region, Hernando County enjoys being a part of the largest consumer market in Florida.
- Industrial business expansions and new development were welcomed in a number of sectors. The County assisted four new targeted industry businesses with relocation or expansion (PQ Pharmacy, Jaxley Design, Kimco Supply and RJM Solutions) resulting in 25 new jobs and 30,000 square feet of new or absorbed industrial space at the Brooksville Technology Center. Additionally, new construction and facility development continued in one of the County's major hospitals.

- The Building Department is averaging 64 permits per day, including 924 single family home permits and 41 commercial permits.
- Both residential and commercial development remain steady. The inventory of lots in existing developed subdivisions continues to decrease and new phases are being developed. Commercial development continues to be steady along SR 50 in Spring Hill, a major shopping corridor in the County. In addition, a significant number of large mixed-use developments previously approved by the County have retained the approved vested rights and are expected to be of interest to developers as the economy continues to improve.

Long Term Financial Planning. The County prepares a 5-year Capital Improvement Plan which is adopted by the Board with the annual budget approval. It identifies all public capital facilities, public infrastructure and equipment, with a value over \$50,000 and a useful life over 10 years. The plan identifies the funding source (taxes, grants, impact fees, etc) for each project.

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

- Hernando County's Veterans Services contracted with a provider to shuttle veterans to & from the James A. Haley Veterans Administration Medical Center in Tampa, providing services that had previously been suspended by the Veteran's Administration.
- Fitch Ratings reviewed and upgraded Hernando County's Water and Sewer Revenue Refunding Bonds, Series 2013A, to 'AA+' from 'AA', assessed a standalone credit profile of the system at 'AA+', and issued an 'Outlook' of Stable.
- The County's Solid Waste Department embarked on an effort to expand the life of the current landfill site. Due to increased efficiencies in the use of daily cover (dirt), increased compaction, and the removal of soil cover, close to six months of landfill capacity were gained.
- Since 2014, the Hernando County Sheriff's Office has maintained a revenue-generating agreement with the U.S. Marshals Service to house federal detainees in the County's detention facility. To date, that agreement along with other similar agreements, have helped generate over \$11.5 million in revenue for the County.
- The Property Appraiser's Office has an extensive interactive Geographic Information System (GIS). The GIS maps now have almost 500 layers which are maintained for various departments and agencies, and receives approximately 120,000 hits per month. The Property Appraiser's search feature is used over 270,000 times a month, allowing customers to search for property values, structure details, aerial maps and more.
- With assistance from the Federal government, three additional heavy duty vehicles, with a cost of \$1.3 million, were purchased for use in the County's public transportation system, commonly referred to as "TheBus".
- The Planning division completed a Master Plan for the Anderson Snow Park and updated the Future Land Use Map in the 2040 Plan.

- The County provided almost \$3 million towards the County's share of the State Medicaid Program, over \$500 thousand for community mental health and substance abuse services, and provided the State-run County Health Department with over \$800 thousand for environmental health, communicable disease, and primary care services.
- Along with many other services Mosquito Control provides the County, the department collected 12 1/2 tons of abandoned waste tires, a breeding environment for mosquitoes.
- In response to COVID-19, during the period of March 2020 through the end of the calendar year, the County's Emergency Management Department distributed personal protective equipment to local hospitals, first responders, and long-term care facilities. This included 160,000 masks/shields, 70,000 gloves, 27,000 ounces of hand sanitizer, and over 26,000 other items such as gowns, caps, etc.
- As a result of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, during the calendar year 2020, the County issued more than \$1.8 million in grant funds to nearly 900 Hernando County Small businesses.
- The County installed sidewalks on Deltona Blvd., in front of Explorer K8, JD Floyd Elementary, and Sunshine Grove at Jacqueline.
- Taxiway A at the County Airport was reconstructed along with associated connector taxiways, construction of a new taxiway (A-5) and other improvements. The total project cost was \$5.4 million, funded with FAA, FDOT, and Airport dollars.

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Hernando County for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019.

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

A Certificate of Achievement is valid for a period of one year only. Hernando County has received a Certificate of Achievement for the last 35 consecutive years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

Acknowledgments

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

We would like to express our appreciation and thanks to Frances Pioszak, Assistant Director of Financial Services, the County Administration and Budget Offices, and the firm of MSL CPAs and Advisors, who helped us with their comments and advice throughout the year. We would also like to thank Frank Gillis for providing the beautiful photographs we've been using on the covers of these reports.

Respectfully submitted,



Doug Chorvat, Jr.
Clerk of Circuit Court and Comptroller



Amy Gillis, CPA, CGFO, CGMA
Director of Financial Services

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Hernando County, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2109. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. Hernando County has received a Certificate of Achievement for the last thirty-five consecutive years.

We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Hernando
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

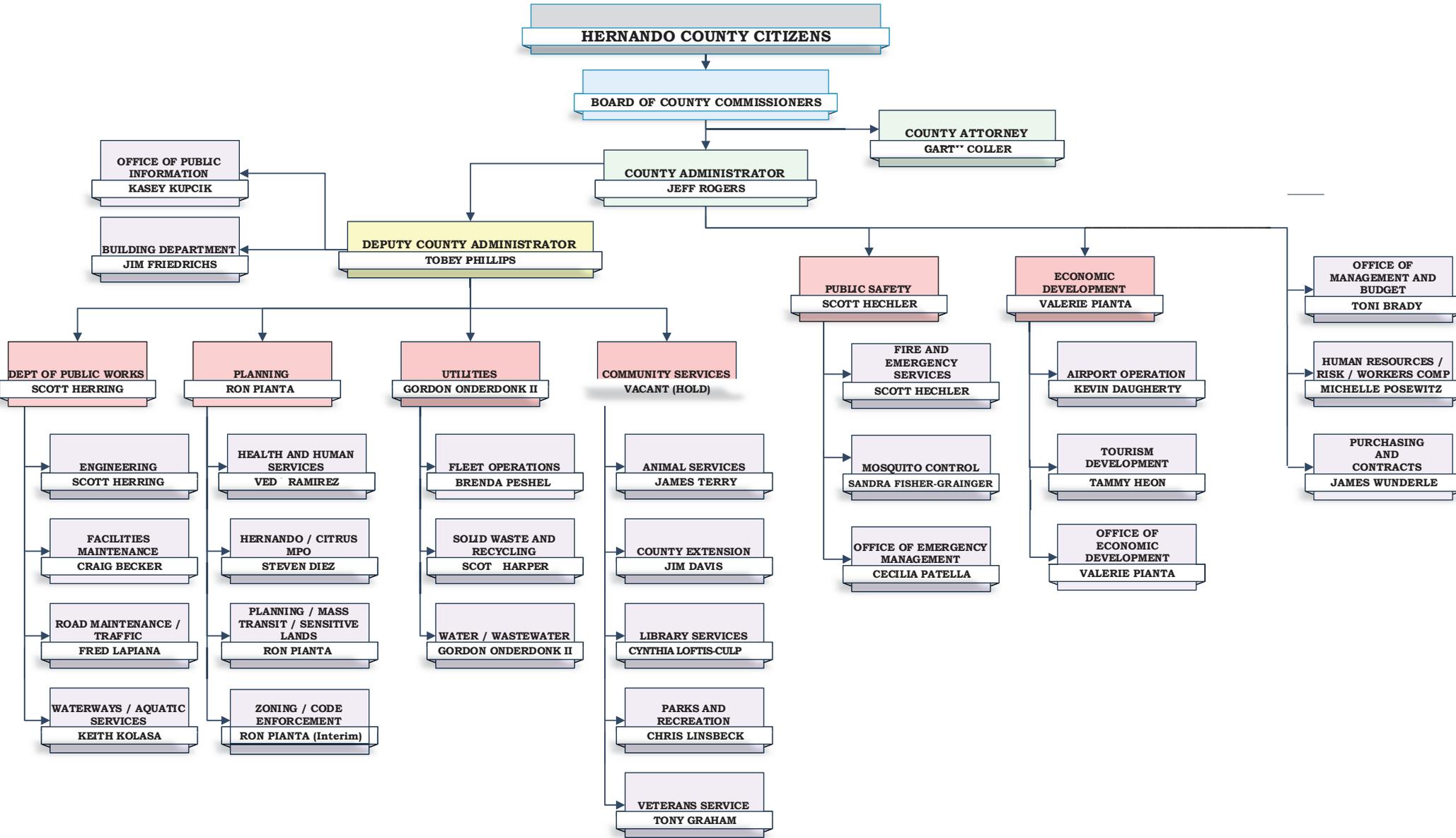
September 30, 2019

Christopher P. Morill

Executive Director/CEO

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Hernando County Board of County Commissioners Organization



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FINANCIAL SECTION

This section contains the following:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Notes to the Financial Statements

Required Supplementary Information

Combining and Individual Fund Statements and Schedules

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INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Hernando County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of governmental activities, the business-type activities, each major fund, budgetary comparison, and the aggregate remaining fund information of Hernando County, Florida (the "County") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County'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 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 of 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 County'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 the County'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 is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the County as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund and each major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT *(Continued)*

Emphasis-of-Matter – Change in Accounting Principle

As discussed in Note R to the financial statements, in the year ended September 30, 2020, the County made an adjustment to eliminate the accumulated impact of the Internal Service Funds look-back adjustment, which required the restatement of the October 1, 2019 net position in the governmental and business-type activities. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and other required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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 County's basic financial statements as a whole. The introductory section, combining and individual non-major fund financial statements and schedules statistical section, bond compliance section, affidavit, and schedule of receipt and expenditures of funds related to the Deepwater Horizon oil spill lawsuit proceeds, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements and schedules and the schedule of receipt and expenditures of funds related to the Deepwater Horizon oil spill lawsuit proceeds are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of receipt and expenditures of funds related to the Deepwater Horizon oil spill lawsuit proceeds are fairly stated, in all material respects, in relation to the financial statements as a whole. The introductory section, statistical section, bond compliance section and affidavit 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.

Honorable Board of County Commissioners
Hernando County, Florida

INDEPENDENT AUDITOR'S REPORT *(Concluded)*

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 29, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Hernando County's financial statements provides an overview of the financial activity of the County for the fiscal year ended September 30, 2020. We encourage reading this narrative in conjunction with the Transmittal Letter in the Introductory Section.

FINANCIAL HIGHLIGHTS

At the close of the most recent fiscal year, September 30, 2020, the County's assets and deferred outflows exceeded its liabilities and deferred inflows by \$604,051,382. This represents an increase of \$43,451,237 over the prior year net position. Of the \$604,051,382 difference between assets and liabilities, \$58,073,191 was unrestricted deficit.

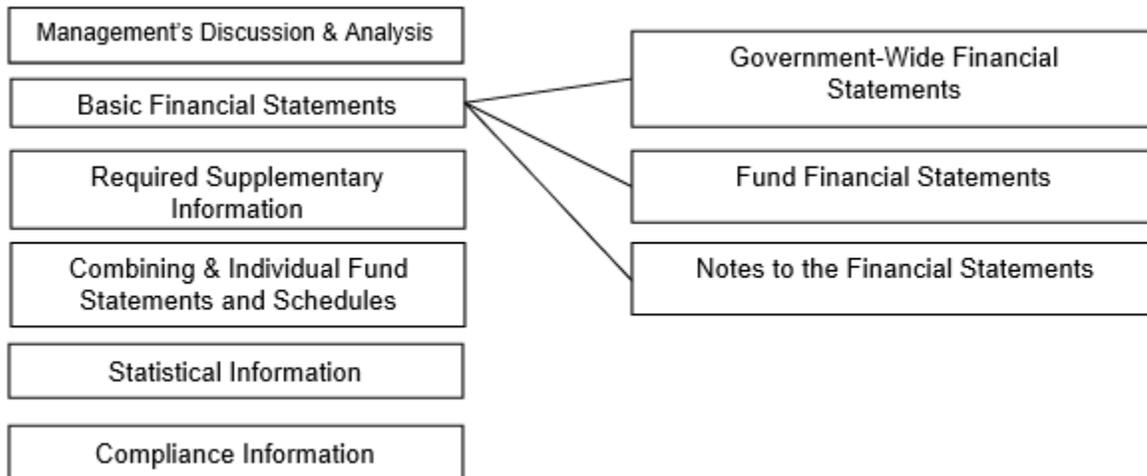
Net position of governmental activities increased \$30,498,881 over prior year adjusted net position. Net position of business-type activities increased \$12,952,356 over prior year adjusted net position. Accordingly, net position of both the governmental activities and business-type activities increased a total of \$43,451,237.

As of September 30, 2020, unassigned fund balance in the governmental funds was \$48,035,305, representing a 414% increase from the previous year unassigned fund balance of \$9,346,191. The net change in fund balances in the governmental funds increased from \$13,679,350 for the fiscal year 2018-19 to \$47,452,106 for the fiscal year 2019-20. General Fund had a decrease in fund balance of \$627,243 for fiscal year 2018-19 compared to an increase of \$36,592,361 in the current year. There was an increase in the fund balance of Transportation Trust and Gas Taxes fund of \$3,005,144 compared to an increase of \$970,874 in the prior year. There was an increase in the fund balance of Hernando County Fire Rescue-Fire of \$3,346,173 compared to an increase of \$5,032,031 in the prior year. There was an increase in fund balance of Impact Fees of \$233,960 compared to an increase of \$3,022,996 in the prior year. There was also an increase in fund balance \$4,274,468 for Nonmajor Governmental Funds compared to the increase of \$5,280,692 in the prior year.

The County's largest enterprise fund, the Water & Sewer District, had an increase in net position of \$10,039,061 for the year which is materially consistent with prior years. Waste Management had a decrease in net position of \$1,827,754 for the year compared to an increase of \$1,830,579 in the prior year. Aviation Operations had an increase in net position of \$4,972,429 for the year compared to an increase of \$1,519,939 in the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

Because the focus of governmental fund financial statements is based on accounting for resources on a more current basis, it is useful to compare with information presented for governmental activities which focus more on long-term resource accounting. Reconciliations of fund balance in governmental funds and changes in fund balance to net position and changes in net position of governmental activities are provided with the governmental fund financial statements.

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

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

Notes to the Financial Statements

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

ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

Hernando County's Net position

	Governmental Activities		Business-type Activities		Totals	
	2019	2020	2019	2020	2019	2020
Current and other assets	\$ 146,305,796	\$ 203,202,887	\$ 111,416,770	\$ 116,748,183	\$ 257,722,566	\$ 319,951,070
Capital assets	334,687,011	338,193,302	257,151,444	263,798,237	591,838,455	601,991,539
Other long term assets	-	-	37,284	34,416	37,284	34,416
Total Assets	<u>480,992,807</u>	<u>541,396,189</u>	<u>368,605,498</u>	<u>380,580,836</u>	<u>849,598,305</u>	<u>921,977,025</u>
Deferred Outflows of Resources	<u>54,001,902</u>	<u>58,729,703</u>	<u>4,765,682</u>	<u>5,122,081</u>	<u>58,767,584</u>	<u>63,851,784</u>
Non-Current liabilities	204,380,653	241,377,417	101,127,749	103,078,626	305,508,402	344,456,043
Other liabilities	15,521,048	18,795,248	8,743,658	9,064,609	24,264,706	27,859,857
Total liabilities	<u>219,901,701</u>	<u>260,172,665</u>	<u>109,871,407</u>	<u>112,143,235</u>	<u>329,773,108</u>	<u>372,315,900</u>
Deferred Inflows of Resources	<u>16,119,256</u>	<u>8,466,358</u>	<u>1,873,380</u>	<u>995,169</u>	<u>17,992,636</u>	<u>9,461,527</u>
Net position:						
Net investment in capital assets	306,203,109	331,520,270	178,094,547	188,883,182	484,297,656	520,403,452
Restricted	78,821,059	90,384,507	40,140,425	51,336,614	118,961,484	141,721,121
Unrestricted	(86,050,416)	(90,417,908)	43,391,421	32,344,717	(42,658,995)	(58,073,191)
Total Net Position	<u>\$ 298,973,752</u>	<u>\$ 331,486,869</u>	<u>\$ 261,626,393</u>	<u>\$ 272,564,513</u>	<u>\$ 560,600,145</u>	<u>\$ 604,051,382</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Hernando County, net position was \$604,051,382 at the close of the most recent fiscal year. This represents an increase of \$43,451,237 or 8% from the prior year.

The largest portion of Hernando County's net position (86%) reflects its investment in capital assets (e.g., land, infrastructure, buildings, improvements, construction in progress, intangible assets and equipment), less any accumulated depreciation and related debt used to acquire those assets that is still outstanding. Hernando County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Hernando County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (23%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the County's net position, a negative 9% is unrestricted.

Hernanado County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Revenues						
Program revenues:						
Charges for services	\$ 80,243,826	\$ 81,967,727	\$ 49,675,256	\$ 53,888,229	\$ 129,919,082	\$ 135,855,956
Operating Grants and Contributions	6,393,259	32,961,843	1,520,531	842,404	7,913,790	33,804,247
Capital Grants and Contributions	4,545,924	7,952,343	7,869,610	8,533,494	12,415,534	16,485,837
General revenues:						
Property taxes	72,134,343	86,533,608	-	-	72,134,343	86,533,608
Other taxes	27,167,628	26,699,828	-	-	27,167,628	26,699,828
Investment earnings	5,190,100	4,126,211	3,513,679	2,610,281	8,703,779	6,736,492
Other	1,613,110	4,639,806	824,482	723,651	2,437,592	5,363,457
Total revenues	<u>197,288,190</u>	<u>244,881,366</u>	<u>63,403,558</u>	<u>66,598,059</u>	<u>260,691,748</u>	<u>311,479,425</u>
Expenses						
General government	30,156,075	30,575,933	-	-	30,156,075	30,575,933
Public safety	112,625,098	120,002,687	-	-	112,625,098	120,002,687
Physical environment	6,395,138	8,127,911	-	-	6,395,138	8,127,911
Transportation	26,165,733	27,505,757	-	-	26,165,733	27,505,757
Economic environment	2,565,287	4,808,477	-	-	2,565,287	4,808,477
Human services	8,311,516	8,444,261	-	-	8,311,516	8,444,261
Culture and recreation	6,845,460	6,417,764	-	-	6,845,460	6,417,764
Court operations	7,664,148	7,525,240	-	-	7,664,148	7,525,240
Interest on long-term debt	1,225,420	1,093,668	-	-	1,225,420	1,093,668
Water and sewer	-	-	32,681,379	34,129,388	32,681,379	34,129,388
Aviation operations	-	-	2,694,530	3,028,226	2,694,530	3,028,226
Waste management	-	-	8,957,136	12,227,345	8,957,136	12,227,345
Building department	-	-	3,540,219	4,141,531	3,540,219	4,141,531
Total expenses	<u>201,953,875</u>	<u>214,501,698</u>	<u>47,873,264</u>	<u>53,526,490</u>	<u>249,827,139</u>	<u>268,028,188</u>
Change in net position before transfers	(4,665,685)	30,379,668	15,530,294	13,071,569	10,864,609	43,451,237
Transfers	145,293	119,213	(145,293)	(119,213)	-	-
Change in net position	(4,520,392)	30,498,881	15,385,001	12,952,356	10,864,609	43,451,237
Net position - beginning of year	303,494,144	298,973,752	246,241,392	261,626,393	549,735,536	560,600,145
Adjustment to beginning net position-See Note R	-	2,014,236	-	(2,014,236)	-	-
Net position - end of year	<u>\$ 298,973,752</u>	<u>\$ 331,486,869</u>	<u>\$ 261,626,393</u>	<u>\$ 272,564,513</u>	<u>\$ 560,600,145</u>	<u>\$ 604,051,382</u>

Governmental Activities

Net position of the governmental activities increased \$30,498,881 or 10% from prior year adjusted net position balance. Program revenues in the amount of \$122,881,913 were used to offset program expenses of \$214,501,698 resulting in a net program loss of \$91,619,785. General revenues and transfers totaling \$122,118,666 offset the difference in those program expenses and resulted in a total net increase of \$30,498,881.

Program revenues increased 35% from prior year. Charges for services increased 2% from the prior year. There were no individually significant variances.

Operating grants and contributions increased \$27 million from prior year. This is mainly due to \$26 million in grants received for the Coronavirus Aid, Relief, and Economic Security (CARES) Act. CARES Act funding was provided by the Federal government to aid with response and recovery from the COVID-19 pandemic.

Capital grants and contributions increased \$3 million compared to prior year. This is due to the donation of roads and related infrastructure from developments in Hernando County of approximately \$2 million. The remaining balance is from grants for County roads.

Property taxes increased \$14 million or 20% due to an 8.6% increase in the taxable value of property in the County. Certified taxes levied by the Tax Collector increased 12% from prior year.

Investment earnings decreased \$1 million compared to the prior year. This is mainly due to a lower positive unrealized change in fair value at year end compared to the prior year. The change in fair value is based upon market conditions at the end of the fiscal year. Actual interest earned was also slightly lower than the prior year.

Miscellaneous revenue increased \$4 million in the current year due to proceeds from the sale of various properties held by the County.

Program expenses increased 6% over the prior year. The most significant changes were increases in Public Safety, Physical Environment and Economic Environment expenses.

Public Safety expenses increased 7% due to a variety of factors. There was an increase in retirement costs due to an increase in the net pension liability and compensated absences liability at year end. Hernando County Fire department incurred additional costs for safety gear and the maintenance of building and equipment. There was also an increase in personnel-related costs, including retirement, for law enforcement.

Physical Environment expenses increased \$2 million or 27% due to implementation of a new residential solid waste collection process using a municipal service benefit unit. Funds are collected by the County, an amount is retained by the County to cover fees and costs, and the remainder is remitted to the company providing trash collection services.

Economic Environment expenses increased \$2 million or 87% due to a program created to aid private organizations in the County that were experiencing a loss of income due to the COVID-19 pandemic. The CARES Act funding was used to finance this program.

Business-Type Activities

Net position of the business-type activities increased \$12,952,356 or 5% over prior year net position balance. Program revenues in the amount of \$63,264,127 were used to offset program expenses of \$53,526,490, resulting in net program income of \$9,737,637. General revenues of \$3,333,932 less transfers in the amount of \$119,213 resulted in a total net increase of \$12,952,356.

Water and Sewer charges for services increased \$3 million or 8%. This is associated with the second year of rate increases as part of a five-year rate plan. Water and Sewer expenses increased due to a variety of items including the demolition of an obsolete wastewater treatment plant and expenses related to new master plan studies, a rate sufficiency study, and a feasibility study. Interest expense decreased 17% compared to prior year due the payoff of its bond debt in fiscal year 2018-19. Last year \$553,000 was incurred for discontinued operations. There were no discontinued operations in 2019-20.

Aviation Operations received a \$4 million increase in grant funding for airport improvements compared to prior year. Expenses did not vary significantly from prior year.

Charges for services also increased for Waste Management by \$740,000 or 9%. This was attributed to an increase in an increase in commercial business. Other service and charges increased 55% mainly due to the annual adjustment for long term care and closure costs. Estimated costs are recalculated annually and will fluctuate from year to year. Operating grants funding decreased \$800,000 compared to prior year.

The Building Department experienced an increase of \$440,000 or 49.9% in expenditures due to remodeling and building repairs, the addition of video inspections, and an increase in Fleet vehicle costs.

Interest income decreased 25% compared to prior year due to a lower positive change in fair value of investments at year end compared to prior year and lower interest rates during 2019-20.

ANALYSIS OF THE FUND FINANCIAL STATEMENTS

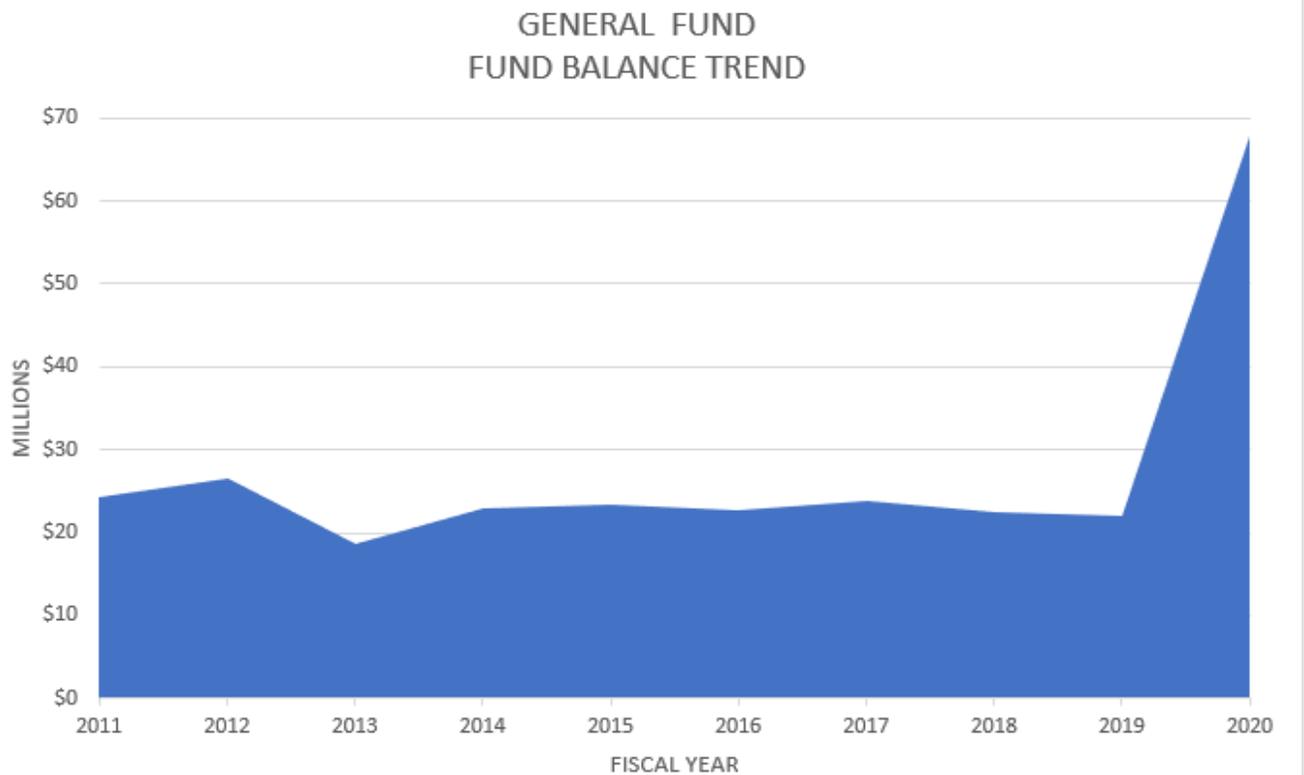
As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Following is a discussion of the financial statements on a fund accounting level.

Governmental Funds

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

As of the end of the current fiscal year, Hernando County governmental funds reported fund balances of \$155,430,409, an increase of \$47,452,106 or 44% from prior year balances. Of the \$155,430,409 fund balance in governmental funds, \$48,035,305 constitutes unassigned fund balance, which is available for spending at the County's discretion and \$1,596,743 which is non-spendable. The remainder of fund balance available for spending consists of the following: \$83,172,827 in 'Restricted Fund Balance' which is restricted by law or externally imposed requirements; \$8,875,294 in 'Committed Fund Balance' which is committed for a specific purpose by the Board; and \$13,750,240 in 'Assigned Fund Balance' which is assigned for a specific purpose by the Board without formal approval. See Note A, Governmental Fund Balance Classifications, for more information.

Governmental funds are comprised of the General Fund, Special Revenue Funds, Debt Service Funds and a Capital Project Fund. The General Fund is the chief operating fund of the County. As of the end of the fiscal year, total fund balance for the General Fund was \$58,570,998. Following is a chart of the fund balance trend over the past ten years for the General Fund.



In the **General Fund**, the fund balance increased \$36,592,361 or 166% from prior year. General Fund revenues increased 47% and expenditures increased 7% from prior year. Revenue from taxes increased \$13 million from the prior year due to an increase in the taxable value of property. Intergovernmental revenue increased \$27 million mainly due to \$25 million received in CARES Act funding to aid with response and recovery from the COVID-19 pandemic in 2019-20. Miscellaneous revenues increased \$4 million due to the sale of land and a building owned by the County.

Public Safety expenditures increased 7%. This is mainly due to additional personnel costs, including retirement costs, for law enforcement.

Economic Environment expenditures increased \$2 million or 429% due to a small business grant program implemented to help businesses with loss of income due to the pandemic. The funding for the program was from the CARES Act.

Capital outlay increased compared to prior year due to expenditures for the Bayport Pier project, as well as various vehicles and patrol vehicles.

The fund balance of **Transportation Trust Fund** increased \$3,005,144 or 10% from prior year. Intergovernmental Revenue increased \$600,000 due to an increase in grant funding for transportation projects. Expenditures decreased 9% from prior year due to a decline in capital projects. There were construction limitations due to the pandemic.

In the **Impact Fee Fund**, the fund balance increased \$233,960 million, or 2%. Impact fee revenue increased 3% from prior year. Capital expenditures increased \$3 million or 779%. Expenditures for capital outlay offset \$3 in revenue received in fiscal year 2019-20.

The **Hernando County Fire Rescue-Fire** fund balance increased \$3 million, or 44%. Special assessment revenue for fire protection services was consistent with prior year. Expenses increased 7% due to an increase in safety gear, building and equipment repairs, and retirement costs.

Proprietary Funds

The **Water and Sewer District** experienced an increase in net position of \$10,039,061 compared to prior year's increase of \$12,185,655. Operating revenues of \$39,334,659 less operating expenses of \$32,443,926 resulted in operating income of \$6,890,733. Non-operating Revenues (Expenses) has a positive change of \$613,000 mainly due to a discontinued project in the prior fiscal year not occurring in 2019-20. Interest expense is lower compared to prior year due to a bond paid off in 2018-19.

Aviation Operations experienced an increase in net position of \$4,972,429. Operating revenues of \$2,227,430 less operating expenses of \$2,983,989 resulted in an operating loss of \$756,559. Operating revenue increased 8% from increases in the number of rentals and rental rates for fiscal year 2019-20. Also \$6 million was received for capital grants for airport improvements.

The **Waste Management** fund had a decrease in net position of \$1,827,754 compared to the prior year's increase of \$1,830,579. Charges for services increased 9% due to an increase in commercial customers. Expenses increased mainly as a result of the increase in long term care closure and postclosure costs of \$3 million. Estimated costs are recalculated annually based upon the most recent cost information available.

Building Department experienced a decrease in net position of \$231,380 compared to prior year's increase of \$324,132. Operating Revenues increased 2% from the prior year due to an increase in services charged. Expenses increased due to additional health insurance and retirement costs for fiscal year 2019-20.

BUDGETARY HIGHLIGHTS -- GENERAL FUND

Budget and actual comparison statements are provided in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual for the General Fund and all major special revenue funds with annually appropriated budgets. See page 49 of this report for the financial statement discussed below. This statement shows the original budget, final budget, actual amounts, and the variances between actual and final budgeted amounts. Budget amendments are approved throughout the year. Budgets are revised for a variety of reasons, such as new grant awards, unanticipated revenue sources, new bond or loan proceeds, unforeseen expenditures, etc. Below are a variety of explanations of the notable variances between the original and final budget, and the final budget and actual amounts in the General Fund:

- Original budgeted Intergovernmental revenue increased from the final budget by \$11.9 million or 54%. This was due to additional unanticipated grant revenue mostly from the CARES Act allocation awarded mid-year for response and recovery to the COVID-19 pandemic.
- Budgeted Transportation expenditures increased from the original budget to the final budget by \$1 million due to an unanticipated Federal Transit Administration grant awarded from the CARES Act appropriation for transit operations.
- Original budgeted Economic Environment expenditures increased from the final budget by approximately \$9 million due to unanticipated grants awarded through the CARES Act appropriation for eligible expenditures.
- The Capital Outlay final budget increased from the original budget due to additional funds for vehicle purchases for law enforcement and the County recognizing grant funding from Federal Transit Administration grants for transit system purchases.
- Actual Intergovernmental revenue received was greater than the final budget since not all of the CARES Act grant allocations were budgeted due to the uncertainties of the timing on when the funds would be received and eligible activity incurred.
- Interest income was \$1 million higher than budgeted due to an unrealized positive change in fair value of investments at year end. The value at year end is based upon market conditions at that time.
- Miscellaneous revenue was greater than the final budget due to the sales of land and property owned by the County, including the Pinebrook Facility.

- General Government expenditures decreased \$2.3 million due to the County increasing its focus on cost saving efforts. Costs were down in several areas, including multiple County departments and Constitutional Offices.
- Actual personnel costs for Zoning, Emergency Management, and Code Enforcement were less than budgeted. Additionally, medical costs for the Jail were less than anticipated. For grants that span multiple fiscal years, the County budgets the full amount in year one of award and remaining funding is carried forwarded to the next fiscal year. Therefore grant expenditures may be less than budgeted.
- Actual Transportation expenditures were about 35% less than budgeted as the eligible activities and purchases from the unanticipated CARES Act Federal Transit Administration grant awards were not completed by fiscal year end. This is a multi-year grant that will carry forward to 2020-21.
- Actual expenditures for Economic Environment were \$8 million less than budgeted. Upon award of the County's CARES Act allocation, the full amount of Phase 1 funding was budgeted in Economic Environment at the time of acceptance. Actual expenditures, however, may have been expensed to other functions based on the determination of eligible expenditures/activities in accordance with program requirements.
- Culture and Recreation expenditures were 15% less than budgeted due to a decline in personnel costs and maintenance costs for the Parks & Recreation and Library Departments. Additionally, Library State Aid grants are budgeted based upon remaining amounts and were not fully expended by fiscal year end.
- Capital Outlay expenditures were less than anticipated due to some vehicle and equipment purchases budgeted in 2019-20 for transit operations that did not occur. Additionally, some improvements and building construction for Facilities and Parks & Recreation were delayed.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Hernando County's investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounts to \$601,991,539 net of accumulated depreciation. This investment in capital assets includes land, buildings, infrastructure, improvements other than buildings, equipment, construction in progress and intangible assets. The total increase in Hernando County's investment in capital assets from the prior year was 1.7% which is comprised of a 1% increase for governmental activities and a 2.6% increase for business-type activities.

Following is a schedule of the County's capital assets, net of accumulated depreciation, as of September 30, 2019 and 2020:

	Governmental Activities		Business-Type Activities		Totals	
	2019	2020	2019	2020	2019	2020
Land	\$ 31,208,465	\$ 30,377,736	\$ 10,326,775	\$ 10,326,775	\$ 41,535,240	\$ 40,704,511
Buildings	77,632,994	72,705,718	17,114,968	16,404,275	94,747,962	89,109,993
Infrastructure	187,749,370	191,681,824	2,614,917	2,530,215	190,364,287	194,212,039
Improvements other than Buildings	9,771,544	9,224,713	205,033,373	216,525,451	214,804,917	225,750,164
Equipment	26,503,456	30,081,648	3,852,468	3,558,143	30,355,924	33,639,791
Construction in Progress	1,816,669	3,608,258	18,208,943	14,236,471	20,025,612	17,844,729
Intangible Assets	4,513	513,405	-	216,907	4,513	730,312
Totals	\$ 334,687,011	\$ 338,193,302	\$ 257,151,444	\$ 263,798,237	\$ 591,838,455	\$ 601,991,539

Additional information on Hernando County's capital assets can be found in Note F to the basic financial statements. The increase in capital asset activity in Governmental Activities for 2020 is mainly due to additions to infrastructure and equipment. The increase of infrastructure was attributable to the paving of roads throughout the County. The increase in equipment was due to the purchase of several heavy operations vehicles, and fire and police vehicles. The increase in capital asset activity for Business-Type Activities is due to improvements to water and wastewater plants and force mains. Also construction in progress increased due to the reconstruction of Taxiway B at the Hernando County airport, as well as reclaimed water projects being performed by the Water and Sewer District.

Debt Administration

Loans and notes payable amounted to \$76,283,323 of which \$27,009,463 is for Governmental Activities and \$49,273,860 is for Business-Type Activities. Loans for business-type activities include \$48,251,471 of financing from the State Revolving Loan program for water & sewer improvement projects.

Hernando County had total bonded debt outstanding of \$28,473,421. All of these bonds represent bonds secured solely by specified non-ad valorem revenue sources (i.e., revenue bonds).

Following is the activity of combined governmental and business-type debt for the fiscal year ended September 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance
Loans & Notes Payable	\$ 79,328,299	\$ 4,607,653	\$ 7,652,629	\$ 76,283,323
Revenue bonds	30,221,816	-	1,748,395	28,473,421
	<u>\$ 109,550,115</u>	<u>\$ 4,607,653</u>	<u>\$ 9,401,024</u>	<u>\$ 104,756,744</u>

The County traditionally insured its bonded debt, and consequently, the County's bonds have historically maintained an insured rating of "Aaa" from Moody's and "AAA" from Standard & Poor's and Fitch. The County also obtained underlying ratings during the issuance of certain bonds.

Following are the County's underlying ratings on bonds outstanding as of September 30, 2020:

	<u>Moody's</u>	<u>Fitch</u>	<u>S&P</u>
Non-Ad Valorem Refunding Revenue Bonds, Series 2010	Aa3	NR	A+
Water and Sewer Refunding Revenue Bonds, Series 2013A	Aa3	AA+	AA-

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

Additional information on Hernando County's debt may be found in Note H to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

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

- Hernando County's population grew from 165,572 in 2010 to 192,186 in 2020, a 16% increase over a period of 10 years.
- Unemployment in Hernando County increased to 5.9% and the County's personal income per capita increased slightly to \$38,223 in 2019, the most recent year available.
- Total taxable property value has increased 18% over the last 10 years, but increased 43% over tax year 2013, which was the lowest taxable value in recent history. The 10 largest taxpayers accounted for 9% of the total taxable assessed value in 2020. The 10 largest taxpayers accounted for 13% of total taxable value 10 years ago.

Permanent households rose during the year to a total of 80,375, 14% more than 10 years ago. The building department issued 15,790 permits, 41 were new commercial construction permits.

For fiscal year 2019-20 budget, certified taxable property values increased 8.58% to \$9.980 billion. The General Fund millage rate was decreased from 7.8912 to 7.6412; however the County was able to achieve the goal of restoring the General Fund reserves to adopted policy levels for the first time since Fiscal Year 2017-18.

Although the increased tax revenues have helped to address the depleting reserve levels of the General Fund, there are current capital project and infrastructure needs that still remain unfunded. The most significant and pressing of these is additional space needs for Judicial and County staff. Funding for this and other longer-term projects will be discussed in the development of the 2021-22 budget and future year budgets as necessary.

The COVID-19 pandemic created economic disruptions throughout the country. The County remains alert to the possibility of declining revenues as a result of the pandemic and is continuing to monitor it closely.

TO OBTAIN FURTHER INFORMATION

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

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

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

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

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

Basic Financial Statements

HERNANDO COUNTY, FLORIDA
STATEMENT OF NET POSITION
September 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 17,719,656	\$ 224,708	\$ 17,944,364
Pooled Cash and Investments	150,630,482	106,794,557	257,425,039
Cash with Fiscal Agent	685,360	3,928,226	4,613,586
Accounts Receivable (net)	8,629,738	4,708,084	13,337,822
Internal Balances-Asset	(265,111)	265,111	-
Due from Other Governments	25,429,122	606,564	26,035,686
Inventories	16,186	192,294	208,480
Prepaid Items	357,454	28,639	386,093
Capital Assets, not being depreciated	33,985,994	24,563,246	58,549,240
Capital Assets, being depreciated, net	304,207,308	239,234,991	543,442,299
Prepaid Bond Insurance	-	34,416	34,416
Total Assets	\$ 541,396,189	\$ 380,580,836	\$ 921,977,025
Deferred Outflows of Resources	\$ 58,729,703	\$ 5,122,081	\$ 63,851,784
LIABILITIES			
Accounts Payable	10,086,601	2,317,641	12,404,242
Retainage Payable	240,314	-	240,314
Accrued Liabilities	4,879,134	1,210,728	6,089,862
Due to Other Governments	1,162,888	77,814	1,240,702
Unearned Revenue	2,168,756	590,932	2,759,688
Deposits	257,555	3,907,446	4,165,001
Payable from Restricted Assets:			
Accounts Payable	-	806,387	806,387
Retainage Payable	-	153,661	153,661
Non-Current Liabilities:			
Due Within One Year	17,476,168	5,630,682	23,106,850
Due in More Than One Year	223,901,249	86,188,187	310,089,436
Unearned Revenue	-	1,273,045	1,273,045
Accrued Landfill Closure/Postclosure	-	9,986,712	9,986,712
Total Liabilities	\$ 260,172,665	\$ 112,143,235	\$ 372,315,900
Deferred Inflows of Resources	\$ 8,466,358	\$ 995,169	\$ 9,461,527
NET POSITION			
Net Investment in Capital Assets	\$ 331,520,270	\$ 188,883,182	\$ 520,403,452
Restricted for:			
Grant Funded Programs	2,696,260	-	2,696,260
Court Programs	6,978,969	-	6,978,969
Special Assessment Projects	3,090,348	-	3,090,348
Environment Conservation	5,943,336	-	5,943,336
Bond Covenants or Debt Service	845,816	-	845,816
Public Safety	26,201,764	-	26,201,764
Capital Projects	39,705,563	44,440,431	84,145,994
Renewal and Replacement	-	6,896,183	6,896,183
Other Purposes	4,922,451	-	4,922,451
Unrestricted (Deficit)	(90,417,908)	32,344,717	(58,073,191)
Total Net Position	\$ 331,486,869	\$ 272,564,513	\$ 604,051,382

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

HERNANDO COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2020

Function/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 30,575,933	\$ 15,480,714	\$ 620,585	\$ 568,539	\$ (13,906,095)	\$ -	\$ (13,906,095)
Public Safety	120,002,687	47,217,454	24,451,774	506,901	(47,826,558)	-	(47,826,558)
Physical Environment	8,127,911	222,848	605,157	-	(7,299,906)	-	(7,299,906)
Transportation	27,505,757	13,509,763	3,311,734	6,339,066	(4,345,194)	-	(4,345,194)
Economic Environment	4,808,477	19,488	2,775,925	-	(2,013,064)	-	(2,013,064)
Human Services	8,444,261	215,129	34,497	17,920	(8,176,715)	-	(8,176,715)
Culture and Recreation	6,417,764	889,810	644,621	519,917	(4,363,416)	-	(4,363,416)
Court Operations	7,525,240	4,412,521	517,550	-	(2,595,169)	-	(2,595,169)
Interest on Long-term Debt	1,093,668	-	-	-	(1,093,668)	-	(1,093,668)
Total Governmental Activities	<u>214,501,698</u>	<u>81,967,727</u>	<u>32,961,843</u>	<u>7,952,343</u>	<u>(91,619,785)</u>	<u>-</u>	<u>(91,619,785)</u>
Business-type Activities:							
Water and Sewer District	34,129,388	38,932,682	394,680	2,975,679	-	8,173,653	8,173,653
Aviation Operations	3,028,226	2,120,385	41,033	5,557,815	-	4,691,007	4,691,007
Waste Management	12,227,345	9,031,844	406,691	-	-	(2,788,810)	(2,788,810)
Building Department	4,141,531	3,803,318	-	-	-	(338,213)	(338,213)
Total Business-type Activities	<u>53,526,490</u>	<u>53,888,229</u>	<u>842,404</u>	<u>8,533,494</u>	<u>-</u>	<u>9,737,637</u>	<u>9,737,637</u>
Total	<u>\$ 268,028,188</u>	<u>\$ 135,855,956</u>	<u>\$ 33,804,247</u>	<u>\$ 16,485,837</u>	<u>(91,619,785)</u>	<u>9,737,637</u>	<u>(81,882,148)</u>
General Revenues:							
Property Taxes					86,533,608	-	86,533,608
Fuel Taxes					8,328,357	-	8,328,357
Sales Tax					10,457,576	-	10,457,576
Other Taxes					2,597,172	-	2,597,172
State Shared Revenue - Unrestricted					5,316,723	-	5,316,723
Investment Earnings					4,126,211	2,610,281	6,736,492
Gain on Sale of Capital Assets					-	47,223	47,223
Miscellaneous					4,639,806	676,428	5,316,234
Transfers					119,213	(119,213)	-
Total General Revenues and Transfers					<u>122,118,666</u>	<u>3,214,719</u>	<u>125,333,385</u>
Change in Net Position					30,498,881	12,952,356	43,451,237
Net Position - Beginning, as Restated (See Note R)					300,987,988	259,612,157	560,600,145
Net Position - Ending					\$ 331,486,869	\$ 272,564,513	\$ 604,051,382

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

**HERNANDO COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2020**

	General Fund	Transportation Trust and Gas Taxes	Impact Fees Capital Project Fund
ASSETS			
Cash and Cash Equivalents	\$ 5,723,036	\$ 395	\$ -
Pooled Cash and Investments	37,870,245	32,487,986	15,862,951
Cash with Fiscal Agent	-	615,333	-
Accounts Receivable (net)	422,850	8,173	25,035
Due from Other Funds	508,091	94,456	-
Due from Other Governments	21,937,609	2,269,399	7,356
Advances to Other Funds	1,237,489	-	-
Inventories	-	-	-
Prepaid Items	231,210	32,438	-
Total Assets	<u>\$ 67,930,530</u>	<u>\$ 35,508,180</u>	<u>\$ 15,895,342</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 2,921,349	\$ 1,293,583	\$ 188,200
Retainage Payable	32,853	93,918	93,518
Accrued Liabilities	3,275,504	189,591	-
Due to Other Funds	969,559	76,350	-
Due to Other Governments	219,041	-	-
Unearned Revenue	739,171	1,560	1,416,986
Deposits	76,838	3,120	-
Advances from Other Funds	-	-	-
Total Liabilities	<u>8,234,315</u>	<u>1,658,122</u>	<u>1,698,704</u>
Deferred Inflows of Resources			
Unavailable Revenue	<u>1,125,217</u>	<u>817,586</u>	<u>-</u>
Fund Balances			
Nonspendable:			
Advances	1,237,489	-	-
Inventories	-	-	-
Prepaid Items	231,210	32,438	-
Restricted for:			
Grant Funded Programs	1,676,171	-	-
Court Programs	-	-	-
Special Assessment Projects	-	-	-
Environment Conservation	-	-	-
Bond covenants or debt service	-	128,971	-
Public Safety	-	-	-
Capital Projects	-	23,775,402	14,196,638
Other Purposes	-	-	-
Committed to:			
Budgeted Emergency and Contingency Reserves	3,732,225	-	-
Budgeted Stabilization Reserves	3,320,000	-	-
Other Purposes	-	-	-
Assigned to:			
Public Safety	-	-	-
Capital Projects	338,598	9,095,661	-
Other Purposes	-	-	-
Unassigned	48,035,305	-	-
Total Fund Balances	<u>58,570,998</u>	<u>33,032,472</u>	<u>14,196,638</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 67,930,530</u>	<u>\$ 35,508,180</u>	<u>\$ 15,895,342</u>

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

Hernando County Fire Rescue-Fire	Nonmajor Governmental Funds	Total Governmental Funds
\$ 150	\$ 6,370,062	\$ 12,093,643
12,163,122	34,991,606	133,375,910
-	70,027	685,360
14,032	8,001,437	8,471,527
324,060	1,679,287	2,605,894
62,488	1,152,244	25,429,096
-	-	1,237,489
-	1,800	1,800
-	93,806	357,454
\$ 12,563,852	\$ 52,360,269	\$ 184,258,173

\$ 134,101	\$ 3,293,823	\$ 7,831,056
-	20,025	240,314
620,548	508,461	4,594,104
-	2,080,840	3,126,749
-	943,847	1,162,888
-	11,039	2,168,756
-	177,597	257,555
787,489	450,000	1,237,489
1,542,138	7,485,632	20,618,911
-	6,266,050	8,208,853

-	-	1,237,489
-	1,800	1,800
-	93,806	357,454
-	1,012,538	2,688,709
-	6,938,767	6,938,767
-	3,090,348	3,090,348
-	5,943,336	5,943,336
-	716,845	845,816
11,021,714	8,858,991	19,880,705
-	890,655	38,862,695
-	4,922,451	4,922,451
-	-	3,732,225
-	-	3,320,000
-	1,823,069	1,823,069
-	4,290,947	4,290,947
-	-	9,434,259
-	25,034	25,034
-	-	48,035,305
11,021,714	38,608,587	155,430,409
\$ 12,563,852	\$ 52,360,269	\$ 184,258,173

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HERNANDO COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2020

Fund Balances - Total Governmental Funds \$ 155,430,409

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Governmental Capital Assets	\$ 554,327,748	
Less Accumulated Depreciation	<u>(234,086,391)</u>	320,241,357

Unavailable revenue and deferred outflows of resources are not available to pay for current-period expenditures and are therefore not reported in the governmental funds:

Unavailable taxes and fees	\$ 8,208,853	
Deferred Charges on Debt Refunding	564,287	
Deferred Charges related to Net Pension Liability	53,578,710	
Deferred Charges related to Other Post Employment Benefits	<u>4,266,821</u>	66,618,671

Long-term liabilities are not due and payable in the current period, and therefore are not reported in the governmental funds:

Accrued Liabilities - Interest	\$ (171,931)	
Loans and Notes Payable	(20,336,431)	
Leases Payable	(822,785)	
Bonds Payable	(1,621,802)	
Compensated Absences	(10,598,423)	
Other Post Employment Benefits	(17,050,557)	
Net Pension Liability	<u>(177,118,336)</u>	(227,720,265)

Deferred inflows of resources apply to a future period and will not be recognized as revenue until then:

Deferred Inflows related to Net Pension Liability	(3,666,878)	
Deferred Inflows related to Other Post Employment Benefits	<u>(4,723,273)</u>	(8,390,151)

Internal Service Funds are used by management to charge the costs of certain activities to the individual funds:

Net position of the Internal Service Funds that is reported in the Governmental Activities portion of the Statement of Net Position.		<u>25,306,848</u>
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Net Position of Governmental Activities **\$ 331,486,869**

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

HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2020

	<u>General Fund</u>	<u>Transportation Trust and Gas Taxes</u>	<u>Impact Fees Capital Project Fund</u>
Revenues			
Taxes	\$ 71,651,035	\$ 14,596,325	\$ -
Licenses and Permits	485,251	1,528	-
Intergovernmental	47,947,175	4,780,399	-
Charges for Services	14,898,428	1,573,206	-
Fines and Forfeitures	128,878	-	-
Special Assessments	-	-	-
Impact Fees	-	-	3,264,058
Interest	1,166,271	853,161	389,363
Miscellaneous	5,401,409	285,574	-
Total Revenues	<u>141,678,447</u>	<u>22,090,193</u>	<u>3,653,421</u>
Expenditures			
Current			
General Government	22,837,187	-	11,130
Public Safety	55,173,881	708	22,834
Physical Environment	496,058	-	-
Transportation	2,723,307	12,675,843	-
Economic Environment	2,949,502	-	-
Human Services	4,828,136	-	-
Culture and Recreation	5,442,599	-	14,038
Court Operations	1,540,870	-	-
Debt Service			
Principal	563,348	-	-
Interest and Fiscal Charges	78,403	-	-
Capital Outlay	4,155,093	6,644,875	2,920,060
Total Expenditures	<u>100,788,384</u>	<u>19,321,426</u>	<u>2,968,062</u>
Excess of Revenues Over (Under) Expenditures	<u>40,890,063</u>	<u>2,768,767</u>	<u>685,359</u>
Other Financing Sources (Uses)			
Transfers In	775,376	956,002	-
Transfers Out	(5,629,608)	(719,625)	(451,399)
Issuance of Long-Term Debt	556,530	-	-
Total Other Financing Sources (Uses)	<u>(4,297,702)</u>	<u>236,377</u>	<u>(451,399)</u>
Net Change in Fund Balances	<u>36,592,361</u>	<u>3,005,144</u>	<u>233,960</u>
Fund Balances at Beginning of Year	<u>21,978,637</u>	<u>30,027,328</u>	<u>13,962,678</u>
Fund Balances at End of Year	<u><u>\$ 58,570,998</u></u>	<u><u>\$ 33,032,472</u></u>	<u><u>\$ 14,196,638</u></u>

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

<u>Hernando County Fire Rescue-Fire</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 5,526	\$ 11,166,995	\$ 97,419,881
91,809	-	578,588
158,575	4,076,141	56,962,290
106,168	17,186,440	33,764,242
-	1,524,332	1,653,210
27,349,149	9,380,691	36,729,840
-	-	3,264,058
431,762	891,639	3,732,196
324,767	831,574	6,843,324
<u>28,467,756</u>	<u>45,057,812</u>	<u>240,947,629</u>
-	1,264,583	24,112,900
24,630,479	17,871,919	97,699,821
-	7,416,501	7,912,559
-	1,816,180	17,215,330
-	1,751,995	4,701,497
-	1,749,037	6,577,173
-	25,024	5,481,661
-	5,817,355	7,358,225
171,294	3,841,373	4,576,015
145,467	687,990	911,860
204,644	3,265,781	17,190,453
<u>25,151,884</u>	<u>45,507,738</u>	<u>193,737,494</u>
<u>3,315,872</u>	<u>(449,926)</u>	<u>47,210,135</u>
324,060	14,152,315	16,207,753
(293,759)	(10,387,671)	(17,482,062)
-	959,750	1,516,280
<u>30,301</u>	<u>4,724,394</u>	<u>241,971</u>
<u>3,346,173</u>	<u>4,274,468</u>	<u>47,452,106</u>
<u>7,675,541</u>	<u>34,334,119</u>	<u>107,978,303</u>
<u>\$ 11,021,714</u>	<u>\$ 38,608,587</u>	<u>\$ 155,430,409</u>

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HERNANDO COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNEMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 47,452,106

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

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

Expenditures for Capital Assets	\$ 17,190,452	
Less current year depreciation	(17,174,383)	
Donation of Capital Assets	2,594,705	
Capital Asset Disposals	<u>(2,266,579)</u>	344,195

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

Issuance of Long-Term Debt	(1,516,280)	
Principal Payments	<u>4,576,015</u>	3,059,735

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

Increase in Accrued Interest on Long-Term Debt	\$ 28,437	
Amortization of current year Bond Discount/Premium	1,546	
Amortization of current year Prepaid Bond Insurance	(80,101)	
Increase in Compensated Absences	(1,624,636)	
Increase in Accrued Other Post Employment Benefits	(486,716)	
Increase in Pension Expenses	<u>(21,534,287)</u>	(23,695,757)

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

Change in earned revenue from grants and contributions	(8,865)	
Change in earned revenue from charges for services	1,866,269	
Change in earned revenue from taxes	<u>163,305</u>	2,020,709

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

1,317,893

Change in Net Position of Governmental Activities \$ 30,498,881

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

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HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended September 30, 2020

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 70,459,611	\$ 70,459,611	\$ 71,651,035	\$ 1,191,424
Licenses and Permits	474,000	474,000	485,251	11,251
Intergovernmental	22,091,119	34,067,681	47,947,175	13,879,494
Charges for Services	14,458,952	14,458,952	14,898,428	439,476
Fines and Forfeitures	91,000	91,000	128,878	37,878
Interest	149,225	149,225	1,166,271	1,017,046
Miscellaneous	1,758,281	1,825,812	5,401,409	3,575,597
Total Revenues	109,482,188	121,526,281	141,678,447	20,152,166
Expenditures				
Current				
General Government	24,828,709	25,201,980	22,837,187	2,364,793
Public Safety	56,638,924	56,180,345	55,173,881	1,006,464
Physical Environment	496,969	514,969	496,058	18,911
Transportation	3,172,882	4,170,436	2,723,307	1,447,129
Economic Environment	2,203,601	11,310,880	2,949,502	8,361,378
Human Services	5,012,239	5,022,979	4,828,136	194,843
Culture and Recreation	6,395,858	6,424,983	5,442,599	982,384
Court Operations	1,567,872	1,567,872	1,540,870	27,002
Debt Service				
Principal	446,238	553,114	563,348	(10,234)
Interest and Fiscal Charges	159,906	96,820	78,403	18,417
Capital Outlay	4,792,655	6,469,981	4,155,093	2,314,888
Total Expenditures	105,715,853	117,514,359	100,788,384	16,725,975
Excess of Revenues Over Expenditures	3,766,335	4,011,922	40,890,063	36,878,141
Other Financing Sources (Uses)				
Transfers In	861,063	877,065	775,376	(101,689)
Transfers Out	(5,332,134)	(5,336,076)	(5,629,608)	(293,532)
Issuance of Long-Term Debt	-	557,934	556,530	(1,404)
Reserve for Contingencies	(15,846,239)	(22,496,298)	-	22,496,298
Total Other Financing Sources (Uses)	(20,317,310)	(26,397,375)	(4,297,702)	22,099,673
Net Change in Fund Balance	(16,550,975)	(22,385,453)	36,592,361	58,977,814
Fund Balance at Beginning of Year	16,550,975	22,385,453	21,978,637	(406,816)
Fund Balance at End of Year	\$ -	\$ -	\$ 58,570,998	\$ 58,570,998

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

HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRANSPORTATION TRUST AND GAS TAXES
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 15,004,079	\$ 15,004,079	\$ 14,596,325	\$ (407,754)
Licenses and Permits	-	-	1,528	1,528
Intergovernmental	5,604,930	7,170,674	4,780,399	(2,390,275)
Charges for Services	1,001,100	1,001,100	1,573,206	572,106
Fines and Forfeitures	1,000	1,000	-	(1,000)
Interest	140,000	140,000	853,161	713,161
Miscellaneous	94,580	94,580	285,574	190,994
Total Revenues	21,845,689	23,411,433	22,090,193	(1,321,240)
Expenditures				
Current				
Public Safety	-	-	708	(708)
Transportation	14,636,128	14,672,639	12,675,843	1,996,796
Capital Outlay	14,508,830	21,040,896	6,644,875	14,396,021
Total Expenditures	29,144,958	35,713,535	19,321,426	16,392,109
Excess of Revenues Over Expenditures	(7,299,269)	(12,302,102)	2,768,767	15,070,869
Other Financing Sources (Uses)				
Transfers In	52,563	912,438	956,002	43,564
Transfers Out	(1,089,267)	(1,089,267)	(719,625)	369,642
Reserve for Contingencies	(22,831,137)	(17,547,899)	-	17,547,899
Total Other Financing Sources (Uses)	(23,867,841)	(17,724,728)	236,377	17,961,105
Net Change in Fund Balance	(31,167,110)	(30,026,830)	3,005,144	33,031,974
Fund Balance at Beginning of Year	31,167,110	30,026,830	30,027,328	498
Fund Balance at End of Year	\$ -	\$ -	\$ 33,032,472	\$ 33,032,472

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

HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HERNANDO COUNTY FIRE RESCUE - FIRE
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ -	\$ -	\$ 5,526	\$ 5,526
Licenses and Permits	85,000	85,000	91,809	6,809
Intergovernmental	51,120	1,265,185	158,575	(1,106,610)
Charges for Services	70,000	70,000	106,168	36,168
Special Assessments	26,760,682	26,760,682	27,349,149	588,467
Interest	-	-	431,762	431,762
Miscellaneous	213,865	213,865	324,767	110,902
Total Revenues	<u>27,180,667</u>	<u>28,394,732</u>	<u>28,467,756</u>	<u>73,024</u>
Expenditures				
Current				
Public Safety	25,818,632	26,226,644	24,630,479	1,596,165
Debt Service				
Principal	2,453,127	2,453,127	171,294	2,281,833
Interest and Fiscal Charges	145,467	145,467	145,467	-
Capital Outlay	669,000	1,869,300	204,644	1,664,656
Total Expenditures	<u>29,086,226</u>	<u>30,694,538</u>	<u>25,151,884</u>	<u>5,542,654</u>
Excess of Revenues Over Expenditures	<u>(1,905,559)</u>	<u>(2,299,806)</u>	<u>3,315,872</u>	<u>5,615,678</u>
Other Financing Sources (Uses)				
Transfers In	260,000	260,000	324,060	64,060
Transfers Out	(293,836)	(293,836)	(293,759)	77
Reserve for Contingencies	(4,546,771)	(5,641,899)	-	5,641,899
Total Other Financing Sources (Uses)	<u>(4,580,607)</u>	<u>(5,675,735)</u>	<u>30,301</u>	<u>5,706,036</u>
Net Change in Fund Balance	<u>(6,486,166)</u>	<u>(7,975,541)</u>	<u>3,346,173</u>	<u>11,321,714</u>
Fund Balance at Beginning of Year	6,486,166	7,975,541	7,675,541	(300,000)
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,021,714</u>	<u>\$ 11,021,714</u>

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

HERNANDO COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2020

	Business-Type		
	Water & Sewer District	Aviation Operations	Waste Management
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 222,043	\$ 200	\$ 1,665
Pooled Cash and Investments	47,349,218	2,367,916	22,865,098
Restricted Cash and Investments:			
Pooled Cash and Investments	717,953	-	-
Accounts Receivable (net)	4,407,226	7,382	275,163
Due from Other Funds	200,218	-	64,332
Due from Other Governments	89,117	517,447	-
Inventories	176,831	-	15,463
Prepaid Expenses	-	-	28,639
Total Current Assets	53,162,606	2,892,945	23,250,360
Non-Current Assets			
Restricted Assets:			
Pooled Cash and Investments	19,687,784	-	9,396,550
Cash with Fiscal Agent	3,928,226	-	-
Capital Assets, net of accumulated depreciation:			
Capital Assets, not being depreciated	18,878,050	2,270,260	3,199,936
Capital Assets, being depreciated, net	207,031,206	24,879,111	6,407,548
Prepaid Bond Insurance	34,416	-	-
Total Non-Current Assets	249,559,682	27,149,371	19,004,034
Total Assets	\$ 302,722,288	\$ 30,042,316	\$ 42,254,394
Deferred Outflows of Resources			
	\$ 3,744,497	\$ 151,486	\$ 654,183
LIABILITIES			
Current Liabilities			
Accounts Payable	841,079	528,723	752,950
Accrued Liabilities	1,029,405	32,606	68,958
Due to Other Funds	-	-	-
Due to Other Governments	53,917	-	-
Unearned Revenues	539,224	51,708	-
Deposits	3,294,474	181,761	52,759
Due Within One Year	5,024,586	247,482	191,612
Payable from Restricted Assets:			
Accounts Payable	806,387	-	-
Retainage Payable	153,661	-	-
Total Current Liabilities	11,742,733	1,042,280	1,066,279
Non-Current Liabilities			
Due in More Than One Year	80,317,068	1,389,926	2,278,175
Payable from Restricted Assets:			
Unearned Revenues	1,273,045	-	-
Accrued Landfill Closure/Postclosure Care	-	-	9,986,712
Total Non-Current Liabilities	81,590,113	1,389,926	12,264,887
Total Liabilities	\$ 93,332,846	\$ 2,432,206	\$ 13,331,166
Deferred Inflows of Resources			
	\$ 620,056	\$ 30,234	\$ 142,246
NET POSITION			
Net Investment in Capital Assets	152,016,590	26,126,982	9,607,484
Restricted for			
Capital Projects	44,440,431	-	-
Renewal and Replacement	6,896,183	-	-
Unrestricted	9,160,679	1,604,380	19,827,681
Total Net Position	\$ 212,513,883	\$ 27,731,362	\$ 29,435,165

Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
Building Department	Total	
\$ 800	\$ 224,708	\$ 5,626,013
4,410,038	76,992,270	17,254,572
-	717,953	-
18,313	4,708,084	158,211
561	265,111	262,398
-	606,564	26
-	192,294	14,386
-	28,639	-
<u>4,429,712</u>	<u>83,735,623</u>	<u>23,315,606</u>
-	29,084,334	-
-	3,928,226	-
215,000	24,563,246	-
917,126	239,234,991	17,951,945
-	34,416	-
<u>1,132,126</u>	<u>296,845,213</u>	<u>17,951,945</u>
<u>\$ 5,561,838</u>	<u>\$ 380,580,836</u>	<u>\$ 41,267,551</u>
<u>\$ 571,915</u>	<u>\$ 5,122,081</u>	<u>\$ 319,885</u>
194,889	2,317,641	2,255,545
79,759	1,210,728	113,099
-	-	6,654
23,897	77,814	-
-	590,932	-
378,452	3,907,446	-
167,002	5,630,682	4,036,578
-	806,387	-
-	153,661	-
<u>843,999</u>	<u>14,695,291</u>	<u>6,411,876</u>
2,203,018	86,188,187	9,792,505
-	1,273,045	-
-	9,986,712	-
<u>2,203,018</u>	<u>97,447,944</u>	<u>9,792,505</u>
<u>\$ 3,047,017</u>	<u>\$ 112,143,235</u>	<u>\$ 16,204,381</u>
<u>\$ 202,633</u>	<u>\$ 995,169</u>	<u>\$ 76,207</u>
1,132,126	188,883,182	11,278,913
-	44,440,431	-
-	6,896,183	-
<u>1,751,977</u>	<u>32,344,717</u>	<u>14,027,935</u>
<u>\$ 2,884,103</u>	<u>\$ 272,564,513</u>	<u>\$ 25,306,848</u>

HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2020

	Business-Type		
	Water & Sewer District	Aviation Operations	Waste Management
Operating Revenues			
Licenses and Permits	\$ 10,250	\$ -	\$ 24,000
Charges for Services	38,922,432	2,120,385	9,007,844
Miscellaneous	401,977	107,045	120,623
Total Operating Revenues	<u>39,334,659</u>	<u>2,227,430</u>	<u>9,152,467</u>
Operating Expenses			
Personnel Services	10,225,603	566,950	2,487,552
Other Services & Charges	13,097,421	1,068,092	8,685,052
Claims	-	-	-
Depreciation	9,120,902	1,348,947	1,054,741
Total Operating Expenses	<u>32,443,926</u>	<u>2,983,989</u>	<u>12,227,345</u>
Operating Income (Loss)	<u>6,890,733</u>	<u>(756,559)</u>	<u>(3,074,878)</u>
Non-Operating Revenues (Expenses)			
Interest Income	1,664,166	46,273	795,547
Interest Expense	(1,862,311)	(44,237)	-
Operating Grants	394,680	41,033	406,691
Gain (Loss) on Sale of Capital Assets	1,921	37,724	7,578
Amortization of Bond Discount/Premium	176,849	-	-
Total Non-Operating Revenues (Expenses)	<u>375,305</u>	<u>80,793</u>	<u>1,209,816</u>
Income (Loss) Before Contributions and Transfers	<u>7,266,038</u>	<u>(675,766)</u>	<u>(1,865,062)</u>
Capital Grants and Contributions	2,975,679	5,557,815	-
Transfers In	13,219	100,000	81,703
Transfers Out	(215,875)	(9,620)	(44,395)
Total Contributions and Transfers	<u>2,773,023</u>	<u>5,648,195</u>	<u>37,308</u>
Change in Net Position	10,039,061	4,972,429	(1,827,754)
Net Position-Beginning	<u>202,474,822</u>	<u>22,758,933</u>	<u>31,262,919</u>
Net Position-Ending	<u>\$ 212,513,883</u>	<u>\$ 27,731,362</u>	<u>\$ 29,435,165</u>

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

Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
Building Department	Total	
\$ 3,599,606	\$ 3,633,856	\$ -
203,712	50,254,373	33,757,107
46,783	676,428	1,191,907
<u>3,850,101</u>	<u>54,564,657</u>	<u>34,949,014</u>
2,775,433	16,055,538	3,343,771
1,320,396	24,170,961	11,797,925
-	-	17,360,104
45,702	11,570,292	2,744,875
<u>4,141,531</u>	<u>51,796,791</u>	<u>35,246,675</u>
<u>(291,430)</u>	<u>2,767,866</u>	<u>(297,661)</u>
104,295	2,610,281	394,015
-	(1,906,548)	(131,690)
-	842,404	-
-	47,223	(40,293)
-	176,849	-
<u>104,295</u>	<u>1,770,209</u>	<u>222,032</u>
<u>(187,135)</u>	<u>4,538,075</u>	<u>(75,629)</u>
-	8,533,494	-
2,555	197,477	1,583,132
<u>(46,800)</u>	<u>(316,690)</u>	<u>(189,610)</u>
<u>(44,245)</u>	<u>8,414,281</u>	<u>1,393,522</u>
(231,380)	12,952,356	1,317,893
<u>3,115,483</u>	<u>259,612,157</u>	<u>23,988,955</u>
<u>\$ 2,884,103</u>	<u>\$ 272,564,513</u>	<u>\$ 25,306,848</u>

HERNANDO COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2020

	Business-type	
	Water & Sewer District	Aviation Operations
Cash Flows from Operating Activities		
Receipts from Customers	\$ 39,383,600	\$ 2,050,640
Receipts from Inter-Fund Services	-	-
Payments to Suppliers	(13,109,446)	(888,383)
Payments to Employees	(9,191,088)	(499,996)
Claims Paid	-	-
Other Receipts	401,977	107,045
Net Cash provided by (used for) Operating Activities	<u>17,485,043</u>	<u>769,306</u>
Cash Flows from Noncapital Financing Activities		
Operating Grants	394,680	41,033
Transfers From Other Funds	13,219	100,000
Transfers to Other Funds	(215,875)	(9,620)
Net Cash Provided by (used for) Noncapital Financing Activities	<u>192,024</u>	<u>131,413</u>
Cash Flows From Capital and Related Financing Activities		
Additions to Capital Assets	(9,436,356)	(6,182,316)
Proceeds from Capital Debt	-	-
Principal Paid on Capital Debt	(3,937,567)	(181,930)
Interest Paid on Capital Debt	(2,284,699)	(47,209)
Capital Grants Revenue	387,665	5,557,815
Connection Fee Collections	2,200,165	-
Proceeds From Sale of Capital Assets	3,130	37,724
Net Cash provided by (used fo) Capital and Related Financing Activities	<u>(13,067,662)</u>	<u>(815,916)</u>
Cash Flows form Investing Activities		
Interest Received	1,664,166	46,273
Net Cash Provided by Investing Activities	<u>1,664,166</u>	<u>46,273</u>
Net Increase (Decrease) in Cash and Cash Equivalents	6,273,571	131,076
Cash and Cash Equivalents at Beginning of Year	<u>65,631,653</u>	<u>2,237,040</u>
Cash and Cash Equivalents at End of Year	<u>\$ 71,905,224</u>	<u>\$ 2,368,116</u>
Classified as:		
Current Assets	47,571,261	2,368,116
Restricted Assets - Current	717,953	-
Restricted Assets - Non-current	<u>23,616,010</u>	<u>-</u>
Totals	<u>\$ 71,905,224</u>	<u>\$ 2,368,116</u>

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

Activites - Enterprise Fuinds			Governmental
Waste	Building	Total	Activities -
Mangement	Department		Internal
			Service Funds
\$ 9,491,275	\$ 3,874,327	\$ 54,799,842	\$ 25,378,925
-	-	-	7,762,332
(5,210,593)	(1,160,669)	(20,369,091)	(11,764,055)
(2,259,654)	(2,474,086)	(14,424,824)	(3,226,023)
-	-	-	(16,903,688)
120,623	46,783	676,428	1,191,907
<u>2,141,651</u>	<u>286,355</u>	<u>20,682,355</u>	<u>2,439,398</u>
406,691	-	842,404	-
81,703	2,555	197,477	1,320,735
(44,395)	(46,800)	(316,690)	(189,610)
<u>443,999</u>	<u>(44,245)</u>	<u>723,191</u>	<u>1,131,125</u>
(1,735,984)	-	(17,354,656)	(6,393,191)
-	-	-	3,938,781
-	-	(4,119,497)	(551,740)
-	-	(2,331,908)	(131,690)
-	-	5,945,480	-
-	-	2,200,165	-
7,578	-	48,432	445,927
<u>(1,728,406)</u>	<u>-</u>	<u>(15,611,984)</u>	<u>(2,691,913)</u>
795,547	104,295	2,610,281	394,015
<u>795,547</u>	<u>104,295</u>	<u>2,610,281</u>	<u>394,015</u>
1,652,791	346,405	8,403,843	1,272,625
<u>30,610,522</u>	<u>4,064,433</u>	<u>102,543,648</u>	<u>21,607,960</u>
<u>\$ 32,263,313</u>	<u>\$ 4,410,838</u>	<u>\$ 110,947,491</u>	<u>\$ 22,880,585</u>
22,866,763	4,410,838	77,216,978	22,880,585
-	-	717,953	-
<u>9,396,550</u>	<u>-</u>	<u>33,012,560</u>	<u>-</u>
<u>\$ 32,263,313</u>	<u>\$ 4,410,838</u>	<u>\$ 110,947,491</u>	<u>\$ 22,880,585</u>

Continued

HERNANDO COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2020

	Business-type	
	Water & Sewer District	Aviation Operations
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ 6,890,733	\$ (756,559)
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (used for) Operating Activities		
Depreciation	9,120,902	1,348,947
Other Post-Employment Benefits	44,066	2,466
Pension Adjustments	979,452	63,012
Landfill Closure/Postclosure Care Amortization	-	-
(Increase) Decrease in		
Accounts Receivable	45,659	29,784
Due from Other Funds	51,902	-
Due from Other Governments	140,674	(83,810)
Inventories	29,714	-
Prepaid Expenses	2,868	-
Increase (Decrease) in		
Accounts Payable	316,732	180,165
Retainage Payable	(370,745)	-
Accrued Liabilities	10,997	1,476
Due to Other Funds	-	(456)
Due to Other Governments	9,406	-
Unearned Revenues	111,709	(1,700)
Deposits	100,974	(14,019)
Claims Liabilities	-	-
Total Adjustments	10,594,310	1,525,865
Net Cash Provided by (used for) Operating Activities	\$ 17,485,043	\$ 769,306
Non-cash Investing, Financing, and Capital Activities:		
Contributions of Capital Assets from Developers	\$ 387,848	\$ -

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

Activites - Enterprise Fuinds			Governmental
Waste	Building	Total	Activities -
Mangement	Department		Internal
			Service Funds
\$ (3,074,878)	\$ (291,430)	\$ 2,767,866	\$ (297,661)
1,054,741	45,702	11,570,292	2,744,875
10,642	11,793	68,967	5,766
228,835	286,318	1,557,617	132,656
3,528,930	-	3,528,930	-
109,015	50,771	235,229	(137,417)
(417,798)	(479)	(366,375)	-
793,488	-	850,352	(26)
2,654	-	32,368	54,702
(28,639)	-	(25,771)	-
(51,154)	145,841	591,584	(23,203)
-	-	(370,745)	-
(11,579)	3,236	4,130	(20,674)
(5,971)	-	(6,427)	2,371
-	13,886	23,292	-
-	-	110,009	(478,407)
3,365	20,717	111,037	-
-	-	-	456,416
<u>5,216,529</u>	<u>577,785</u>	<u>17,914,489</u>	<u>2,737,059</u>
\$ 2,141,651	\$ 286,355	\$ 20,682,355	\$ 2,439,398
\$ -	\$ -	\$ 387,848	\$ -

**HERNANDO COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
September 30, 2020**

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 152,956
Pooled Cash and Investments	13,313,600
Accounts Receivable	28,784
Due from Other Governments	10,852
Total Assets	\$ 13,506,192
LIABILITIES	
Accounts Payable	\$ 541,778
Accrued Liabilities	2,281,296
Due to Other Governments	3,711,114
Deposits	5,600,546
Other Current Liabilities	1,371,458
Total Liabilities	\$ 13,506,192

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

HERNANDO COUNTY, FLORIDA
September 30, 2020

NOTES TO THE FINANCIAL STATEMENTS

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HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. THE REPORTING ENTITY

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

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

Blended Component Units

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

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

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

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

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

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

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

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

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

GASB sets forth minimum criteria for the determination of what are to be considered major funds for financial statement presentation. The County uses these criteria for major fund determination. The County electively added some proprietary funds as major funds, which either had debt outstanding or specific community focus. The County also electively added the Impact Fee fund as a major-fund for purposes of consistency with prior years. The non-major funds are combined into one column in the respective fund financial statements.

The following are reported as major governmental funds:

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

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

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

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

The following are reported as major enterprise funds:

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

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

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

Building Department – This fund is used to account for the operation of providing building permits and other construction-related services to County citizens.

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County also reports the following funds:

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

Agency Funds – These funds are clearing accounts for the collection and disbursement of funds by the County on behalf of individuals, private organizations, or other governments. Agency Funds include jury and witness, court registry, tax, vehicle tags, payroll deductions, and law enforcement holdings.

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

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

The following is a summary of the more significant policies:

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

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

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

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The agency fund has no measurement focus, but utilizes the accrual basis of accounting for reporting its assets and liabilities.

4. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

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

Non-spendable Fund Balance

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

Spendable Fund Balance

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

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

Assigned Fund Balance – This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The governing authority, the County Commission, has

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

approved the assigned fund balances through action taken during the budget process. The County Commission has not delegated the responsibility to assign fund balances to any individual or body.

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

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

5. BUDGETARY INFORMATION

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

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

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

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

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Cash, Cash Equivalents, Pooled Cash and Investments

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

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

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

Receivables and Payables

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, there are three items that qualify for reporting in this category. One is a deferred charge on debt refunding. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions. The deferred outflows related to pensions result from County contributions to the County's retirement plan subsequent to the retirement plan's measurement date, and other timing differences. The third item is related to timing differences associated with benefits paid after the measurement period for post employment benefits other than pensions.

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

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

Unbilled Revenue

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

Unearned Revenue

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

Inventories and Prepaid Items

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

Restricted Assets

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

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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

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

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

Compensated Absences

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

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

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Long-Term Obligations

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

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

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

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

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

7. EFFECTS OF NEW ACCOUNTING PRONOUNCEMENTS

During the year ended September 30, 2020, the Governmental Accounting Standards Board (GASB) delayed the required implementation dates on new pronouncements due to COVID-19. Therefore, there are no new accounting pronouncements implemented during the fiscal year ended September 30, 2020.

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. BUDGETARY COMPARISONS

Only funds with legally adopted budgets are included when the budget to actual expenditures or revenues are compared. The actual figures are presented on the same basis of accounting as the budgeted figures on these statements. Only actual expenditures are compared to budgeted expenditures since all encumbrances lapse at year-end. All funds have legally adopted annual budgets for the fiscal year ended September 30, 2020.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2020, there were no funds that had an excess of actual expenditures over budgeted expenditures.

3. DEFICIT FUND BALANCES/NET POSITION

There were no funds with deficit fund balances/net position at September 30, 2020.

NOTE C – CASH AND INVESTMENTS

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

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

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

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE C – CASH AND INVESTMENTS (CONTINUED)

The following is a summary of the carrying amount of cash, investments and cash held with fiscal agent as of September 30, 2020:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Statement of Fiduciary Net Position</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 17,719,656	\$ 224,708	\$ 152,956	\$ 18,097,320
Pooled Cash and Investments	150,630,482	106,794,557	13,313,600	270,738,639
Cash with Fiscal Agent	685,360	3,928,226	-	4,613,586
Total	<u>\$ 169,035,498</u>	<u>\$ 110,947,491</u>	<u>\$ 13,466,556</u>	<u>\$ 293,449,545</u>

The County had the following deposits, investments and cash held with fiscal agent at September 30, 2020:

Deposits	\$ 54,222,700
Cash with Fiscal Agent	4,613,586
Carrying Amount of Investments	<u>234,613,259</u>
Total	<u>\$ 293,449,545</u>

DEPOSITS

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

CASH WITH FISCAL AGENT

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

Transportation Trust Fund	\$ 615,333
Non-major Governmental Funds	70,027
Water & Sewer District	<u>3,928,226</u>
	<u>\$ 4,613,586</u>

These funds are held by the State in conjunction for joint transportation and utility relocation projects.

**HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE C – CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS

At September 30, 2020, the County's investments consisted of the following:

<u>Type of Investment</u>	<u>Par Value</u>	<u>Fair Value</u>	<u>1-3 years</u>	<u>1-5years</u>
United States Treasuries	\$ 66,190,000	\$ 68,294,936	\$ 24,595,674	\$ 43,699,262
Federal Farm Credit Banks Funding Corporation	10,025,000	10,201,310	4,071,422	6,129,888
Federal Hermes, Inc.	2,828,963	2,828,963	2,341,730	487,233
Federal Home Loan Bank	18,125,000	18,791,198	11,972,652	6,818,546
Federal Home Loan Mortgage Corporation	14,525,000	14,688,075	10,072,854	4,615,221
Federal National Mortgage Association	8,845,000	8,962,406	2,922,404	6,040,002
Money Market Fund	1,350,000	1,350,871	1,350,871	-
Corporate Notes	8,135,000	8,402,770	4,550,798	3,851,972
Local Government Surplus Funds Trust Fund, (Florida Prime)	36,459,386	36,506,053	36,506,053	-
Florida Local Government Investment Trust, (Florida Trust)	30,802,683	30,802,683	30,802,683	-
Florida Cooperative Liquid Assets Securities System (FLCLASS)	33,750,000	33,783,994	33,783,994	-
	<u>\$ 231,036,032</u>	<u>\$ 234,613,259</u>	<u>\$ 162,971,135</u>	<u>\$ 71,642,124</u>

The County participates in Securities Exchange Commission Registered Money Market Funds. Money Market Funds use amortized cost which is reported at a stable NAV, typically \$1.00 per share. The money market funds are rated AAAM for Credit Quality by Standard & Poor's Rating Agency.

The County also participates in the following investment pools:

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

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE C – CASH AND INVESTMENTS (CONTINUED)

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

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

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

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value and establishes a Fair Value Hierarchy. The County's investments are recorded at fair value unless the investment qualifies as an external investment pool under the guidance in GASB Statement No. 79. The County's valuation measurement is reflected in the chart above. The Fair Value Hierarchy categorizes the inputs of valuation techniques used to measure fair value into three levels. The Fair Value Hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Following is a description of the three levels of valuation techniques, and the specific technique the County uses.

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

**HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE C – CASH AND INVESTMENTS (CONTINUED)

At September 30, 2020, the County's investments carried the following Credit Rating and Fair Value Hierarchy:

<u>Type of Investment</u>	<u>Credit Rating S&P's/Moody's</u>	<u>Fair Value Hierarchy</u>
United States Treasuries	AA+/Aaa	1
Federal Home Loan Bank	AA+/Aaa	2
Federal Home Loan Mortgage Coporation	AA+/Aaa	2
Federal National Mortgage Association	AA+/Aaa	2
Federal Farm Credit Bank	AA+/Aaa	2
Money Market Fund	AAAm/Aaa	1
Corporate Notes	A to AAA/A1 to Aaa	2
Municipal Notes	AA/Aa1	2
Local Government Surplus Funds Trust Fund, (Florida Prime)	AAAm/NA	N/A
Florida Local Government Investment Trust (Florida Trust)	AAAf/NA	N/A
Florida Cooperative Liquid Assets Securities System (FLCLASS)	AAAm/NA	N/A

Management of the following investment risks are addressed below:

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

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

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE C – CASH AND INVESTMENTS (CONTINUED)

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

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

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

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

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE D – RECEIVABLES

Accounts receivable at September 30, 2020, for the County's individual major funds and non-major funds in total, including applicable allowances for uncollectibles were as follows:

	Accounts Receivable, Gross	Allowance for Uncollectible Accounts	Accounts Receivable, Net
General Fund	\$ 1,300,584	\$ 877,734	\$ 422,850
Transportation Trust and Gas Taxes	16,145	7,972	8,173
Impact Fees Capital Project Fund	25,035	-	25,035
Hernando County Fire Rescue -Fire	169,753	155,721	14,032
Water and Sewer District	4,660,296	253,070	4,407,226
Aviation Operations	24,082	16,700	7,382
Waste Management	339,457	64,294	275,163
Business Development	246,992	228,679	18,313
Non-major government funds	24,979,466	16,978,029	8,001,437
Internal Service Funds	158,211	-	158,211
Total	<u>\$ 31,920,021</u>	<u>\$ 18,582,199</u>	<u>\$ 13,337,822</u>

Included in accounts receivable in the Water and Sewer District are unbilled amounts totaling \$2,051,940 earned in September 2020, but billed in October 2020.

The County's State Housing Initiatives Partnership (SHIP) program offers zero-interest rate loans for housing rehabilitation or down payment assistance to qualified recipients. Currently, the loans are required to be repaid at the sale/transfer of the property if made before 30 years. Loans are forgiven if the recipient remains in the house beyond 30 years. The County has recorded the gross amount of the receivable as an asset of \$15 million, offset entirely by an allowance for uncollectible receivables.

Due from Other Governments at September 30, 2020, for the County's individual major funds and non-major funds were as follows:

	Due from Grantors	Due from State	Other	Total
General Fund	\$ 19,282,318	\$ 1,990,807	\$ 664,484	\$ 21,937,609
Transportation Trust and Gas	486,610	1,782,789	-	2,269,399
Impact Fees Capital Project Fund	-	-	7,356	7,356
Hernando County Fire Rescue-Fire	62,488	-	-	62,488
Water and Sewer District	63,960	-	25,157	89,117
Aviation Operations	517,447	-	-	517,447
Non-major governmental funds	830,806	73,896	247,542	1,152,244
Internal Service Funds	-	26	-	26
Total	<u>\$ 21,243,629</u>	<u>\$ 3,847,518</u>	<u>\$ 944,539</u>	<u>\$ 26,035,686</u>

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE E – RESTRICTED ASSETS

As of September 30, 2020, restricted assets were held for the following purposes:

	Cash with Fiscal Agent	Pooled Cash and Investments and Other Investments	Total
Transportation Trust and Gas Taxes	\$ 615,333	\$ -	\$ 615,333
Special Revenue Fund	70,027	-	70,027
Debt Service Funds	-	12,570	12,570
Total Governmental Activities	<u>685,360</u>	<u>12,570</u>	<u>697,930</u>
Water and Sewer District			
Construction	2,912,758	13,806,712	16,719,470
Debt Retirement	-	457	457
Renewal and Replacement	<u>1,015,468</u>	<u>6,598,568</u>	<u>7,614,036</u>
Total Water and Sewer District	<u>3,928,226</u>	<u>20,405,737</u>	<u>24,333,963</u>
Waste Management			
Landfill Closure/Post-closure	<u>-</u>	<u>9,396,550</u>	<u>9,396,550</u>
Total Waste Management	<u>-</u>	<u>9,396,550</u>	<u>9,396,550</u>
Total Business-Type Activities	<u>\$ 3,928,226</u>	<u>\$ 29,802,287</u>	<u>\$ 33,730,513</u>

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE F – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 31,208,465	\$ 58,339	\$ 889,068	\$ 30,377,736
Construction in Progress	1,816,669	2,875,515	1,083,926	3,608,258
Total capital assets, not being depreciated	<u>33,025,134</u>	<u>2,933,854</u>	<u>1,972,994</u>	<u>33,985,994</u>
Capital assets, being depreciated:				
Buildings	135,998,624	-	3,000,000	132,998,624
Infrastructure	301,311,523	12,759,648	-	314,071,171
Improvements other than buildings	30,183,068	424,176	35,475	30,571,769
Equipment	74,498,439	10,229,877	6,039,447	78,688,869
Software	847,446	579,830	6,688	1,420,588
Total capital assets being depreciated	<u>542,839,100</u>	<u>23,993,531</u>	<u>9,081,610</u>	<u>557,751,021</u>
Less accumulated depreciation for:				
Buildings	58,365,630	3,508,526	1,581,250	60,292,906
Infrastructure	113,562,153	8,827,194	-	122,389,347
Improvements other than buildings	20,411,524	965,390	29,858	21,347,056
Equipment	47,994,983	6,547,210	5,934,972	48,607,221
Software	842,933	70,938	6,688	907,183
Total accumulated depreciation	<u>241,177,223</u>	<u>19,919,258</u>	<u>7,552,768</u>	<u>253,543,713</u>
Total capital assets, being depreciated, net	<u>301,661,877</u>	<u>4,074,273</u>	<u>1,528,842</u>	<u>304,207,308</u>
Capital assets, net	<u>\$ 334,687,011</u>	<u>\$ 7,008,127</u>	<u>\$ 3,501,836</u>	<u>\$ 338,193,302</u>

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE F – CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 10,326,775	\$ -	\$ -	\$ 10,326,775
Construction in Progress	18,208,943	17,175,113	21,147,585	14,236,471
Total capital assets, not being depreciated	<u>28,535,718</u>	<u>17,175,113</u>	<u>21,147,585</u>	<u>24,563,246</u>
Capital assets, being depreciated:				
Buildings	23,657,629	-	-	23,657,629
Infrastructure	3,335,468	-	-	3,335,468
Improvements other than buildings	377,395,269	21,586,415	339,128	398,642,556
Equipment	10,680,709	376,028	374,627	10,682,110
Software	-	228,323	-	228,323
Total capital assets being depreciated	<u>415,069,075</u>	<u>22,190,766</u>	<u>713,755</u>	<u>436,546,086</u>
Less accumulated depreciation for:				
Buildings	6,542,661	710,693	-	7,253,354
Infrastructure	720,551	84,702	-	805,253
Improvements other than buildings	172,361,896	10,094,336	339,127	182,117,105
Equipment	6,828,241	669,145	373,419	7,123,967
Software	-	11,416	-	11,416
Total accumulated depreciation	<u>186,453,349</u>	<u>11,570,292</u>	<u>712,546</u>	<u>197,311,095</u>
Total capital assets, being depreciated, net	<u>228,615,726</u>	<u>10,620,474</u>	<u>1,209</u>	<u>239,234,991</u>
Capital assets, net	<u>\$ 257,151,444</u>	<u>\$ 27,795,587</u>	<u>\$ 21,148,794</u>	<u>\$ 263,798,237</u>

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE F – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 4,788,160
Public Safety	3,047,516
Physical Environment	175,960
Transportation	9,480,343
Economic Environment	32,398
Human Services	1,724,736
Culture and Recreation	565,688
Court Operations	104,457
Total Depreciation for Governmental Activities	<u>\$ 19,919,258</u>
Business-Type Activities	
Water and Sewer District	\$ 9,120,902
Aviation Operations	1,348,947
Waste Management	1,054,741
Building Department	45,702
Total Depreciation for Business-Type Activities	<u>\$ 11,570,292</u>

Interest incurred during the period of construction and preparation for use of business-type assets constructed is capitalized as part of those assets. During the year ended September 30, 2020, interest costs incurred totaled \$2,338,100 for the Water and Sewer District and \$44,237 for the Aviation Operations, of which \$475,789 was capitalized as an asset of the Water and Sewer District.

Construction or capital improvement commitments outstanding as measured by purchase orders and contracts outstanding at September 30, 2020 were as follows:

	Construction Commitments Outstanding
General Fund	\$ 1,684,126
Transportation Trust and Gas Taxes	6,147,200
Impact Fees Capital Projects Fund	540,415
Hernando County Fire Rescue-Fire	64,797
Non-major governmental funds:	
Stormwater Management	211,989
Restore Act Projects	104,069
Court-Related Fund	1,086,940
Water and Sewer District	3,538,784
Aviation Operations	3,615,928
Waste Management	797,372
Building Department	116,789
Internal service funds:	
Central Fueling System	12,478
Fleet Replacement	1,338,944
Total	<u>\$ 19,259,831</u>

**HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE G – INTERFUND TRANSACTIONS

1. DUE TO / DUE FROM OTHER FUNDS

Interfund balances at September 30, 2020 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		
Transportation Trust and Gas Taxes	\$ 76,350	\$ 93,472
Hernando County Fire Rescue-Fire	-	324,060
Non-major Governmental Funds	425,087	224,736
Waste Management	-	64,332
Building Department	-	561
Internal Service Funds	6,654	262,398
	<u>508,091</u>	<u>969,559</u>
Transportation Trust and Gas Taxes		
General Fund	93,472	76,350
Non-major Governmental Funds	984	-
	<u>94,456</u>	<u>76,350</u>
Hernando County Fire Rescue-Fire		
General Fund	324,060	-
Non-major governmental funds		
General Fund	223,604	82,356
Transportation Trust and Gas Taxes	-	984
Non-major Governmental Funds	1,455,683	1,797,282
Water and Sewer District	-	200,218
	<u>1,679,287</u>	<u>2,080,840</u>
Water and Sewer District		
Nonmajor Governmental Funds	200,218	-
Waste Management Fund		
General Fund	64,332	-
Building Department		
General Fund	561	-
Internal Service Funds		
General Fund	262,398	6,654
Total Due To/Due From Other Funds	<u>\$ 3,133,403</u>	<u>\$ 3,133,403</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The outstanding balances generally are the result of one fund providing services to another fund.

**HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE G – INTERFUND TRANSACTIONS (CONTINUED)

2. ADVANCES TO / ADVANCES FROM OTHER FUNDS

Individual interfund advances were as follows:

	Advances to Other Funds	Advances from Other Funds
General Fund	\$ 1,237,489	\$ -
 Hernando County Fire Rescue-Fire		
The General Fund advanced \$7,000,000 at 2.5% interest, to Hernando County Fire Rescue-Fire to cover a shortfall in funds needed for operations. Final reimbursement is scheduled for fiscal year 2021.	-	787,489
 Special Revenue Funds		
Miscellaneous Special Revenue Funds	-	450,000
The General Fund advanced \$450,000 at 0% interest, to establish a separate fund within Miscellaneous Special Revenue funds for the Hernando/Citrus Metropolitan Planning Organization. A date for final reimbursement has not been determined.		
 Total Advances To/Advances From Other Funds	\$ 1,237,489	\$ 1,237,489

HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE G – INTERFUND TRANSACTIONS (CONTINUED)

3. INTERFUND TRANSFERS

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

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
Transportation Trust and Gas Taxes	\$ 520,686	\$ 107,179
Hernando County Fire Rescue-Fire	-	324,060
Non-major governmental funds	252,356	4,372,074
Waste Management	-	64,332
Building Department	-	561
Internal Service Funds	2,334	761,402
	<u>775,376</u>	<u>5,629,608</u>
Transportation Trust and Gas Taxes		
General Fund	93,472	386,275
Non-major governmental funds	862,530	128,970
Aviation Operations	-	77,500
Internal Service Funds	-	126,880
	<u>956,002</u>	<u>719,625</u>
Impact Fees Capital Project Fund		
Non-major governmental funds	-	451,399
Hernando County Fire Rescue-Fire		
General Fund	324,060	-
Non-major governmental funds	-	67,299
Internal Service Funds	-	226,460
	<u>324,060</u>	<u>293,759</u>
Non-major governmental funds		
General Fund	4,385,781	252,356
Transportation Trust and Gas Taxes	128,971	984
Hernando County Fire Rescue-Fire	67,299	-
Impact Fees Capital Project Fund	451,398	-
Non-major governmental funds	8,982,978	9,977,752
Water and Sewer District	-	8,574
Internal Service Funds	135,888	148,005
	<u>14,152,315</u>	<u>10,387,671</u>
Water and Sewer District		
Non-major governmental funds	8,574	-
Aviation Operations	-	22,500
Internal Service Funds	4,645	193,375
	<u>13,219</u>	<u>215,875</u>

HERNANDO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE G – INTERFUND TRANSACTIONS (CONTINUED)

	<u>Transfers In</u>	<u>Transfers Out</u>
Aviation Operations		
Transportation Trust and Gas Taxes	\$ 77,500	\$ -
Water and Sewer District	22,500	-
Internal Service Funds	-	9,620
	<u>100,000</u>	<u>9,620</u>
Waste Management Fund		
General Fund	64,332	-
Internal Service Funds	17,371	44,395
	<u>81,703</u>	<u>44,395</u>
Building Department		
General Fund	561	-
Internal Service Funds	1,994	46,800
	<u>2,555</u>	<u>46,800</u>
Internal Service Funds		
General Fund	262,397	2,334
Transportation Trust and Gas Taxes	-	1,184
Non-major governmental funds	-	135,888
Water and Sewer District	-	4,645
Waste Management	-	17,371
Building Department	-	1,994
Internal Service Funds	1,320,735	26,194
	<u>1,583,132</u>	<u>189,610</u>
Total Interfund Transfers	<u>\$ 17,988,362</u>	<u>\$ 17,988,362</u>

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE H – LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable from direct borrowings/direct placements	\$ 1,985,000	\$ -	\$ 370,000	\$ 1,615,000	\$ 380,000
Net Bond Premium	8,348	-	1,546	6,802	1,546
Total Bonds Payable	1,993,348	-	371,546	1,621,802	381,546
Loans & Notes from direct borrowings/direct placements	27,134,942	4,607,653	4,733,132	27,009,463	5,155,709
Leases Payable	-	847,408	24,623	822,785	131,167
Compensated Absences	9,069,893	8,622,390	7,028,027	10,664,256	7,828,067
Other Post Employment Benefits	15,060,608	2,191,084	-	17,251,692	674,236
Net Pension Liability	145,703,094	32,429,141	-	178,132,235	280,259
Claims Liabilities	5,418,768	17,360,104	16,903,688	5,875,184	3,025,184
Total	<u>\$ 204,380,653</u>	<u>\$ 66,057,780</u>	<u>\$ 29,061,016</u>	<u>\$ 241,377,417</u>	<u>\$ 17,476,168</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-Type Activities					
Bonds Payable from direct borrowings/direct placements	\$ 25,619,950	\$ -	\$ 1,200,000	\$ 24,419,950	\$ 1,260,000
Net Bond Premium	2,608,518	-	176,849	2,431,669	176,849
Total Bonds Payable	28,228,468	-	1,376,849	26,851,619	1,436,849
Loans & Notes from direct borrowings/direct placements	52,193,357	-	2,919,497	49,273,860	2,986,536
Compensated Absences	1,117,417	1,037,489	924,198	1,230,708	1,095,332
Other Post Employment Benefits	2,038,660	306,836	-	2,345,496	91,669
Net Pension Liability	9,819,020	2,298,166	-	12,117,186	20,296
Landfill Closure/Postclosure	6,457,782	3,528,930	-	9,986,712	-
Total	<u>\$ 99,854,704</u>	<u>\$ 7,171,421</u>	<u>\$ 5,220,544</u>	<u>\$ 101,805,581</u>	<u>\$ 5,630,682</u>

**HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

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

1. LOANS & NOTES FROM DIRECT BORROWINGS/DIRECT PLACEMENTS

Summary of Loans & Notes

	Governmental Activities	Business-Type Activities
Non-revolving Lines of Credit	\$ 14,233,463	\$ 1,022,389
State Revolving Loans	-	48,251,471
Other Loans and Notes	12,776,000	-
Total	<u>\$ 27,009,463</u>	<u>\$ 49,273,860</u>

Governmental Activities-Governmental Funds

The following are summaries of Non-Revolving Lines of Credit at September 30, 2020:

Non-revolving line of credit dated October 22, 2008 with a bank for \$4,000,000 to be used to finance improvement projects. The minimum draw for a project is \$50,000 and the resulting note is to be amortized over 3, 5, 7 or 10 years, as determined at the time of the draw. Payment of principal and interest on these notes is to be made from special assessments levied and collected for the project. The master notes and the draws are secured by and payable solely from Non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance. The term to make draws from this line of credit has expired, and thus there is no unused amount available to the County. As of year-end the following notes had been executed under this agreement:

Dotted Wren Paving. Applicable reate of interest: 3.41%. Average annual principal payments of \$4,667 due until May 1, 2021. Interest is paid semi-annually May 1 and November 1.	\$ 4,280
Mountain Mockingbird/Marvista Court Paving. Applicable rate of interest: 3.41%. Average annual principal payments of \$5,993 due until May 1, 2021. Interest is paid semi-annually May 1 and November 1.	5,496
Golden Avenue Paving. Applicable rate of interest: 3.41%. Average annual principal payments of \$2,451 due until May 1, 2021. Interest is paid semi-annually May 1 and November 1.	2,247
Owl Road Paving. Applicable rate of interest: 3.41%. Average annual principal payments of \$8,504 due until May 1, 2021. Interest is paid semi-annually May 1 and November 1.	7,798
Croft Lane Paving. Applicable rate of interest: 3.41%. Average annual principal paymetns of \$2,661 due until May 1 2021. interest is paid semi-annually May 1 and November 1.	2,440

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities-Internal Service Funds

Nuzum Paving. Applicable rate of interest: 3.41%. Average annual principal payments of \$11,391 due until May 1, 2021. Interest is paid semi-annually May 1 and November 1.	\$ 10,446	\$ 32,707
<p>Non-revolving line of credit dated November 13, 2012 with a bank for \$7,500,000 to be used to finance improvement projects. The minimum draw for a project is \$50,000 and the resulting note is to be amortized over 3, 5, 7 or 10 years, as determined at the time of the draw. Payment of principal and interest on these notes is to be made from special assessments levied and collected for the project. The master notes and the draws are secured by and payable solely from Non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance. The term to make draws from this line of credit has expired, and thus there is no unused amount available to the County. As of year-end the following notes had been executed under this agreement:</p>		
English Sparrow Paving. Applicable rate of interest: 1.81%. Average annual principal payments of \$5,463 due until May 1, 2023. Interest is paid semi-annually May 1 and November 1	\$ 14,328	
Flock West paving. Applicable rate of interest: 1.81%. Average annual principal payments of \$1,252 due until May 1, 2023. Interest is paid semi-annually May 1 and November 1.	3,284	
Flatwood Paving. Applicable rate of interest: 1.81%. Average annual principal payments of \$5,680 due until May 1, 2023. Interest is paid semi-annually May 1 and November 1	14,896	
Lomita Wren Paving. Applicable rate of interest: 1.81%. Average annual principal payments of \$2,885 due until May 1, 2023. Interest paid semi-annually May 1 and November 1	7,567	
Marvelwood Paving. applicable rate of interest: 1.81% Average annual principal payments of \$13,610 dues until May 1, 2023. Interest is paid semi-annually May 1 and November 1	35,693	
Phillips Paving. Applicable rate of interest: 1.81%. Average annual principal payments of \$7,923 due until May 1, 2023. Interest is paid semi-annually May 1 and November 1.	20,777	
Flicker Road Paving. Applicable rate of interest: 2.55% until January 1, 2018 then 3.10%. Average annual principal payments of \$4,081 due until May 1, 2023. Interest paid semi-annually May 1 and November 1.	11,220	
State Road Canal Dredge. Applicable rate of itneret: 2.55% until January 1, 2018 then 3.1%. Avereage annual principa; payments of \$11,757 due until May 1, 2023. Interest is paid semi-annually May 1 and November 1.	32,327	
County Radio System Upgrade. Applicable rate of interest: 1.91% until January 1, 2018 then 2.31%. Average annual principal payments of \$422965 due until May 1, 2023. Interest paid semi-annually May 1 and November 1.	1,185,882	

**HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

<p>Hernando Beach Volunteer Fire Department Engine. Applicable rate of interest: 2.29% until January 1, 2018 then 2.78%. Average annual principal payment of \$46,809 due until May 1, 2023. Interest is paid semi-annually May 1 and November 1.</p>	<p>\$ 137,604</p>	<p>\$ 1,463,578</p>
<p>Non-revolving line of credit dated August 4, 2014 with a bank for \$10,000,000 to be used to finance improvement projects. The minimum draw for a project is \$50,000 and the resulting note is to be amortized over 3, 5, 7, 10 or 15 years, as determined at the time of the draw. Payment of principal and interest on these notes is secured by covenant to budget and appropriate legally available non-ad valorem revenues or special assessments levied and collected for the project. The master notes and the draws are secured by and payable solely from Non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance. The term to make draws from this line of credit has expired, and thus there is no unused amount available to the County. As of year-end the following notes had been executed under this agreement:</p>		
<p>Courthouse Energy Performance Study. Applicable rate of interest: 2.8% until January 1, 2018 then 3.40%. Average annual principal payment of \$62,848 due until May 1, 2029. Interest is paid semi-annually May 1 and November 1.</p>	<p>\$ 493,939</p>	
<p>Phillips East Paving. Applicable rate of interest: 2.51% until January 1, 2018 then 3.05%. Average annual principal payments of \$8,808 due until May 1, 2024. Interest is paid semi-annually May 1 and November 1.</p>	<p>44,669</p>	
<p>Puffin Paving. Applicable rate of interest: 2.51% until January 1, 2018 then 3.05%. Average annual principal payments of \$1,296 due until May 1, 2024. Interest is paid semi-annually May 1 and November 1.</p>	<p>6,572</p>	
<p>Grass Finch Paving. Applicable rate of interest: 2.51% until January 1, 2018 then 3.05%. Average annual principal payments of \$3,181 due until May 1, 2024. Interest is paid semi-annually May 1 and November 1.</p>	<p>16,132</p>	
<p>Harris Hawk Paving. Applicable rate of interest: 2.51% until January 1, 2018 then 3.05%. Average annual principal payments of \$9,500 due until May 1, 2024. Interest is paid semi-annually May 1 and November 1.</p>	<p>48,179</p>	
<p>Royal Highlands Area A Paving. Applicable rate of interest: 2.53% until January 1, 2018 then 3.07%. Average annual principal payments of \$12,361 due until May 1, 2024. Interest is paid semi-annually May 1 and November 1.</p>	<p>46,470</p>	
<p>Ostrom/Allen Paving. Applicable rate of interest: 2.53% until January 1, 2018 then 3.07%. Average annual principal payments of \$4,588 due until May 1, 2024. Interest is paid semi-annually May 1 and November 1.</p>	<p>17,249</p>	
<p>Benes Roush Paving. Applicable rate of interest: 2.53% until January 1, 2018 then 3.07%. Average annual principal payments of \$3,604 due until May 1, 2024. Interest is paid semi-annually May 1 and November 1.</p>	<p>13,552</p>	

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

Eider Paving. Applicable rate of interest: 2.53% until January 1, 2018 then 3.07%. Average annual principal payments of \$2,914 due until May 1, 2024. Interest is paid semi-annually May 1 and November 1.	\$ 10,956
Helene Paving. Applicable rate of interest: 2.53% until January 1, 2018 then 3.07%. Average annual principal payments of \$6,025 due until May 1, 2024. Interest is paid semi-annually May 1 and November 1.	22,650
Hancock Lake Paving. Applicable rate of interest: 2.44% until January 1, 2018 then 2.96%. Average annual principal payments of \$14,079 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	65,530
Crum Paving. Applicable rate of interest: 2.44% until January 1, 2018 then 2.96%. Average annual principal payments of \$8,529 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	39,698
Hernando County Fire Department Fire Engine. Applicable rate of interest: 2.52% until January 1, 2018 then 3.06%. Average annual principal payment of \$147,080 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	682,915
Hernando County Fire Department Emergency Services Equipment. Applicable rate of interest: 2.52% until January 1, 2018 then 3.06%. Average annual principal payment of \$42,265 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	<u>196,245</u>
	\$ 1,704,756
<p>Non-revolving line of credit dated October 22, 2015 with a bank for \$15,000,000 to be used to finance improvement projects. The minimum draw for a project is \$50,000 and the resulting note is to be amortized over 3, 5, 7, 10 or 15 years, as determined at the time of the draw. Payment of principal and interest on these notes is secured by covenant to budget and appropriate legally available non-ad valorem revenues or special assessments levied and collected for the project. The master notes and the draws are secured by and payable solely from Non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance. The term to make draws from this line of credit has expired, and thus there is no unused amount available to the County. As of year-end the following notes had been executed under this agreement:</p>	
Royal Highlands Area C Paving. Applicable rate of interest: 2.73% until January 1, 2018 then 3.32%. Average annual principal payments of \$46,817 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	\$ 216,071
Royal Highlands Area E Paving. Applicable rate of interest: 2.73% until January 1, 2018 then 3.32%. Average annual principal payments of \$27,923 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	128,869
Royal Highlands Area F Paving. Applicable rate of interest: 2.73% until January 1, 2018 then 3.32%. Average annual principal payments of \$11,372 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	52,485

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

Royal Highlands Area G Paving. Applicable rate of interest: 2.34% until January 1, 2018 then 2.84%. Average annual principal payments of \$34,880 due until May 1, 2026. Interest is paid semi-annually May 1 and November 1.	\$ 216,527
Royal Highlands Area B Paving. Applicable rate of interest: 2.34% until January 1, 2018 then 2.84%. Average annual principal payments of \$15,372 due until May 1, 2026. Interest is paid semi-annually May 1 and November 1.	954,228
Golden Warbler Paving. Applicable rate of interest: 2.34% until January 1, 2018 then 2.84%. Average annual principal payments of \$4,690 due until May 1, 2026. Interest is paid semi-annually May 1 and November 1.	29,114
Paramount Area Paving. Applicable rate of interest: 2.34% until January 1, 2018 then 2.84%. Average annual principal payments of \$7,309 due until May 1, 2026. Interest is paid semi-annually May 1 and November 1.	45,370
Pine Warbler Paving. Applicable rate of interest: 2.81% until January 1, 2018 then 3.42%. Average annual principal payments of \$14,095 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.	88,437
Mexican Canary Paving. Applicable rate of interest: 2.81% until January 1, 2018 then 3.42%. Average annual principal payments of \$9,308 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.	58,397
Godwit Paving. Applicable rate of interest: 2.81% until January 1, 2018 then 3.42%. Average annual principal payments of \$6,872 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.	43,240
Pelican Paving. Applicable rate of interest: 2.81% until January 1, 2018 then 3.42%. Average annual principal payments of \$5,225 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.	32,784
Furley Paving. Applicable rate of interest: 2.81% until January 1, 2018 then 3.42%. Average annual principal payments of \$6,243 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.	39,169
Royal Highlands Area I Paving. Applicable rate of interest: 3.92%. Average annual principal payments of \$37,859 due until May 1, 2028. Interest is paid semi-annually May 1 and November 1.	312,140
Royal Highlands Driveway Aprons. Applicable rate of interest: 3.92%. Average annual principal payments of \$8,391 due until May 1, 2028. Interest is paid semi-annually May 1 and November 1.	69,182
Maberly Paving. Applicable rate of interest: 3.92%. Average annual principal payments of \$13,124 due until May 1, 2028. Interest is paid semi-annually May 1 and November 1.	108,209

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

Taylor St Millings. Applicable rate of interest: 3.86%. Average annual principal payments of \$5,904 due until May 1, 2028. Interest is paid semi-annually May 1 and November 1.	\$ 48,344
Sweetgum Road Millings. Applicable rate of interest: 3.86%. Average annual principal payments of \$9,233 due until May 1, 2028. Interest is paid semi-annually May 1 and November 1.	75,610
Painted Bunting Paving. Applicable rate of interest: 3.86%. Average annual principal payments of \$10,101 due until May 1, 2028. Interest is paid semi-annually May 1 and November 1.	82,718
Carnes Area Paving. Applicable rate of interest: 3.86%. Average annual principal payments of \$20,090 due until May 1, 2028. Interest is paid semi-annually May 1 and November 1.	164,524
Jackdaw Road Paving. Applicable rate of interest: 4.09%. Average annual principal payments of \$4,928 due until May 1, 2029. Interest paid semi-annually May 1 and November 1	40,895
Jaybird Road Paving. Applicable rate of interest: 4.09%. Average annual principal payments of \$15,289 due until May 1, 2029. Interest paid semi-annually May 1 and November 1	126,877
Kodiak Wren Road Paving. Applicable rate of interest: 4.09%. Average annual principal payments of \$6,478 due until May 1, 2029. Interest paid semi-annually May 1 and November 1	53,758
Old Squaw Avenue Paving. Applicable rate of interest: 4.09%. Average annual principal payments of \$12,859 due until May 1, 2029. Interest paid semi-annually May 1 and November 1	106,712
Quill Paving. Applicable rate of interest: 4.09%. Average annual principal payments of \$3,396 due until May 1, 2029. Interest paid semi-annually May 1 and November 1	28,182
Wood Owl Road Paving. Applicable rate of interest: 3.14%. Average annual principal payments of \$14,010 due until May 1, 2029. Interest paid semi-annually May 1 and November 1	127,421
Tinamou Area Paving. Applicable rate of interest: 3.14%. Average annual principal payments of \$19,150 due until May 1, 2029. Interest paid semi-annually May 1 and November 1	174,169
Alberta Street Paving. Applicable rate of interest: 3.14%. Average annual principal payments of \$10,860 due until May 1, 2029. Interest paid semi-annually May 1 and November 1	98,772
White Road Paving. Applicable rate of interest: 3.03%. Average annual principal payments of \$18,592 due until May 1, 2029. Interest paid semi-annually May 1 and November 1	168,314
	\$ 3,690,518

**HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

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

Marsh Wren Avenue Paving. Applicable rate of interest: 2.327%. Average annual principal payments of \$5,961 due until May 1, 2030. Interest is paid semi-annually May 1 and November 1.	\$ 59,608
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Nordica Road Paving. Applicable rate of interest: 2.327%. Average annual principal payments of \$4,968 due until May 1, 2030. Interest is paid semi-annually May 1 and November 1.	49,682
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Piping Plover Area Road Paving. Applicable rate of interest: 2.327%. Average annual principal payments of \$17,752 due until May 1, 2030. Interest is paid semi-annually May 1 and November 1.	177,516
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Royal Highlands Area L Road Paving. Applicable rate of interest: 2.327%. Average annual principal payments of \$18,782 due until May 1, 2030. Interest is paid semi-annually May 1 and November 1.	187,822
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Dolquieb Lane Area Road Paving. Applicable rate of interest: 2.327%. Average annual principal payments of \$19,424 due until May 1, 2030. Interest is paid annually May 1 and November 1.	194,244
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\$ 668,872

**HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of other loans at September 30, 2019
Non-Ad Valorem Refunding Revenue Note, Series 2012 dated November 13, 2012 with a bank for \$24,430,000 is a direct borrowing to be used to refinance Capital Improvement and Refunding Bonds, Series 2002 and a portion of Capital Improvement and Refunding Bonds, Series 2004. Payment of principal and interest on this note is secured by and payable solely from Non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance.

Applicable rate of interest: 2.572%. Average annual principal payments of \$1,987,624 due until February 1, 2028. Interest is paid semi-annually February 1 and August 1. \$ 12,776,000

Governmental Activities - Internal Service Funds

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

Vehicle purchases. Applicable rate of interest: 2.16% until January 1, 2018 then 2.63%. Average annual principal payments of \$200,000 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.	\$ 433,393	
Vehicle purchases. Applicable rate of interest 2.81% until January 1, 2018 then 3.42%. Average annual principal payments of \$69,076 due until May 1, 2024. Interest is paid semi-annually May 1 and November 1.	1,003,553	
Vehicle purchase. Applicable rate of interest 2.19% until January 1, 2018 principal payments of \$139,164 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	570,487	
Vehicle purchases. Applicable rate of interest 3.723%. Average annual payments of \$140,571 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.	726,818	
	\$ 2,734,251	

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

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

Vehicle purchases. Applicable rate of interest: 2.104%. Average annual principal payments of \$252,280 due until May 1, 2030. Interest is paid semi-annually May 1 and November 1.	\$ 2,522,806	
Vehicle purchases. Applicable rate of interest: 1.73%. Average annual principal payments of \$60,820 due until May 1, 2027. Interest is paid semi-annually May 1 and November 1.	425,740	
Vehicle purchases. Applicable rate of interest: 1.98%. Average annual principal payments of \$99,024 due until May 1, 2030. Interest is paid semi-annually May 1 and November 1.	990,235	
	3,938,781	
Total Governmental Activities Loans and Notes	\$ 27,009,463	

**HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

Below is a summary of debt service requirements until maturity for the Governmental Activities Loans & Notes Payable:

Year ended September 30	Principal	Interest	Total
2021	\$ 5,155,709	\$ 750,861	\$ 5,906,570
2022	3,635,364	619,092	4,254,456
2023	3,716,929	512,773	4,229,702
2024	3,314,038	404,340	3,718,378
2025	2,920,007	305,557	3,225,564
2026-2030	8,267,416	462,080	8,729,496
Total	<u>\$ 27,009,463</u>	<u>\$ 3,054,703</u>	<u>\$ 30,064,166</u>

Business-Type Activities

The following is a summary of Loans & Notes at September 30, 2020:

Aviation Operations

Non-revolving line of credit dated October 22, 2015 with a bank for \$15,000,000 to be used for construction of multiple T-Hangar buildings known as Southeast T-Hangar Construction Phase III. The minimum draw for a project is \$50,000 and the resulting note is to be amortized over 3, 5, 7, 10, or 15 years, as determined at the time of the draw. The master notes and the draws are secured by and payable solely from Non-Ad Valorem revenues budgeted and appropriated to pay debt service. In the event of default, the Noteholder may take action in any court to enforce and compel performance. The term to make draws from this line of credit has expired, and thus there is no unused amount available to the County.

Applicable rate of interest: 3.92%. Average annual principal payments of \$190,000 due until May 1, 2025. Interest is paid semi-annually May 1 and November 1.

\$ 1,022,389

Water & Sewer District

Each of the following State Revolving Loan direct borrowings are secured by a lien on net revenues and connections fees. In the event of default, the Florida Department of Environmental Protection may take action in the form of litigation to cause the appointment of a receiver to establish rates for repayment, charge penalties, notify financial markets, and/or accelerate the repayment schedule with increased financing rates. These liens are junior, inferior and subordinate to the senior liens on the Water and Sewer Revenue Bonds.

State Revolving Fund Loan due in semi-annual installments of \$58,053 beginning December 15, 2012. The loan has an interest rate of 2.90% and matures June 2032.

\$ 1,169,602

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

State Revolving Fund Construction Loan due in semi-annual installments of \$358,255 beginning October 15, 2012. The loan has an interest rates of 2.29% to 2.41% and matures April 2032.	\$ 7,432,310
State Revolving Fund Construction Loan due in semi-annual installments of \$86,604 beginning October 15, 2012. The loan has an interest rate of 2.16% and matures April 2032.	1,822,356
State Revolving Fund Construction Loan due in semi-annual installments of \$191,200 beginning November 15, 2012. The loan has an interest rate of 2.37% and matures May 2032.	3,973,663
State Revolving Fund Construction Loan due in semi-annual installments of \$87,779 beginning December 15, 2016. The loan has an interest rate of 2.23% and matures June 2036.	2,351,571
State Revolving Fund Construction Loan due in semi-annual installments of \$1,128,372 beginning August 15, 2017. The loan has an interest rates of 1.82% to 2.23% and matures February 2037.	31,501,969
	<u>\$ 48,251,471</u> <u>\$ 49,273,860</u>

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

Year ended September 30	Principal	Interest	Total
2021	\$ 2,986,536	\$ 1,063,133	\$ 4,049,669
2022	3,055,178	994,488	4,049,666
2023	3,125,471	924,197	4,049,668
2024	3,197,452	852,212	4,049,664
2025	3,271,169	778,496	4,049,665
2026-2030	16,286,317	2,816,315	19,102,632
2031-2035	13,861,657	1,076,301	14,937,958
2036-2037	3,490,080	70,591	3,560,671
Total	\$ 49,273,860	\$ 8,575,733	\$ 57,849,593

2. LEASES PAYABLE

Governmental Activities

Installment purchase used to finance a vehicle and equipment for the Sheriff's Office:

Applicable rate of interest: 0%. Annual payments of \$155,410 payable until 2026. \$822,785

**HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

3. BONDS PAYABLE

Governmental Activities

NON-AD VALOREM REFUNDING REVENUE BONDS, SERIES 2010

Non-Ad Valorem Refunding Revenue Bonds, Series 2010 dated February 19, 2010 in the aggregate amount of \$9,980,000 were issued as a direct placement during the fiscal year ended September 30, 2010. Of the total bonds issued, the portion attributable to the Governmental Fund is \$5,700,000. The bonds were issued to legally defease all of the outstanding Capital Improvement Revenue Refunding Bonds, Series 1998 and a portion of the Water and Sewer Refunding Revenue Bonds, Series 1998, and to pay certain costs and expenses relating to the issuance of the Series 2010 Bonds, including the premium for a financial guaranty insurance policy.

The Series 2010 Bonds are payable solely from the County's covenant to budget and appropriate in its annual budget Non-Ad Valorem revenues sufficient to pay principal and interest when due and pay all required deposits to the Rebate Fund. For the fiscal year 2020, pledged revenues in the amount of \$72 million provided a coverage ratio of 19.43 times the annual debt service for the combined Non-Ad Valorem Refunding Revenue Bonds, Series 2010 and the Non-Ad Valorem Refunding Revenue Note, Series 2012.

Interest on the bonds is payable February 1 and August 1 of each year, commencing August 2010. The bonds carry interest rates varying from 2.0% to 4.125%, depending upon maturity date. Bonds maturing on or before February 1, 2020 are not subject to optional redemption prior to their respective stated dates of maturity. Bonds maturing on February 1, 2021 and thereafter are subject to redemption prior to their respective dates of maturity.

The following are the debt service requirements until maturity for the governmental activity bonds outstanding as of September 30, 2020:

	Non-Ad Valorem Refunding Revenue Bonds Series 2010	
Year	Principal	Interest
2021	380,000	57,294
2022	395,000	42,031
2023	415,000	25,831
2024	425,000	8,766
Total	<u>\$ 1,615,000</u>	<u>\$ 133,922</u>

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities

Water & Sewer District

HOLLAND SPRINGS BONDS

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

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

WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 2013A

Water and Sewer Refunding Revenue Bonds, Series 2013A dated July 6, 2013 in the aggregate amount of \$36,160,000 were issued as a direct placement during the fiscal year ended September 30, 2013. The bonds were issued to legally defease all of the outstanding Water and Sewer Refunding Revenue Bonds, Series 2003 and Water and Sewer Revenue Bonds, Series 2004, and to pay certain costs and expenses relating to the issuance of the Series 2013A Bonds, including the premiums for municipal bond insurance policy and reserve account insurance.

The Series 2013A Bonds are payable solely from and secured by a lien upon and pledge of the Net Revenues and Connection Fees of the County’s water and sewer system. For the fiscal year 2020, pledged revenues in the amount of \$20 million provided a coverage ratio of 7.89 times the annual debt service for the combined Water and Sewer Refunding Revenue Bonds, Series 2013A, and the Water and Sewer portion of the Non-Ad Valorem Refunding Revenue Bonds, Series 2010.

Interest on the bonds is payable June 1 and December 1 of each year, commencing December 2013. The bonds carry interest rates varying from 2.0% to 5.0%, depending upon maturity date. Bonds maturing on or before June 1, 2023 are not subject to optional redemption prior to their respective stated dates of maturity. Bonds maturing after June 1, 2023 are subject to redemption prior to their respective dates of maturity.

**HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

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

Water and Sewer Refunding Revenue Bonds Series 2013A		
Year	Principal	Interest
2021	\$ 1,260,000	\$ 1,140,856
2022	1,320,000	1,077,856
2023	1,390,000	1,011,856
2024	1,460,000	942,356
2025	1,510,000	889,356
2026-2030	8,770,000	3,235,031
2031-2034	8,670,000	931,201
Total	<u>\$ 24,380,000</u>	<u>\$ 9,228,512</u>

The following is a reconciliation of total principal due on the Water and Sewer District's revenue bonds as of September 30, 2020, per the Statement of Net Position and the preceding amortization schedule:

Principal per amortization schedule	\$ 24,380,000
Unamortized premium as of September 30, 2020	2,431,669
Bonds not included in amortization schedule, as noted above:	
Holland Springs Bonds	39,950
Total Carrying Value, Revenue Bonds	<u>26,851,619</u>
Current Portion, Revenue Bonds	(1,260,000)
Current Portion of unamortized premium	(176,849)
Long-Term Portion, Revenue Bonds	<u>\$ 25,414,770</u>

4. DEFEASED BONDS

In prior years, the County defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on old bonds. Accordingly, the trust account assets and the liability for the defeased bonds were not included in the County's financial statements. As of September 30, 2020, there were no defeased bonds.

5. DEBT COMPLIANCE

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

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE H – LONG-TERM LIABILITIES (CONTINUED)

6. CONDUIT DEBT OBLIGATIONS

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

As of September 30, 2020 there was one series of outstanding Industrial Revenue Development Bonds, with an outstanding principal amount of \$12,130,000.

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE I – RETIREMENT SYSTEM

General Information about the Florida Retirement System (FRS)

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

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

For the year ended September 30, 2020, the County's contributions to all Plans totaled \$14,882,902. For further information of contributions by plan for each of the Constitutional Officers, see the schedule below:

	Florida Retirement System (FRS)	Health Insurance Subsidy (HIS)	Investment Plan	Total
Board of County Commissioners	\$ 6,384,481	\$ 739,992	\$ 124,330	\$ 7,248,803
Clerk of Circuit Court	410,436	73,511	49,674	533,621
Property Appraiser	252,353	34,793	6,174	293,320
Tax Collector	269,201	35,117	17,603	321,921
Sheriff	5,394,743	505,068	489,628	6,389,439
Supervisor of Elections	81,177	7,610	7,011	95,798
	<u>\$ 12,792,391</u>	<u>\$ 1,396,091</u>	<u>\$ 694,420</u>	<u>\$ 14,882,902</u>

Payables to the Pension Plan—The County reported a payable of \$1,668,315 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2020.

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE I – RETIREMENT SYSTEM (CONTINUED)

1. FRS PENSION PLAN

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

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

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of the plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustment to eligible participants.

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

An employee may participate in DROP for a period not to exceed 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.

**HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE I – RETIREMENT SYSTEM (CONTINUED)

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

<u>Class, Initial Enrollment and Retirement Age/Years of Service</u>	<u>Percent Value</u>
Regular Class Members Initially Enrolled Before July 1, 2011:	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 years of service	1.68
Regular Class Members Initially Enrolled on or After July 1, 2011:	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 years of service	1.68
Elected County Officers	3.00
Circuit and County Court Judges	3.33
Senior Management Service Class	2.00
Special Risk Class	
Service from December 1, 1970 thru September 30, 1974	2.00
Service on and after October 1, 1974	3.00

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

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE I – RETIREMENT SYSTEM (CONTINUED)

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2019-2020 fiscal year (September 30th) were as follows:

Class	Year Ended June 30, 2020		Year Ended June 30, 2021	
	Percent of Gross Compensation		Percent of Gross Compensation	
	Employee	Employer	Employee	Employer
FRS, Regular	3.00	6.75	3.00	8.28
FRS, Special Risk Regular	3.00	23.76	3.00	22.73
FRS, Elected County Officers	3.00	47.10	3.00	47.46
FRS, Senior Management Service	3.00	23.69	3.00	25.57
DROP—Applicable to Members from All of the Above Classes	0.00	12.94	0.00	15.32

Notes: (1) These rates include the normal cost and unfunded actuarial liability contributions but do not include the 1.66% contribution for the Retiree Health Insurance Subsidy and the fee of 0.06% for administration of the FRS Investment Plan and provision of educational tools for both plans.

The County contributions, including employee contributions, to the Plan totaled \$12,792,391 for the fiscal year ended September 30, 2020. This excludes the HIS and Investment Plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2020, the County reported a liability of \$161,419,381 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The County's proportionate share of the net pension liability was based on the County's 2019-20 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the County's proportion was .372436302%, which was a decrease of .001177898 from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the County recognized pension expense of \$38,272,754 related to the Plan. At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	\$ 3,239,754	\$ -
Difference between Expected and Actual Experience	6,177,848	-
Changes in Assumptions	29,222,044	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	9,611,066	-
Employer Specific Amounts Due to Changes in Employer Proportion	3,070,409	1,578,351
Total	<u>\$ 51,321,121</u>	<u>\$ 1,578,351</u>

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE I – RETIREMENT SYSTEM (CONTINUED)

The deferred outflows of resources related to pensions, totaling \$3,239,754, resulting from County contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
2021	\$ 10,186,282
2022	14,753,941
2023	12,360,993
2024	7,496,418
2025	1,705,382
Total	\$ 46,503,016

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

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Board of County Commissioners	\$ 78,665,074	\$ 24,309,123	\$ 962,992
Clerk of Circuit Court	5,043,172	1,625,478	101,833
Property Appraiser	3,178,029	965,377	27,197
Tax Collector	3,371,303	1,092,596	88,489
Sheriff	70,146,912	23,000,144	367,861
Supervisor of Elections	1,014,891	328,403	29,979
	\$ 161,419,381	\$ 51,321,121	\$ 1,578,351

Actuarial Assumptions. The total pension liability in the July 1, 2020 actuarial valuation was determined using the individual entry age cost method and the following actuarial assumptions:

Inflation	2.40%
Salary Increases	3.25% Average, Including Inflation
Discount Rate	6.80%
Long-term Expected Rate of Return, Net of Investment Expense	8.00%
Municipal Bond Index	N/A

Mortality rates were based on the PUB2010 Base Table, varying by member, category & sex, projected generationally with SCALE MP 2018.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE I – RETIREMENT SYSTEM (CONTINUED)

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 or the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Total	<u>100.0%</u>			
Assumed Inflation-Mean			2.4%	1.7%

Discount Rate. The discount rate used to measure the total pension liability in the July, 2020 valuation was 6.80%. The Plan's fiduciary net pension position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
Employer's Proportionate Share of Net Pension Liability	<u>\$ 257,759,625</u>	<u>\$ 161,419,382</u>	<u>\$ 80,955,592</u>

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

2. HIS PENSION PLAN

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

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE I – RETIREMENT SYSTEM (CONTINUED)

Benefits Provided. For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplies by \$5. The minimum HIS payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under the State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the Plan fiscal years ended June 30, 2020 and 2019, the contribution rates were 1.66% of payroll, pursuant to Section 112.363, Florida Statutes. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide a full subsidy benefit to all participants, benefits may be reduced or cancelled.

The County's contributions to the HIS Plan totaled \$1,396,091 for the fiscal year ended September 30, 2020. This excludes the Pension Plan and Investment Plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2020, the County reported a liability of \$28,830,040 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The County's proportionate share of the net pension liability was based on the County's 2019-20 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the County's proportion was .236121420%, which was a decrease of .003887386 from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the County recognized pension expense of \$3,311,633 related to the Plan. At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	\$ 345,987	\$ -
Difference between Expected and Actual Experience	1,179,323	22,241
Changes in Assumptions	3,100,051	1,676,355
Net Difference between Project and Actual Earnings on Pension Plan Investments	23,017	-
Employer Specific Amounts Due to Changes in Employer Proportion	1,224,005	672,617
Total	\$ 5,872,383	\$ 2,371,213

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE I – RETIREMENT SYSTEM (CONTINUED)

The deferred outflows of resources related to pensions, totaling \$345,987, resulting from County contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
2021	\$ 993,133
2022	727,806
2023	201,250
2024	404,024
2025	483,402
Thereafter	345,568
Total	\$ 3,155,183

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

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Board of County Commissioners	\$ 15,057,476	\$ 2,813,961	\$ 1,303,054
Clerk of Circuit Court	1,513,620	285,691	144,683
Property Appraiser	730,826	136,726	48,919
Tax Collector	738,525	206,240	62,363
Sheriff	10,640,180	2,394,455	797,677
Supervisor of Elections	149,413	35,310	14,517
	\$ 28,830,040	\$ 5,872,383	\$ 2,371,213

Actuarial Assumptions. The total pension liability in the July 1, 2020 actuarial valuation, was determined using the individual entry age cost method and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% Average, Including Inflation
Discount Rate	2.21%
Long-term Expected Rate of Return, Net of Investment Expense	N/A
Municipal Bond Index	2.21%

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

The actuarial assumptions used in the July 1, 2020 valuation, were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE I – RETIREMENT SYSTEM (CONTINUED)

Discount Rate. The discount rate used to measure the total pension liability was 2.21%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 2.21%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Employer's Proportionate Share of Net Pension Liability	<u>\$ 33,326,241</u>	<u>\$ 28,830,041</u>	<u>\$ 25,149,914</u>

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

3. FRS-DEFINED CONTRIBUTION PENSION PLAN

The County contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to the individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officials, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the Investment members' accounts during the 2019-20 fiscal year are as follows:

**HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE I – RETIREMENT SYSTEM (CONTINUED)

Class	Year Ended June 30, 2020		Year Ended June 30, 2021	
	Percent of Gross Compensation		Percent of Gross Compensation	
	Employee	Employer	Employee	Employer
FRS, Regular	3.00	3.30	3.00	3.30
FRS, Special Risk Regular	3.00	11.00	3.00	11.00
FRS, Elected County Officers	3.00	8.34	3.00	8.34
FRS, Senior Management Service	3.00	4.67	3.00	4.67

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Plan is transferred to the Investment Plan, the member must have the years of service required for Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeit benefits of Investment Plan members. For the fiscal year September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

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

Pension expense for the County's Investment Plan totaled \$694,420 for the fiscal year ended September 30, 2020.

**HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE J – POST EMPLOYMENT BENEFITS OTHER THAN PENSION

1. SUMMARY AND PLAN DESCRIPTION

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

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

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

The actuarial valuation of the OPEB liabilities was determined as of September 30, 2018 which is the same as the measurement date. These liabilities are used for the reporting period ending September 30, 2020.

Actuarial Valuation Date	9/30/2018
Measurement Date	9/30/2019
County's Reporting Date	9/30/2020

At September 30, 2018, the date of the latest actuarial valuation, plan participation consisted of:

Active Plan Participants	1,440
Retirees and Beneficiaries Receiving Benefits	<u>90</u>
Total Membership	<u><u>1,530</u></u>

2. FUNDING POLICY

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

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE J – POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

3. TOTAL OPEB LIABILITY

The components of the County's OPEB Liability at the Measurement Date of September 30, 2019 are as follows:

Total OPEB Liability	\$	19,597,188
OPEB Plan Fiduciary Net Position		-
County's Net OPEB Liability	<u>\$</u>	<u>19,597,188</u>
OPEB Plan Fiduciary Net Position as a Percentage of Total OPEB Liability		0.00%

4. CHANGES IN TOTAL OPEB LIABILITY

The changes in the OPEB Liability for the Measurement Period Ended September 30, 2020 are as follows:

Total OPEB Liability:		
Service Cost	\$	887,762
Interest on Total OPEB Liability		674,524
Changes of Benefit Terms		-
Difference between Expected and Actual Expense		-
Changes in Assumptions and Other Inputs		1,686,520
Benefit Payments		<u>(750,886)</u>
Net Change in Total OPEB Liability		2,497,920
Total OPEB Liability-Beginning		<u>17,099,268</u>
Total OPEB Liability-Ending	<u>\$</u>	<u>19,597,188</u>
Covered Employee Payroll	\$	74,406,382
Total OPEB Liability as a Percentage of Covered Employee Payroll		26.34%

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

The following table presents the total OPEB liability, calculated using the discount rate of 2.75%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (1.75%) or one percentage-point higher (3.75%) than the current discount rate:

	1% Decrease 1.75%	Current Discount Rate Assumption 2.75%	1% Increase 3.75%
Total OPEB Liability	<u>\$ 21,259,807</u>	<u>\$ 19,597,188</u>	<u>\$ 18,030,669</u>

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE J – POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

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

The following table presents the total OPEB liability of the County using the discount rate of 6.75% decreasing to 4.24%, as well as what the County’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current discount rate.

	1% Decrease (5.75% decreasing to 3.24%)	Current Discount Rate Assumption (6.75% decreasing to 4.24%)	1% Increase (7.75% decreasing to 5.24%)
Total OPEB Liability	\$ 17,016,582	\$ 19,597,188	\$ 22,903,973

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

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

At the beginning of the measurement period, the average of the expected remaining service lives for purposes of recognizing the applicable combined deferred outflows and inflows of resources established in the measurement period is 11.8 years.

For the year ended September 30, 2020, the County recognized OPEB expense of \$1,398,898.

OPEB Expense:	
Service Cost	\$ 887,762
Interest on Total OPEB Liability	674,524
Current-Period Benefit Changes	-
OPEB Plan Administrative Expense	-
Outflow(Inflow) of Resources due to Liability	(163,388)
Total OPEB Expense	<u>\$ 1,398,898</u>

**HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE J – POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

At September 30, 2020, the County has Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Net Deferred Amounts</u>
Differences between Expected and Actual Experience	\$ 2,537,398	\$ -	\$ 2,537,398
Changes in Assumptions and Other Inputs	1,543,595	5,442,958	(3,899,363)
	<u>\$ 4,080,993</u>	<u>\$ 5,442,958</u>	<u>\$ (1,361,965)</u>

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

<u>Fiscal Year Ended September 30</u>	<u>Deferred Inflow of Resources</u>
2021	\$ (163,388)
2022	(163,388)
2023	(163,388)
2024	(163,388)
2025	(163,388)
Thereafter	(545,025)
	<u>\$ (1,361,965)</u>

Estimated Deferred Outflow of Resources due to benefits paid after the measurement date is \$837,449.

Change from Prior Reporting Year (includes Changes in Assumptions and Differences between Expected and Actual Experience):

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Prior Year End Balance	\$ 3,547,202	\$ 6,008,189
Additions/Reductions	1,371,240	(565,231)
Current Year End Balances	<u>\$ 4,918,442</u>	<u>\$ 5,442,958</u>

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE J – POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

6. ACTUARIAL METHODS AND ASSUMPTIONS

The total OPEB liability at September 30, 2020 was based on actuarial valuation data, from the Measurement Date of September 30, 2019, using the following actuarial assumptions:

Actuarial cost method	Entry Age Normal
Inflation rate	2.50%
Discount rate	2.75%
Salary Increase Rates	3.7%-7.8%
Retirement Age	FRS actuarial calculated
Mortality Rates	Tables of Regular and Special Risk Class members of 7/1/2018 Florida Retirement System actuarial valuation
Healthcare Cost Trend Rates	Getzen Model, trend starting at 6.75% (0% for premiums to reflect actual increase) for 2019, 6.50% for 2020 and gradually decreasing to an ultimate trend rate of 4.24% plus a 0.43% increase for excise tax
Aging factors	2013 SOA Study "Health Care Costs-From Birth to Death"
Expenses	Administrative expenses included in the per capita health costs

NOTE K – ARBITRAGE REBATE LIABILITY

Hernando County calculates and records the estimated liability for arbitrage rebate on its outstanding bonds. The rebate calculations are done pursuant to Internal Revenue Code Section 148. The amount to be rebated is calculated as the excess of amounts earned on investments of bond proceeds over amounts that would have been earned if investments had been invested at a rate equal to the rate of yield on the bond issue, plus any income attributable to such excess. The regulations provide that the first rebate payment must be made not later than sixty (60) days after the end of the fifth bond year of the issue; the last installment payment must be made within sixty (60) days after the day on which the issue's last obligation is redeemed. As of September 30, 2020, there is no estimated rebate liability on any of the County's bond issues.

NOTE L – PROPERTY TAXES

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

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

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

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

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE L – PROPERTY TAXES (CONTINUED)

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

NOTE M – RISK MANAGEMENT

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

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

The Workers' Compensation fund is a self-insurance program for workers' compensation claims on losses up to \$1,250,000 per occurrence and is indemnified against losses in excess of these amounts. The Workers' Compensation fund has indemnified each fund against any losses in a given year in excess of the fee charged. In the event actual losses are less than the fee charged, such amounts will be retained in the Workers' Compensation fund. Claim settlements and losses are accrued and subsequently paid from the Workers' Compensation fund. As of September 30, 2020, claims accrued, including an estimate for claims incurred but not reported, were \$4,900,000. The County records an estimated liability for workers' compensation. Claims liabilities are based on estimates of the ultimate cost of reported claims and an estimate for claims incurred but not reported based on historical experience.

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

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

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE M – RISK MANAGEMENT (CONTINUED)

CLAIMS LIABILITIES

	<u>Workers’ Compensation</u>	<u>County Health Insurance</u>	<u>Sheriff Health Insurance</u>	<u>Total Claims Liabilities</u>
Liability balance				
September 30, 2018	\$ 4,550,000	\$ 529,287	\$ 308,232	\$ 5,387,519
Claims incurred	1,191,616	9,414,722	4,820,069	15,426,407
Claims paid	<u>(1,251,616)</u>	<u>(9,339,603)</u>	<u>(4,803,939)</u>	<u>(15,395,158)</u>
Liability balance				
September 30, 2019	4,490,000	604,406	324,362	5,418,768
Claims incurred	976,891	9,597,076	6,786,137	17,360,104
Claims paid	(566,891)	(9,576,878)	(6,759,919)	(16,903,688)
Liability balance				
September 30, 2020	<u>\$ 4,900,000</u>	<u>\$ 624,604</u>	<u>\$ 350,580</u>	<u>\$ 5,875,184</u>
Cash available to pay claims				
September 30, 2020				
Reported in governmental				
activities	<u>\$ 5,380,810</u>	<u>\$ 6,913,476</u>	<u>\$ 5,425,293</u>	

NOTE N – CLOSURE AND POSTCLOSURE CARE COSTS

The County’s active landfills are at the Northwest facility, and include a Class 1 landfill (Cells 1, 2 & 3) and a Construction & Demolition (C&D) landfill. State and federal laws and regulations require the Waste Management Division (the Division) to place final covers on the active County landfills when they stop accepting waste and to perform certain maintenance and monitoring functions at the site. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Division reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. As of September 30, 2020, the Division has accrued a total of \$9,986,712 in liabilities related to estimated closure and postclosure care costs.

Cells 1 and 2 at the Class 1 landfill were partially closed in 2014 at a cost of \$3,158,604. Remaining closure costs of \$6,268,190 as shown in the table below, are primarily for Cell 3. Cell 3 is approximately 56% filled at September 30, 2020 and has a remaining design life of approximately 9 years. Postclosure maintenance and monitoring functions will be required for thirty years after closure. Remaining estimated postclosure costs for the Class 1 landfill (all Cells) are \$8,210,632. The class 1 landfill (all Cells) is approximately 75% filled at September 30, 2020. The County will recognize the remaining costs that have not been accrued (closure costs of \$2,732,066 and postclosure costs of \$2,025,021) as the remaining estimated capacity is filled.

The C&D landfill is approximately 99% filled at September 30, 2020 and has a remaining design life of less than one year. Postclosure maintenance and monitoring functions will be required for five years after closure. Remaining estimated closure and postclosure costs for the C&D landfill are \$166,382 and \$98,809, respectively. The County will recognize the remaining costs that have not been accrued (closure costs of \$134 and postclosure costs of \$80) as the remaining estimated capacity is filled.

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE N – CLOSURE AND POSTCLOSURE CARE COSTS (CONTINUED)

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

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

Landfill	Estimated Remaining Closure Costs	Percent Accrued	Closure Accrued Liability at 9/30/20	Estimated Remaining Postclosure Costs	Percent Accrued	Postclosure Accrued Liability at 9/30/20	Total Accrued Liability at 9/30/20
NW Cells 1, 2 & 3	\$ 6,268,190	56.41%	\$ 3,536,124	\$ 8,210,632	75.34%	\$ 6,185,611	\$ 9,721,735
NW C & D	<u>166,382</u>	99.92%	<u>166,248</u>	<u>98,809</u>	99.92%	<u>98,729</u>	<u>264,977</u>
	<u>\$ 6,434,572</u>		<u>\$ 3,702,372</u>	<u>\$ 8,309,441</u>		<u>\$ 6,284,340</u>	<u>\$ 9,986,712</u>

Amortization expense for 2020 was an increase of \$3,521,263 for the Class 1 landfill and an increase of \$7,667 for the C&D landfill. This expense increased significantly for the Class 1 landfill due to a 5% increase in capacity used and a 76% increase in postclosure costs for fiscal year 2020.

The Division is required by state and federal laws and regulations to make contributions to a trust to finance closure and postclosure care. The Division believes it is in compliance with these requirements, and at September 30, 2020, cash and investments of \$9,396,550 are held for these purposes. These are reported as restricted assets on the Statement of Net Position. The Division expects that future inflation costs will be paid from the interest earnings on these contributions.

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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

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

	Governmental Activities	Business-Type Activities
Statement of Net Position		
Deferred Outflows of Resources:		
Pensions	\$ 53,845,178	\$ 3,348,326
Other Post Employment Benefits	4,320,238	598,204
Deferred charge on debt refunding	564,287	1,175,551
	\$ 58,729,703	\$ 5,122,081
Deferred Inflows of Resources:		
Pensions	\$ 3,682,167	\$ 267,397
Other Post Employment Benefits	4,784,191	658,767
Other	-	69,005
	\$ 8,466,358	\$ 995,169
Statement of Governmental Funds Balance Sheet		
Deferred Inflows of Resources:		
Taxes, applicable to a future period	\$ 1,824,869	
Ambulance fees, applicable to a future period	6,265,655	
Other items, applicable to a future period	118,329	
Total Governmental Funds	\$ 8,208,853	

NOTE P – SEGMENT INFORMATION

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

NOTE Q – CONTINGENCIES

1. GENERAL LITIGATION

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

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE Q – CONTINGENCIES (CONTINUED)

2. GRANTS AND CONTRACTS

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

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

3. DISASTER ASSISTANCE

Disaster funding received from the FEMA Public Assistance Program (CFDA 97.036) is based on Project Worksheets (PW's) that outline the eligible expenses and the scope of the project. The County encountered damages related to both Hurricane Hermine in August of 2016 and Hurricane Irma in September of 2017 in which it was declared eligible for funding under this program. The Florida Division of Emergency Management (FDEM) entered into a Federally Funded Agreement for disaster assistance related to Hurricane Hermine in January 2017 and Hurricane Irma in December 2018. Currently these events are in varying stages of validation, obligation, and close-out.

In addition, during Fiscal Year 2020 the County received a Federally Funded Agreement for disaster assistance under the FEMA Public Assistance Program related to COVID-19. Also, the Federal Government approved the Coronavirus Aid, Relief, and Economic Security (CARES) Act to help with the response and recovery from the COVID-19 pandemic. Subsequently, the County received multiple agreements under various programs funded under this Act.

HERNANDO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE R – RESTATED BEGINNING NET POSITION

The beginning Net Position of Governmental and Business-Type Activities has been restated due to elimination of the immaterial accumulated impact of the Internal Service Funds look-back adjustment.

	Net Position Beginning of Year	Cumulative Effect of Restatement	Net Position Beginning of Year, Restated
Governmental Activities	<u>\$ 298,973,752</u>	<u>\$ 2,014,236</u>	<u>\$ 300,987,988</u>
Business-Type Activities	<u>\$ 261,626,393</u>	<u>\$ (2,014,236)</u>	<u>\$ 259,612,157</u>

**HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB)
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
September 30, 2020**

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability:			
Service Cost	\$ 1,181,694	\$ 1,137,228	\$ 887,762
Interest on Total OPEB Liability	589,509	682,764	674,524
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Expense	-	3,055,234	-
Changes in Assumptions and Other Inputs	(725,447)	(5,912,172)	1,686,520
Benefit Payments	<u>(552,150)</u>	<u>(468,206)</u>	<u>(750,886)</u>
Net Change in Total OPEB Liability	\$ 493,606	(1,505,152)	2,497,920
Total OPEB Liability-Beginning	<u>18,110,814</u>	<u>18,604,420</u>	<u>17,099,268</u>
Total OPEB Liability-Ending	<u>\$ 18,604,420</u>	<u>\$ 17,099,268</u>	<u>\$ 19,597,188</u>
Covered Employee Payroll	\$ 79,723,027	\$ 71,544,598	\$ 74,406,382
Total OPEB Liability as a Percentage of Covered Employee Payroll	23.34%	23.90%	26.34%

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

Changes in Assumptions: The discount rate was changed from 3.83% as of the beginning of the measurement period to 2.75% as of September 30, 2020. This change is reflected in Note J, Schedule of Changes in Total OPEB Liability. There were no benefit changes during the year reported.

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

**HERNANDO COUNTY, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB)
 SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
 September 30, 2020**

Valuation Date September 30, 2018
 Measurement Date September 30, 2019

Methods and Assumptions Used to Determine Total OPEB Liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Discount Rate	2.75%
Salary Increases	Salary increase rates used in the July 1, 2018 actuarial valuation of the Florida Retirement System; 3.7%-7.8%, including inflation.
Retirement Age	Retirement rates used in the July 1, 2018 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2008 through 2013.
Mortality	Mortality tables used for Regular and Special Risk Class members in the July 1, 2018 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2008 through 2013 and include generational projections.
Healthcare Cost Trend Rates	For the Board of County Commissioners Plan, based on the Getzen Model, with trend starting at 6.75% (0% for premiums to reflect actual increase) for 2019, 6.50% for 2020 and gradually trending to an ultimate trend rate of 4.24% plus 0.43% increase for excise tax. For the Sheriff Plan, based on the Getzen Model, with trend starting at 6.75% (15.5% for premiums to reflect actual increase) for 2019, 6.50% for 2020 and gradually trending to an ultimate trend rate of 4.24% plus 0.40% increase for excise tax.
Aging Factors	Based on the 2013 SOA study "Health Care Costs-From Birth to Death"
Expenses	Administrative expenses are included in the per capita health costs.

**HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT SYSTEM-SCHEDULE OF COUNTY'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
September 30, 2020**

Last Seven Fiscal Years

FLORIDA RETIREMENT SYSTEM PENSION PLAN

Year Ended June 30,	County's Proportion of the FRS Net Pension Plan	County's Proportion Share of the FRS Net Pension Plan Liability	County's Covered Payroll (FYE June 30)	County's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.323724689%	\$ 19,751,966	\$ 63,870,645	30.92%	96.09%
2015	0.336186138%	43,422,948	67,871,564	63.98%	92.00%
2016	0.374836315%	94,646,463	72,504,583	130.54%	84.88%
2017	0.366968106%	108,546,704	73,706,909	147.27%	83.89%
2018	0.367093765%	110,570,546	77,006,547	143.59%	84.26%
2019	0.373614200%	128,667,529	80,431,045	159.97%	82.61%
2020	0.372436302%	161,419,382	82,071,964	198.55%	78.95%

HEALTH INSURANCE SUBSIDY PENSION PLAN

Year Ended June 30,	County's Proportion of the HIS Net Pension Plan	County's Proportion Share of the HIS Net Pension Liability	County's Covered Payroll (FYE June 30)	County's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.214659060%	\$ 20,064,413	\$ 63,870,645	31.41%	0.99%
2015	0.223082288%	22,750,520	67,871,564	33.52%	0.50%
2016	0.234274954%	27,303,775	72,504,583	37.66%	0.97%
2017	0.230722126%	24,669,874	73,706,909	33.47%	1.64%
2018	0.235431734%	24,918,358	77,006,547	32.36%	2.15%
2019	0.240008828%	26,854,586	80,431,045	33.16%	2.63%
2020	0.236121420%	28,830,041	82,071,964	35.46%	3.00%

Note: The amounts shown above for both tables as reported on the date indicated have a measurement date three months prior. Covered-employee payroll is for the year shown. Additional information will be provided annually until ten years' data is presented.

**HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT SYSTEM-SCHEDULE OF COUNTY'S CONTRIBUTIONS
September 30, 2020**

Last Seven Fiscal Years

FLORIDA RETIREMENT SYSTEM PENSION PLAN

<u>Year Ended September 30,</u>	<u>Contractually Required Contribution</u>	<u>FRS Contribution in Relation to the Contractually Required Contribution</u>	<u>FRS Contribution Deficiency (Excess)</u>	<u>County's Covered Payroll (FYE September 30)</u>	<u>FRS Contributions as a Percentage of Covered Payroll</u>
2014	\$ 9,065,698	\$ (9,065,698)	-	\$ 64,431,818	14.07%
2015	\$ 8,393,369	\$ (8,393,369)	-	\$ 68,825,669	12.20%
2016	\$ 9,279,559	\$ (9,279,559)	-	\$ 72,387,348	12.82%
2017	\$ 9,637,808	\$ (9,637,808)	-	\$ 74,200,644	12.99%
2018	\$ 10,692,565	\$ (10,692,565)	-	\$ 77,625,482	13.77%
2019	\$ 11,780,902	\$ (11,780,902)	-	\$ 80,988,686	14.55%
2020	\$ 12,792,391	\$ (12,792,391)	-	\$ 84,190,948	15.74%

HEALTH INSURANCE SUBSIDY PENSION PLAN

<u>Year Ended September 30,</u>	<u>Contractually Required Contribution</u>	<u>HIS Contribution in Relation to the Contractually Required Contribution</u>	<u>HIS Contribution Deficiency (Excess)</u>	<u>County's Covered Payroll (FYE September 30)</u>	<u>HIS Contributions as a Percentage of Covered Payroll</u>
2014	\$ 939,152	\$ (939,152)	-	\$ 64,431,818	1.46%
2015	\$ 933,326	\$ (933,326)	-	\$ 68,825,669	1.36%
2016	\$ 1,195,301	\$ (1,195,301)	-	\$ 72,387,348	1.65%
2017	\$ 1,233,196	\$ (1,233,196)	-	\$ 74,200,644	1.66%
2018	\$ 1,286,008	\$ (1,286,008)	-	\$ 77,625,482	1.66%
2019	\$ 1,342,774	\$ (1,342,774)	-	\$ 80,988,686	1.66%
2020	\$ 1,396,091	\$ (1,396,091)	-	\$ 84,190,948	1.72%

Note: Additional information will be provided until ten years' data is presented.

HERNANDO COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2020

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

Changes in Benefit Terms from the year ended June 30, 2019 to June 30, 2020:

- FRS—No significant changes.
- HIS—No significant changes.

Changes in Assumptions from the year ended June 30, 2019 to June 30, 2020:

- **FRS:** The inflation rate was decreased from 2.60% to 2.40%. The discount rate changed from 6.90% to 6.80%.
- **HIS:** The inflation rate was decreased from 2.60% to 2.40%. Both the discount rate and Municipal Bond Index rate changed from 3.50% to 2.21%.

Combining and Individual Fund Statements and Schedules

Nonmajor Governmental Funds

Special Revenue Funds

Stormwater Management

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

State Housing Initiative Partnership

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

Court-Related Funds

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

Municipal Service Benefit Units Special Revenue Fund

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

Hernando County Fire Rescue-Rescue

To account for the revenue and expenditures related to providing ambulance and rescue services within this district.

Miscellaneous Special Revenue Funds

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

Clerk of Court & Comptroller Special Revenue Funds

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

Property Appraiser Special Revenue Funds

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

Sheriff Special Revenue Funds

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

Debt Service Funds

Non-Ad Valorem Refunding Revenue Bonds 2010

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

Non-Ad Valorem Refunding Revenue Note 2012

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

Capital Project Funds

Restore Act

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

**HERNANDO COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2020**

	Special Revenue Funds		
	Stormwater Management	State Housing Initiative Partnership	Court- Related Fund
ASSETS			
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Pooled Cash and Investments	6,156,964	885,445	7,167,127
Cash with Fiscal Agent	70,027	-	-
Accounts Receivable (net)	-	10,000	80,737
Due from Other Funds	13,647	-	-
Due from Other Governments	2,546	-	82,832
Inventories	-	-	-
Prepaid Items	-	-	22,410
Total Assets	\$ 6,243,184	\$ 895,445	\$ 7,353,106
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 293,644	\$ 4,034	\$ 378,880
Retainage Payable	-	-	-
Accrued Liabilities	6,204	-	13,049
Due to Other Funds	-	-	-
Due to Other Governments	-	-	-
Unearned Revenue	-	-	-
Deposits	-	-	-
Advances from Other Funds	-	-	-
Total Liabilities	299,848	4,034	391,929
Deferred Inflows of Resources			
Unavailable Revenue	-	-	-
Fund Balances			
Nonspendable:			
Inventories	-	-	-
Prepaid Items	-	-	22,410
Restricted for:			
Grant Funded Programs	-	891,411	-
Court Programs	-	-	6,938,767
Special Assessment Projects	-	-	-
Environment Conservation	5,943,336	-	-
Bond covenants or debt service	-	-	-
Public Safety	-	-	-
Capital Projects	-	-	-
Other Purposes	-	-	-
Committed to:			
Other Purposes	-	-	-
Assigned to:			
Public Safety	-	-	-
Other Purposes	-	-	-
Total Fund Balances	5,943,336	891,411	6,961,177
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,243,184	\$ 895,445	\$ 7,353,106

See accompanying independent auditors' report.

Special Revenue Funds

Municipal Service Benefit Units	Hernando County Fire Rescue - Rescue	Miscellaneous Special Revenue Funds	Clerk of Court and Comptroller
\$ 250	\$ -	\$ 500	\$ -
5,981,140	5,757,945	5,963,086	3,067,329
-	-	-	-
7,656	6,989,455	875,555	-
100,042	109,214	1,456,384	-
-	1,581	256,870	40,171
-	1,800	-	-
-	53,604	-	17,792
\$ 6,089,088	\$ 12,913,599	\$ 8,552,395	\$ 3,125,292
\$ 1,212,166	\$ 217,653	\$ 208,675	\$ 13,378
-	-	20,025	-
-	329,689	37,870	11,952
191,644	-	-	11,751
-	3,604	-	939,824
-	487	10,552	-
-	-	-	177,537
-	-	450,000	-
1,403,810	551,433	727,122	1,154,442
-	6,265,655	395	-
-	1,800	-	-
-	53,604	-	17,792
-	-	121,127	-
-	-	-	-
3,090,348	-	-	-
-	-	-	-
704,275	-	-	-
-	6,041,107	-	-
890,655	-	-	-
-	-	2,969,393	1,953,058
-	-	418,377	-
-	-	4,290,947	-
-	-	25,034	-
4,685,278	6,096,511	7,824,878	1,970,850
\$ 6,089,088	\$ 12,913,599	\$ 8,552,395	\$ 3,125,292

Continued

**HERNANDO COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2020**

	Special Revenue Funds			Debt Service Funds
	Property Appraiser Special Revenue Funds	Sheriff Special Revenue Funds	Total Special Revenue Funds	Non-Ad Valorem Refunding Revenue Bonds 2010
ASSETS				
Cash and Cash Equivalents	\$ 1,486,864	\$ 4,882,448	\$ 6,370,062	\$ -
Pooled Cash and Investments	-	-	34,979,036	9,104
Cash with Fiscal Agent	-	-	70,027	-
Accounts Receivable (net)	-	38,034	8,001,437	-
Due from Other Funds	-	-	1,679,287	-
Due from Other Governments	-	370,299	754,299	-
Inventories	-	-	1,800	-
Prepaid Items	-	-	93,806	-
Total Assets	\$ 1,486,864	\$ 5,290,781	\$ 51,949,754	\$ 9,104
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 17	\$ 909,031	\$ 3,237,478	\$ -
Retainage Payable	-	-	20,025	-
Accrued Liabilities	-	109,697	508,461	-
Due to Other Funds	81,736	1,454,109	1,739,240	-
Due to Other Governments	419	-	943,847	-
Unearned Revenue	-	-	11,039	-
Deposits	-	60	177,597	-
Advances from Other Funds	-	-	450,000	-
Total Liabilities	82,172	2,472,897	7,087,687	-
Deferred Inflows of Resources				
Unavailable Revenue	-	-	6,266,050	-
Fund Balances				
Nonspendable:				
Inventories	-	-	1,800	-
Prepaid Items	-	-	93,806	-
Restricted for:				
Grant Funded Programs	-	-	1,012,538	-
Court Programs	-	-	6,938,767	-
Special Assessment Projects	-	-	3,090,348	-
Environment Conservation	-	-	5,943,336	-
Bond covenants or debt service	-	-	704,275	9,104
Public Safety	-	2,817,884	8,858,991	-
Capital Projects	-	-	890,655	-
Other Purposes	-	-	4,922,451	-
Committed to:				
Other Purposes	1,404,692	-	1,823,069	-
Assigned to:				
Public Safety	-	-	4,290,947	-
Other Purposes	-	-	25,034	-
Total Fund Balances	1,404,692	2,817,884	38,596,017	9,104
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,486,864	\$ 5,290,781	\$ 51,949,754	\$ 9,104

See accompanying independent auditors' report.

Debt Service Funds		Capital Project Funds	
Non-Ad Valorem Refunding Revenue Note 2012	Total Debt Service Funds	Restore Act Projects	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 6,370,062
3,466	12,570	-	34,991,606
-	-	-	70,027
-	-	-	8,001,437
-	-	-	1,679,287
-	-	397,945	1,152,244
-	-	-	1,800
-	-	-	93,806
\$ 3,466	\$ 12,570	\$ 397,945	\$ 52,360,269

\$ -	\$ -	\$ 56,345	\$ 3,293,823
-	-	-	20,025
-	-	-	508,461
-	-	341,600	2,080,840
-	-	-	943,847
-	-	-	11,039
-	-	-	177,597
-	-	-	450,000
-	-	397,945	7,485,632
-	-	-	6,266,050

-	-	-	1,800
-	-	-	93,806
-	-	-	1,012,538
-	-	-	6,938,767
-	-	-	3,090,348
-	-	-	5,943,336
3,466	12,570	-	716,845
-	-	-	8,858,991
-	-	-	890,655
-	-	-	4,922,451
-	-	-	1,823,069
-	-	-	4,290,947
-	-	-	25,034
3,466	12,570	-	38,608,587
\$ 3,466	\$ 12,570	\$ 397,945	\$ 52,360,269

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2020

	Special Revenue Funds			
	Stormwater Management	State Housing Initiative Partnership	Court- Related Funds	Municipal Service Benefit Units
Revenues				
Taxes	\$ 1,010,780	\$ -	\$ -	\$ -
Intergovernmental	-	403,824	279,875	-
Charges for Services	56,223	-	1,053,892	-
Fines and Forfeitures	-	-	242	-
Special Assessments	-	-	-	9,380,691
Interest	155,547	23,595	177,635	158,873
Miscellaneous	8,907	435,674	-	147,297
Total Revenues	1,231,457	863,093	1,511,644	9,686,861
Expenditures				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	1,685
Physical Environment	355,780	-	-	7,050,737
Transportation	-	-	-	1,112,190
Economic Environment	-	806,429	-	-
Human Services	-	-	-	-
Culture and Recreation	-	-	-	-
Court Operations	-	-	1,354,505	-
Debt Service				
Principal	-	-	-	630,347
Interest and Fiscal Charges	-	-	-	153,915
Capital Outlay	744,030	-	765,206	113,121
Total Expenditures	1,099,810	806,429	2,119,711	9,061,995
Excess of Revenues Over (Under) Expenditures	131,647	56,664	(608,067)	624,866
Other Financing Sources (Uses)				
Transfers In	13,647	-	636,638	100,043
Transfers Out	(2,600)	(130,000)	(6,500)	(860,363)
Issuance of Long-Term Debt	-	-	-	668,872
Total Other Financing Sources (Uses)	11,047	(130,000)	630,138	(91,448)
Net Change in Fund Balance	142,694	(73,336)	22,071	533,418
Fund Balances at Beginning of Year	5,800,642	964,747	6,939,106	4,151,860
Fund Balances at End of Year	\$ 5,943,336	\$ 891,411	\$ 6,961,177	\$ 4,685,278

See accompanying independent auditors' report.

Special Revenue Funds

Hernando County Fire Rescue - Rescue	Miscellaneous Special Revenue Funds	Clerk of Court and Comptroller
\$ 8,088,175	\$ 2,068,040	\$ -
266,863	800,623	325,431
7,432,160	20,467	3,277,315
-	377,791	994,941
-	-	-
155,685	148,556	58,237
48,837	16,426	121,188
<u>15,991,720</u>	<u>3,431,903</u>	<u>4,777,112</u>
-	17,386	101,335
13,544,335	706,036	-
-	5,263	-
-	703,990	-
-	945,566	-
-	1,749,037	-
-	25,024	-
-	-	4,462,850
36,403	-	-
7,119	-	-
111,006	407,860	-
<u>13,698,863</u>	<u>4,560,162</u>	<u>4,564,185</u>
2,292,857	(1,128,259)	212,927
112,918	6,280,552	-
(121,940)	(3,399,615)	(11,751)
-	-	-
<u>(9,022)</u>	<u>2,880,937</u>	<u>(11,751)</u>
2,283,835	1,752,678	201,176
3,812,676	6,072,200	1,769,674
<u>\$ 6,096,511</u>	<u>\$ 7,824,878</u>	<u>\$ 1,970,850</u>

Continued

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2020

	Special Revenue Funds			Debt Service Funds
	Property Appraiser Special Revenue Funds	Sheriff Special Revenue Funds	Total Special Revenue Funds	Non-Ad Valorem Refunding Revenue Bonds 2010
Revenues				
Taxes	\$ -	\$ -	\$ 11,166,995	\$ -
Intergovernmental	1,227,709	166,659	3,470,984	-
Charges for Services	129,459	5,216,924	17,186,440	-
Fines and Forfeitures	-	151,358	1,524,332	-
Special Assessments	-	-	9,380,691	-
Interest	1,194	10,799	890,121	228
Miscellaneous	-	53,245	831,574	-
	1,358,362	5,598,985	44,451,137	228
Total Revenues				
Expenditures				
Current				
General Government	1,145,837	-	1,264,558	12
Public Safety	-	3,619,863	17,871,919	-
Physical Environment	-	-	7,411,780	-
Transportation	-	-	1,816,180	-
Economic Environment	-	-	1,751,995	-
Human Services	-	-	1,749,037	-
Culture and Recreation	-	-	25,024	-
Court Operations	-	-	5,817,355	-
Debt Service				
Principal	-	24,623	691,373	370,000
Interest and Fiscal Charges	-	10,617	171,651	72,064
Capital Outlay	20,853	503,269	2,665,345	-
	1,166,690	4,158,372	41,236,217	442,076
Total Expenditures				
Excess of Revenues Over (Under) Expenditures	191,672	1,440,613	3,214,920	(441,848)
Other Financing Sources (Uses)				
Transfers In	-	3,342,650	10,486,448	441,594
Transfers Out	(81,736)	(5,773,166)	(10,387,671)	-
Issuance of Long-Term Debt	-	290,878	959,750	-
	(81,736)	(2,139,638)	1,058,527	441,594
Total Other Financing Sources (Uses)				
Net Change in Fund Balance	109,936	(699,025)	4,273,447	(254)
Fund Balances at Beginning of Year	1,294,756	3,516,909	34,322,570	9,358
Fund Balances at End of Year	\$ 1,404,692	\$ 2,817,884	\$ 38,596,017	\$ 9,104

See accompanying independent auditors' report.

Debt Service Funds		Capital Project Funds	
Non-Ad Valorem Refunding Revenue Note 2012	Total Debt Service Funds	Restore Act Projects	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 11,166,995
-	-	605,157	4,076,141
-	-	-	17,186,440
-	-	-	1,524,332
-	-	-	9,380,691
1,290	1,518	-	891,639
-	-	-	831,574
1,290	1,518	605,157	45,057,812
13	25	-	1,264,583
-	-	-	17,871,919
-	-	4,721	7,416,501
-	-	-	1,816,180
-	-	-	1,751,995
-	-	-	1,749,037
-	-	-	25,024
-	-	-	5,817,355
2,780,000	3,150,000	-	3,841,373
444,275	516,339	-	687,990
-	-	600,436	3,265,781
3,224,288	3,666,364	605,157	45,507,738
(3,222,998)	(3,664,846)	-	(449,926)
3,224,273	3,665,867	-	14,152,315
-	-	-	(10,387,671)
-	-	-	959,750
3,224,273	3,665,867	-	4,724,394
1,275	1,021	-	4,274,468
2,191	11,549	-	34,334,119
\$ 3,466	\$ 12,570	\$ -	\$ 38,608,587

HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
IMPACT FEES CAPITAL PROJECT FUND
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Impact Fees	\$ 2,664,265	\$ 2,664,265	\$ 3,264,058	\$ 599,793
Interest	38,500	38,500	389,363	350,863
Total Revenues	<u>2,702,765</u>	<u>2,702,765</u>	<u>3,653,421</u>	<u>950,656</u>
Expenditures				
General Government	-	42,312	11,130	31,182
Public Safety	-	31,846	22,834	9,012
Culture and Recreation	41,240	94,606	14,038	80,568
Capital Outlay	8,757,636	10,491,668	2,920,060	7,571,608
Total Expenditures	<u>8,798,876</u>	<u>10,660,432</u>	<u>2,968,062</u>	<u>7,692,370</u>
Excess of Revenues Over Expenditures	<u>(6,096,111)</u>	<u>(7,957,667)</u>	<u>685,359</u>	<u>8,643,026</u>
Other Financing Sources (Uses)				
Transfers Out	(795,289)	(795,289)	(451,399)	343,890
Reserve for Contingencies	(5,845,623)	(5,209,733)	-	5,209,733
Total Other Financing Sources (Uses)	<u>(6,640,912)</u>	<u>(6,005,022)</u>	<u>(451,399)</u>	<u>5,553,623</u>
Net Change in Fund Balance	<u>(12,737,023)</u>	<u>(13,962,689)</u>	<u>233,960</u>	<u>14,196,649</u>
Fund Balance at Beginning of Year	<u>12,737,023</u>	<u>13,962,689</u>	<u>13,962,678</u>	<u>(11)</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,196,638</u>	<u>\$ 14,196,638</u>

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
STORMWATER MANAGEMENT
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 991,195	\$ 991,195	\$ 1,010,780	\$ 19,585
Intergovernmental	980,000	980,000	-	(980,000)
Charges for Services	50,000	50,000	56,223	6,223
Interest	-	-	155,547	155,547
Miscellaneous	6,400	6,400	8,907	2,507
Total Revenues	<u>2,027,595</u>	<u>2,027,595</u>	<u>1,231,457</u>	<u>(796,138)</u>
Expenditures				
Current				
Physical Environment	445,406	556,581	355,780	200,801
Capital Outlay	2,341,750	2,361,729	744,030	1,617,699
Total Expenditures	<u>2,787,156</u>	<u>2,918,310</u>	<u>1,099,810</u>	<u>1,818,500</u>
Excess of Revenues Over (Under) Expenditures	<u>(759,561)</u>	<u>(890,715)</u>	<u>131,647</u>	<u>1,022,362</u>
Other Financing Sources (Uses)				
Transfers In	8,411	8,411	13,647	5,236
Transfers Out	(2,600)	(2,600)	(2,600)	-
Reserve for Contingencies	(4,946,250)	(4,915,738)	-	4,915,738
Total Other Financing Sources (Uses)	<u>(4,940,439)</u>	<u>(4,909,927)</u>	<u>11,047</u>	<u>4,920,974</u>
Net Change in Fund Balance	<u>(5,700,000)</u>	<u>(5,800,642)</u>	<u>142,694</u>	<u>5,943,336</u>
Fund Balance at Beginning of Year	5,700,000	5,800,642	5,800,642	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,943,336</u>	<u>\$ 5,943,336</u>

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
STATE HOUSING INITIATIVE PARTNERSHIP
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 365,621	\$ 365,621	\$ 403,824	\$ 38,203
Interest	13,000	13,000	23,595	10,595
Miscellaneous	450,000	450,000	435,674	(14,326)
Total Revenues	<u>828,621</u>	<u>828,621</u>	<u>863,093</u>	<u>34,472</u>
Expenditures				
Current				
Economic Environment	1,092,871	1,092,871	806,429	286,442
Total Expenditures	<u>1,092,871</u>	<u>1,092,871</u>	<u>806,429</u>	<u>286,442</u>
Excess of Revenues Over (Under) Expenditures	<u>(264,250)</u>	<u>(264,250)</u>	<u>56,664</u>	<u>320,914</u>
Other Financing Sources (Uses)				
Transfers Out	(50,000)	(50,000)	(130,000)	(80,000)
Reserve for Contingencies	(630,569)	(650,497)	-	650,497
Total Other Financing Sources (Uses)	<u>(680,569)</u>	<u>(700,497)</u>	<u>(130,000)</u>	<u>570,497</u>
Net Change in Fund Balance	(944,819)	(964,747)	(73,336)	891,411
Fund Balance at Beginning of Year	944,819	964,747	964,747	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 891,411</u>	<u>\$ 891,411</u>

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COURT-RELATED FUNDS
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 374,741	\$ 786,744	\$ 279,875	\$ (506,869)
Charges for Services	978,800	978,800	1,053,892	75,092
Fines and Forfeitures	-	-	242	242
Interest	1,000	1,000	177,635	176,635
Total Revenues	<u>1,354,541</u>	<u>1,766,544</u>	<u>1,511,644</u>	<u>(254,900)</u>
Expenditures				
Current				
Court Operations	1,604,159	2,069,497	1,354,505	714,992
Capital Outlay	1,685,919	1,855,947	765,206	1,090,741
Total Expenditures	<u>3,290,078</u>	<u>3,925,444</u>	<u>2,119,711</u>	<u>1,805,733</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,935,537)</u>	<u>(2,158,900)</u>	<u>(608,067)</u>	<u>1,550,833</u>
Other Financing Sources (Uses)				
Transfers In	636,638	636,638	636,638	-
Transfers Out	(6,500)	(7,800)	(6,500)	1,300
Reserve for Contingencies	(5,373,512)	(5,409,047)	-	5,409,047
Total Other Financing Sources (Uses)	<u>(4,743,374)</u>	<u>(4,780,209)</u>	<u>630,138</u>	<u>5,410,347</u>
Net Change in Fund Balance	<u>(6,678,911)</u>	<u>(6,939,109)</u>	<u>22,071</u>	<u>6,961,180</u>
Fund Balance at Beginning of Year	6,678,911	6,939,109	6,939,106	(3)
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,961,177</u>	<u>\$ 6,961,177</u>

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MUNICIPAL SERVICE BENEFIT UNITS
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$ 9,093,378	\$ 9,146,700	\$ 9,380,691	\$ 233,991
Interest	7,500	7,500	158,873	151,373
Miscellaneous	107,634	107,634	147,297	39,663
Total Revenues	<u>9,208,512</u>	<u>9,261,834</u>	<u>9,686,861</u>	<u>425,027</u>
Expenditures				
Current				
Public Safety	42,598	42,598	1,685	40,913
Physical Environment	7,066,476	7,066,475	7,050,737	15,738
Transportation	1,174,871	1,174,991	1,112,190	62,801
Debt Service				
Principal	713,840	630,550	630,347	203
Interest and Fiscal Charges	165,650	155,250	153,915	1,335
Capital Outlay	5,000	184,640	113,121	71,519
Total Expenditures	<u>9,168,435</u>	<u>9,254,504</u>	<u>9,061,995</u>	<u>192,509</u>
Excess of Revenues Over (Under) Expenditures	<u>40,077</u>	<u>7,330</u>	<u>624,866</u>	<u>617,536</u>
Other Financing Sources (Uses)				
Transfers In	-	-	100,043	100,043
Transfers Out	-	(859,875)	(860,363)	(488)
Issuance of Long-Term Debt	-	59,608	668,872	609,264
Reserve for Contingencies	(3,357,922)	(3,584,819)	-	3,584,819
Total Other Financing Sources (Uses)	<u>(3,357,922)</u>	<u>(4,385,086)</u>	<u>(91,448)</u>	<u>4,293,638</u>
Net Change in Fund Balance	<u>(3,317,845)</u>	<u>(4,377,756)</u>	<u>533,418</u>	<u>4,911,174</u>
Fund Balance at Beginning of Year	<u>3,317,845</u>	<u>4,377,756</u>	<u>4,151,860</u>	<u>(225,896)</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,685,278</u>	<u>\$ 4,685,278</u>

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HERNANDO COUNTY FIRE RESCUE - RESCUE
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 7,938,963	\$ 7,938,963	\$ 8,088,175	\$ 149,212
Intergovernmental	19,800	246,697	266,863	20,166
Charges for Services	7,143,860	7,570,923	7,432,160	(138,763)
Interest	-	-	155,685	155,685
Miscellaneous	53,074	53,074	48,837	(4,237)
Total Revenues	15,155,697	15,809,657	15,991,720	182,063
Expenditures				
Current				
Public Safety	15,172,515	15,426,660	13,544,335	1,882,325
Debt Service				
Principal	36,403	36,403	36,403	-
Interest and Fiscal Charges	7,119	7,119	7,119	-
Capital Outlay	83,000	168,157	111,006	57,151
Total Expenditures	15,299,037	15,638,339	13,698,863	1,939,476
Excess of Revenues Over (Under) Expenditures	(143,340)	171,318	2,292,857	2,121,539
Other Financing Sources (Uses)				
Transfers In	85,280	85,280	112,918	27,638
Transfers Out	(121,940)	(121,940)	(121,940)	-
Reserve for Contingencies	(2,854,000)	(3,947,335)	-	3,947,335
Total Other Financing Sources (Uses)	(2,890,660)	(3,983,995)	(9,022)	3,974,973
Net Change in Fund Balance	(3,034,000)	(3,812,677)	2,283,835	6,096,512
Fund Balance at Beginning of Year	3,034,000	3,812,677	3,812,676	(1)
Fund Balance at End of Year	\$ -	\$ -	\$ 6,096,511	\$ 6,096,511

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MISCELLANEOUS SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,062,544	\$ 2,062,544	\$ 2,068,040	\$ 5,496
Intergovernmental	1,333,782	1,430,018	800,623	(629,395)
Charges for Services	959,825	45,250	20,467	(24,783)
Fines and Forfeitures	235,000	125,000	377,791	252,791
Interest	11,710	11,710	148,556	136,846
Miscellaneous	60,083	9,563	16,426	6,863
Total Revenues	<u>4,662,944</u>	<u>3,684,085</u>	<u>3,431,903</u>	<u>(252,182)</u>
Expenditures				
Current				
General Government	300	300	17,386	(17,086)
Public Safety	147,032	1,250,383	706,036	544,347
Physical Environment	4,106	5,341	5,263	78
Transportation	1,139,763	1,247,090	703,990	543,100
Economic Environment	1,199,344	1,199,344	945,566	253,778
Human Services	1,881,975	1,888,364	1,749,037	139,327
Culture and Recreation	44,873	70,692	25,024	45,668
Capital Outlay	1,400,300	596,556	407,860	188,696
Total Expenditures	<u>5,817,693</u>	<u>6,258,070</u>	<u>4,560,162</u>	<u>1,697,908</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,154,749)</u>	<u>(2,573,985)</u>	<u>(1,128,259)</u>	<u>1,445,726</u>
Other Financing Sources (Uses)				
Transfers In	3,157,684	3,161,626	6,280,552	3,118,926
Transfers Out	(3,399,615)	(3,399,615)	(3,399,615)	-
Reserve for Contingencies	(2,954,411)	(3,181,823)	-	3,181,823
Total Other Financing Sources (Uses)	<u>(3,196,342)</u>	<u>(3,419,812)</u>	<u>2,880,937</u>	<u>6,300,749</u>
Net Change in Fund Balance	<u>(4,351,091)</u>	<u>(5,993,797)</u>	<u>1,752,678</u>	<u>7,746,475</u>
Fund Balance at Beginning of Year	4,351,091	5,993,797	6,072,200	78,403
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,824,878</u>	<u>\$ 7,824,878</u>

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CLERK OF COURT AND COMPTROLLER
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 297,904	\$ 297,904	\$ 325,431	\$ 27,527
Charges for Services	3,399,460	3,143,486	3,277,315	133,829
Fines and Forfeitures	1,128,512	958,385	994,941	36,556
Interest	35,369	35,000	58,237	23,237
Miscellaneous	-	-	121,188	121,188
Total Revenues	<u>4,861,245</u>	<u>4,434,775</u>	<u>4,777,112</u>	<u>342,337</u>
Expenditures				
General Government	158,000	178,000	101,335	76,665
Court Operations	5,183,845	4,737,375	4,462,850	274,525
Capital Outlay	24,500	24,500	-	24,500
Total Expenditures	<u>5,366,345</u>	<u>4,939,875</u>	<u>4,564,185</u>	<u>375,690</u>
Excess of Revenues Over (Under) Expenditures	<u>(505,100)</u>	<u>(505,100)</u>	<u>212,927</u>	<u>718,027</u>
Other Financing Sources (Uses)				
Transfers Out	-	-	(11,751)	(11,751)
Reserve for Contingencies	(823,900)	(823,900)	-	823,900
Total Other Financing Sources (Uses)	<u>(823,900)</u>	<u>(823,900)</u>	<u>(11,751)</u>	<u>812,149</u>
Net Change in Fund Balance	<u>(1,329,000)</u>	<u>(1,329,000)</u>	<u>201,176</u>	<u>1,530,176</u>
Fund Balance at Beginning of Year	1,329,000	1,329,000	1,769,674	440,674
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,970,850</u>	<u>\$ 1,970,850</u>

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PROPERTY APPRAISER SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 1,227,709	\$ 1,227,709	\$ 1,227,709	\$ -
Charges for Services	38,056	38,027	129,459	91,432
Interest	-	-	1,194	1,194
Total Revenues	<u>1,265,765</u>	<u>1,265,736</u>	<u>1,358,362</u>	<u>92,626</u>
Expenditures				
General Government	1,233,939	1,233,939	1,145,837	88,102
Capital Outlay	31,826	31,797	20,853	10,944
Total Expenditures	<u>1,265,765</u>	<u>1,265,736</u>	<u>1,166,690</u>	<u>99,046</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>191,672</u>	<u>191,672</u>
Other Financing Sources (Uses)				
Transfers Out	-	-	(81,736)	(81,736)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(81,736)</u>	<u>(81,736)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>109,936</u>	<u>109,936</u>
Fund Balance at Beginning of Year	-	-	1,294,756	1,294,756
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,404,692</u>	<u>\$ 1,404,692</u>

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SHERIFF SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 232,129	\$ 419,401	\$ 166,659	\$ (252,742)
Charges for Services	3,986,700	3,986,700	5,216,924	1,230,224
Fines and Forfeitures	165,000	165,000	151,358	(13,642)
Interest	5,100	5,245	10,799	5,554
Miscellaneous	55,120	55,120	53,245	(1,875)
Total Revenues	<u>4,444,049</u>	<u>4,631,466</u>	<u>5,598,985</u>	<u>967,519</u>
Expenditures				
Public Safety	5,128,837	5,409,885	3,619,863	1,790,022
Principal	-	24,623	24,623	-
Interest and Fiscal Charges	-	10,617	10,617	-
Capital Outlay	148,873	594,040	503,269	90,771
Total Expenditures	<u>5,277,710</u>	<u>6,039,165</u>	<u>4,158,372</u>	<u>1,880,793</u>
Excess of Revenues Over (Under) Expenditures	<u>(833,661)</u>	<u>(1,407,699)</u>	<u>1,440,613</u>	<u>2,848,312</u>
Other Financing Sources (Uses)				
Transfers In	3,342,650	3,342,650	3,342,650	-
Transfers Out	(2,519,700)	(2,519,700)	(5,773,166)	(3,253,466)
Issuance of Long-Term Debt	-	290,878	290,878	-
Reserve for Contingencies	(3,196,541)	(3,080,232)	-	3,080,232
Total Other Financing Sources (Uses)	<u>(2,373,591)</u>	<u>(1,966,404)</u>	<u>(2,139,638)</u>	<u>(173,234)</u>
Net Change in Fund Balance	<u>(3,207,252)</u>	<u>(3,374,103)</u>	<u>(699,025)</u>	<u>2,675,078</u>
Fund Balance at Beginning of Year	<u>3,207,252</u>	<u>3,374,103</u>	<u>3,516,909</u>	<u>142,806</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,817,884</u>	<u>\$ 2,817,884</u>

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON-AD VALOREM REFUNDING REVENUE BONDS 2010
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ -	\$ -	\$ 228	\$ 228
Total Revenues	-	-	228	228
Expenditures				
Current				
General Government	-	25	12	13
Debt Service				
Principal	370,000	370,000	370,000	-
Interest and Fiscal Charges	72,095	72,070	72,064	6
Total Expenditures	442,095	442,095	442,076	19
Excess of Revenues Over (Under) Expenditures	(442,095)	(442,095)	(441,848)	247
Other Financing Sources (Uses)				
Transfers In	442,095	442,095	441,594	(501)
Reserve for Contingencies	(9,230)	(9,359)	-	9,359
Total Other Financing Sources (Uses)	432,865	432,736	441,594	8,858
Net Change in Fund Balance	(9,230)	(9,359)	(254)	9,105
Fund Balance at Beginning of Year	9,230	9,359	9,358	(1)
Fund Balance at End of Year	\$ -	\$ -	\$ 9,104	\$ 9,104

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON-AD VALOREM REFUNDING REVENUE NOTE 2012
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ -	\$ -	\$ 1,290	\$ 1,290
Total Revenues	-	-	1,290	1,290
Expenditures				
Current				
General Government	-	1,704	13	1,691
Debt Service				
Principal	2,780,000	2,780,000	2,780,000	-
Interest and Fiscal Charges	445,276	445,251	444,275	976
Total Expenditures	3,225,276	3,226,955	3,224,288	2,667
Excess of Revenues Over (Under) Expenditures	(3,225,276)	(3,226,955)	(3,222,998)	3,957
Other Financing Sources (Uses)				
Transfers In	3,225,276	3,225,276	3,224,273	(1,003)
Reserve for Contingencies	(1,642)	(512)	-	512
Total Other Financing Sources (Uses)	3,223,634	3,224,764	3,224,273	(491)
Net Change in Fund Balance	(1,642)	(2,191)	1,275	3,466
Fund Balance at Beginning of Year	1,642	2,191	2,191	-
Fund Balance at End of Year	\$ -	\$ -	\$ 3,466	\$ 3,466

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
RESTORE ACT PROJECTS
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 330,653	\$ 1,276,869	\$ 605,157	\$ (671,712)
Total Revenues	<u>330,653</u>	<u>1,276,869</u>	<u>605,157</u>	<u>(671,712)</u>
Expenditures				
Current				
Physical Environment	700	417,191	4,721	412,470
Capital Outlay	<u>329,953</u>	<u>859,678</u>	<u>600,436</u>	<u>259,242</u>
Total Expenditures	<u>330,653</u>	<u>1,276,869</u>	<u>605,157</u>	<u>671,712</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying independent auditors' report.

Internal Service Funds

Central Fueling System

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

Risk Management

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

Workers' Compensation

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

Computer Replacement

To account for the management and replacement of County computers.

Vehicle Maintenance

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

Fleet Replacement

To account for the management and replacement of County vehicles.

County Health Insurance

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

Sheriff Health Insurance

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

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2020

	Central Fueling System	Risk Management	Workers' Compensation
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ -	\$ -	\$ 200,000
Pooled Cash and Investments	648,287	1,449,871	5,180,810
Accounts Receivable (net)	2,389	-	-
Due from Other Funds	-	-	-
Due from Other Governments	-	26	-
Inventories	14,386	-	-
Total Current Assets	<u>665,062</u>	<u>1,449,897</u>	<u>5,380,810</u>
Non-Current Assets:			
Capital Assets, net of accumulated depreciation:			
Capital Assets, being depreciated, net	14,592	-	-
Total Non-Current Assets	<u>14,592</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 679,654</u>	<u>\$ 1,449,897</u>	<u>\$ 5,380,810</u>
Deferred Outflows of Resources	<u>\$ 12,620</u>	<u>\$ 45,785</u>	<u>\$ 28,434</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	68,741	316	126,126
Accrued Liabilities	1,264	3,454	2,149
Due to Other Funds	656	-	-
Due Within One Year	1,602	3,609	2,054,998
Total Current Liabilities	<u>72,263</u>	<u>7,379</u>	<u>2,183,273</u>
Non-Current Liabilities:			
Due in More Than One Year	45,994	139,022	2,958,670
Total Non-Current Liabilities	<u>45,994</u>	<u>139,022</u>	<u>2,958,670</u>
Total Liabilities	<u>\$ 118,257</u>	<u>\$ 146,401</u>	<u>\$ 5,141,943</u>
Deferred Inflows of Resources	<u>\$ 3,331</u>	<u>\$ 3,360</u>	<u>\$ 6,796</u>
NET POSITION			
Net Investment in Capital Assets			
Unrestricted	14,592	-	-
	556,094	1,345,921	260,505
Total Net Position	<u>\$ 570,686</u>	<u>\$ 1,345,921</u>	<u>\$ 260,505</u>

See accompanying independent auditors' report.

<u>Computer Replacement</u>	<u>Vehicle Maintenance</u>	<u>Fleet Replacement</u>	<u>County Health Insurance</u>	<u>Sheriff Health Insurance</u>	<u>Total</u>
\$ -	\$ 720	\$ -	\$ -	\$ 5,425,293	\$ 5,626,013
362,990	410,801	2,288,337	6,913,476	-	17,254,572
-	-	180	155,642	-	158,211
-	-	-	-	262,398	262,398
-	-	-	-	-	26
-	-	-	-	-	14,386
<u>362,990</u>	<u>411,521</u>	<u>2,288,517</u>	<u>7,069,118</u>	<u>5,687,691</u>	<u>23,315,606</u>
<u>209,488</u>	<u>1,353,031</u>	<u>16,374,561</u>	<u>273</u>	<u>-</u>	<u>17,951,945</u>
<u>209,488</u>	<u>1,353,031</u>	<u>16,374,561</u>	<u>273</u>	<u>-</u>	<u>17,951,945</u>
<u>\$ 572,478</u>	<u>\$ 1,764,552</u>	<u>\$ 18,663,078</u>	<u>\$ 7,069,391</u>	<u>\$ 5,687,691</u>	<u>\$ 41,267,551</u>
<u>\$ -</u>	<u>\$ 210,806</u>	<u>\$ 18,725</u>	<u>\$ 3,515</u>	<u>\$ -</u>	<u>\$ 319,885</u>
-	95,591	212,356	1,305,727	446,688	2,255,545
-	28,843	75,846	1,543	-	113,099
-	5,238	760	-	-	6,654
-	36,677	954,607	634,505	350,580	4,036,578
<u>-</u>	<u>166,349</u>	<u>1,243,569</u>	<u>1,941,775</u>	<u>797,268</u>	<u>6,411,876</u>
-	805,937	5,813,416	29,466	-	9,792,505
-	805,937	5,813,416	29,466	-	9,792,505
<u>\$ -</u>	<u>\$ 972,286</u>	<u>\$ 7,056,985</u>	<u>\$ 1,971,241</u>	<u>\$ 797,268</u>	<u>\$ 16,204,381</u>
<u>\$ -</u>	<u>\$ 51,811</u>	<u>\$ 6,586</u>	<u>\$ 4,323</u>	<u>\$ -</u>	<u>\$ 76,207</u>
209,488	1,353,031	9,701,529	273	-	11,278,913
<u>362,990</u>	<u>(401,770)</u>	<u>1,916,703</u>	<u>5,097,069</u>	<u>4,890,423</u>	<u>14,027,935</u>
<u>\$ 572,478</u>	<u>\$ 951,261</u>	<u>\$ 11,618,232</u>	<u>\$ 5,097,342</u>	<u>\$ 4,890,423</u>	<u>\$ 25,306,848</u>

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2020

	Central Fueling System	Risk Management	Workers' Compensation
Operating Revenues			
Charges for Services	\$ 1,043,932	\$ 4,637,450	\$ 961,933
Miscellaneous	-	8,440	11,266
Total Operating Revenues	<u>1,043,932</u>	<u>4,645,890</u>	<u>973,199</u>
Operating Expenses			
Personnel Services	53,980	105,955	75,817
Other Services & Charges	960,321	4,557,621	235,565
Claims	-	-	976,891
Depreciation	6,794	-	-
Total Operating Expenses	<u>1,021,095</u>	<u>4,663,576</u>	<u>1,288,273</u>
Operating Income (Loss)	<u>22,837</u>	<u>(17,686)</u>	<u>(315,074)</u>
Non-Operating Revenues (Expenses)			
Interest Income	10,539	20,708	119,102
Interest Expense	-	-	-
Gain (Loss) on Sale of Capital Assets	-	-	-
Total Non-Operating Revenues (Expenses)	<u>10,539</u>	<u>20,708</u>	<u>119,102</u>
Income (Loss) Before Transfers	<u>33,376</u>	<u>3,022</u>	<u>(195,972)</u>
Transfers In	-	-	-
Transfers Out	(1,495)	(1,690)	(1,365)
Total Contributions and Transfers	<u>(1,495)</u>	<u>(1,690)</u>	<u>(1,365)</u>
Change in Net Position	31,881	1,332	(197,337)
Net Position-Beginning	<u>538,805</u>	<u>1,344,589</u>	<u>457,842</u>
Net Position-Ending	<u>\$ 570,686</u>	<u>\$ 1,345,921</u>	<u>\$ 260,505</u>

See accompanying independent auditors' report.

Computer Replacement	Vehicle Maintenance	Fleet Replacement	County Health Insurance	Sheriff Health Insurance	Total
\$ 171,274	\$ 2,948,363	\$ 3,480,002	\$ 11,266,852	\$ 9,247,301	\$ 33,757,107
-	-	480,371	554,183	137,647	1,191,907
<u>171,274</u>	<u>2,948,363</u>	<u>3,960,373</u>	<u>11,821,035</u>	<u>9,384,948</u>	<u>34,949,014</u>
-	948,777	121,729	2,037,513	-	3,343,771
206,446	2,051,524	659,236	1,258,408	1,868,804	11,797,925
-	-	-	9,597,076	6,786,137	17,360,104
<u>126,862</u>	<u>62,136</u>	<u>2,548,879</u>	<u>204</u>	<u>-</u>	<u>2,744,875</u>
<u>333,308</u>	<u>3,062,437</u>	<u>3,329,844</u>	<u>12,893,201</u>	<u>8,654,941</u>	<u>35,246,675</u>
<u>(162,034)</u>	<u>(114,074)</u>	<u>630,529</u>	<u>(1,072,166)</u>	<u>730,007</u>	<u>(297,661)</u>
8,400	3,250	38,045	154,833	39,138	394,015
-	-	(131,690)	-	-	(131,690)
<u>(145)</u>	<u>-</u>	<u>(40,148)</u>	<u>-</u>	<u>-</u>	<u>(40,293)</u>
<u>8,255</u>	<u>3,250</u>	<u>(133,793)</u>	<u>154,833</u>	<u>39,138</u>	<u>222,032</u>
<u>(153,779)</u>	<u>(110,824)</u>	<u>496,736</u>	<u>(917,333)</u>	<u>769,145</u>	<u>(75,629)</u>
-	-	-	1,320,735	262,397	1,583,132
-	(147,301)	(36,849)	(910)	-	(189,610)
<u>-</u>	<u>(147,301)</u>	<u>(36,849)</u>	<u>1,319,825</u>	<u>262,397</u>	<u>1,393,522</u>
<u>(153,779)</u>	<u>(258,125)</u>	<u>459,887</u>	<u>402,492</u>	<u>1,031,542</u>	<u>1,317,893</u>
<u>726,257</u>	<u>1,209,386</u>	<u>11,158,345</u>	<u>4,694,850</u>	<u>3,858,881</u>	<u>23,988,955</u>
<u>\$ 572,478</u>	<u>\$ 951,261</u>	<u>\$ 11,618,232</u>	<u>\$ 5,097,342</u>	<u>\$ 4,890,423</u>	<u>\$ 25,306,848</u>

HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2020

	Central Fueling System	Risk Management	Workers' Compen- sation
Cash Flows from Operating Activities			
Receipts from Customers	\$ 1,045,582	\$ 4,637,427	\$ 961,933
Receipts from Inter-Fund Services	-	-	-
Payments to Suppliers	(867,654)	(4,574,980)	(245,706)
Payments to Employees	(50,945)	(106,783)	(70,607)
Claims Paid	-	-	(566,891)
Other Receipts (Payments)	-	8,440	11,266
Net Cash provided by (used in) Operating Activities	<u>126,983</u>	<u>(35,896)</u>	<u>89,995</u>
Cash Flows from Noncapital Financing Activities			
Transfers From Other Funds	-	-	-
Transfers to Other Funds	(1,495)	(1,690)	(1,365)
Net Cash Provided by (used for) Noncapital Financing Activities	<u>(1,495)</u>	<u>(1,690)</u>	<u>(1,365)</u>
Cash Flows From Capital and Related Financing Activities			
Additions to Capital Assets	(6,528)	-	-
Proceeds from Capital Debt	-	-	-
Principal Paid on Capital Debt	-	-	-
Interest Paid on Capital Debt	-	-	-
Proceeds From Sale of Capital Assets	-	-	-
Net Cash provided by (used fo) Capital and Related Financing Activities	<u>(6,528)</u>	<u>-</u>	<u>-</u>
Cash Flows form Investing Activities			
Interest Received	10,539	20,708	119,102
Net Cash Provided by Investing Activities	<u>10,539</u>	<u>20,708</u>	<u>119,102</u>
Net Increase (Decrease) in Cash and Cash Equivalents	129,499	(16,878)	207,732
Cash and Cash Equivalents at Beginning of Year	<u>518,788</u>	<u>1,466,749</u>	<u>5,173,078</u>
Cash and Cash Equivalents at End of Year	<u>\$ 648,287</u>	<u>\$ 1,449,871</u>	<u>\$ 5,380,810</u>

See accompanying independent auditors' report.

Computer Replacement	Vehicle Maintenance	Fleet Replacement	County Health Insurance	Sheriff Health Insurance	Total
\$ 171,274	\$ 2,948,363	\$ 3,479,822	\$ 11,111,210	\$ 1,023,314	\$ 25,378,925
-	-	-	-	7,762,332	7,762,332
(206,446)	(2,109,891)	(606,960)	(1,165,332)	(1,987,086)	(11,764,055)
-	(881,628)	(82,560)	(2,033,500)	-	(3,226,023)
-	-	-	(9,576,878)	(6,759,919)	(16,903,688)
-	-	480,371	554,183	137,647	1,191,907
<u>(35,172)</u>	<u>(43,156)</u>	<u>3,270,673</u>	<u>(1,110,317)</u>	<u>176,288</u>	<u>2,439,398</u>
-	-	-	1,320,735	-	1,320,735
-	(147,301)	(36,849)	(910)	-	(189,610)
-	(147,301)	(36,849)	1,319,825	-	1,131,125
-	-	(6,386,663)	-	-	(6,393,191)
-	-	3,938,781	-	-	3,938,781
-	-	(551,740)	-	-	(551,740)
-	-	(131,690)	-	-	(131,690)
-	-	445,927	-	-	445,927
-	-	(2,685,385)	-	-	(2,691,913)
8,400	3,250	38,045	154,833	39,138	394,015
<u>8,400</u>	<u>3,250</u>	<u>38,045</u>	<u>154,833</u>	<u>39,138</u>	<u>394,015</u>
(26,772)	(187,207)	586,484	364,341	215,426	1,272,625
<u>389,762</u>	<u>598,728</u>	<u>1,701,853</u>	<u>6,549,135</u>	<u>5,209,867</u>	<u>21,607,960</u>
<u>\$ 362,990</u>	<u>\$ 411,521</u>	<u>\$ 2,288,337</u>	<u>\$ 6,913,476</u>	<u>\$ 5,425,293</u>	<u>\$ 22,880,585</u>

Continued

**HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2020**

	<u>Central Fueling System</u>	<u>Risk Management</u>	<u>Workers' Compen- sation</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	22,837	(17,686)	(315,074)
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (used in) Operating Activities			
Depreciation and Amortization	6,794	-	-
Other Post-Employment Benefits	231	398	347
Pension Adjustments	4,422	16,582	8,843
(Increase) Decrease in			
Accounts Receivable	1,650	3	-
Due from Other Governments	-	(26)	-
Inventories	54,702	-	-
Increase (Decrease) in			
Accounts Payable	37,854	(17,359)	(10,141)
Accrued Liabilities	(1,618)	(17,808)	(3,980)
Due to Other Funds	111	-	-
Unearned Revenues	-	-	-
Claims Liabilities	-	-	410,000
Total Adjustments	<u>104,146</u>	<u>(18,210)</u>	<u>405,069</u>
Net Cash Provided by (used in) Operating Activities	<u>\$ 126,983</u>	<u>\$ (35,896)</u>	<u>\$ 89,995</u>

See accompanying independent auditors' report.

<u>Computer Replacement</u>	<u>Vehicle Maintenance</u>	<u>Fleet Replacement</u>	<u>County Health Insurance</u>	<u>Sheriff Health Insurance</u>	<u>Total</u>
(162,034)	(114,074)	630,529	(1,072,166)	730,007	(297,661)
126,862	62,136	2,548,879	204	-	2,744,875
-	4,051	520	219	-	5,766
-	87,333	9,949	5,527	-	132,656
-	-	(180)	-	-	-
-	-	-	(155,642)	16,752	(137,417)
-	-	-	-	-	(26)
-	-	-	-	-	54,702
-	(59,867)	51,516	93,076	(118,282)	(23,203)
-	(24,235)	28,700	(1,733)	-	(20,674)
-	1,500	760	-	-	2,371
-	-	-	-	(478,407)	(478,407)
-	-	-	20,198	26,218	46,416
<u>126,862</u>	<u>70,918</u>	<u>2,640,144</u>	<u>(38,151)</u>	<u>(553,719)</u>	<u>2,737,059</u>
<u>\$ (35,172)</u>	<u>\$ (43,156)</u>	<u>\$ 3,270,673</u>	<u>\$ (1,110,317)</u>	<u>\$ 176,288</u>	<u>\$ 2,439,398</u>

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Fiduciary Funds

Board of County Commissioners Agency Fund

To account for assets held in trust by the Board of County Commissioners as trustee or agent, including employee insurance payments, industrial bond escrow funds and impact fees held for the School Board of Hernando County.

Clerk of Circuit Court Agency Fund

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

Tax Collector Agency Fund

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

Sheriff Agency Fund

To account for assets held in trust by the Sheriff as trustee or agent, including service fees.

**HERNANDO COUNTY, FLORIDA
COMBINING BALANCE SHEET
AGENCY FUNDS
September 30, 2020**

	Board of County Commissioners	Clerk of the Circuit Court	Tax Collector
ASSETS			
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Pooled Cash and Investments	2,619,336	2,940,661	7,753,603
Accounts Receivable	28,784	-	-
Due from Other Governments	10,477	-	375
Total Assets	<u>\$ 2,658,597</u>	<u>\$ 2,940,661</u>	<u>\$ 7,753,978</u>
LIABILITIES			
Accounts Payable	\$ 390,024	\$ 9,255	\$ 83,806
Accrued Liabilities	2,248,786	-	-
Due to Other Governments	-	618,603	3,085,350
Deposits	19,787	941,345	4,584,822
Other Current Liabilities	-	1,371,458	-
Total Liabilities	<u>\$ 2,658,597</u>	<u>\$ 2,940,661</u>	<u>\$ 7,753,978</u>

See accompanying independent auditors' report.

<u>Sheriff</u>	<u>Total</u>
\$ 152,956	\$ 152,956
-	13,313,600
-	28,784
-	10,852
<u>\$ 152,956</u>	<u>\$ 13,506,192</u>
\$ 58,693	\$ 541,778
32,510	2,281,296
7,161	3,711,114
54,592	5,600,546
-	1,371,458
<u>\$ 152,956</u>	<u>\$ 13,506,192</u>

HERNANDO COUNTY, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
BOARD OF COUNTY COMMISSIONERS' AGENCY FUNDS
For the Fiscal Year Ended September 30, 2020

	<u>Balance 9/30/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2020</u>
ASSETS				
Pooled Cash and Investments	\$ 2,156,086	\$ 463,250	\$ -	\$ 2,619,336
Accounts Receivable (net)	16,552	12,232	-	28,784
Due from Other Governments	-	10,477	-	10,477
Total Assets	<u>\$ 2,172,638</u>	<u>\$ 485,959</u>	<u>\$ -</u>	<u>\$ 2,658,597</u>
LIABILITIES				
Accounts Payable	\$ 156,469	\$ 233,555	\$ -	\$ 390,024
Accrued Liabilities	1,996,382	252,404	-	2,248,786
Deposits	19,787	-	-	19,787
Total Liabilities	<u>\$ 2,172,638</u>	<u>\$ 485,959</u>	<u>\$ -</u>	<u>\$ 2,658,597</u>

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
CLERK OF COURT & COMPTROLLER AGENCY FUNDS
For the Fiscal Year Ended September 30, 2020

	<u>Balance 9/30/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2020</u>
ASSETS				
Pooled Cash and Investments	\$ 3,922,747	\$ -	\$ 982,086	\$ 2,940,661
Total Assets	<u>\$ 3,922,747</u>	<u>\$ -</u>	<u>\$ 982,086</u>	<u>\$ 2,940,661</u>
LIABILITIES				
Accounts Payable	\$ 14,196	\$ -	\$ 4,941	\$ 9,255
Due to Other Governments	792,455	-	173,852	618,603
Deposits	1,455,468	-	514,123	941,345
Other Current Liabilities	1,660,628	-	289,170	1,371,458
Total Liabilities	<u>\$ 3,922,747</u>	<u>\$ -</u>	<u>\$ 982,086</u>	<u>\$ 2,940,661</u>

See accompany independent auditors' report.

HERNANDO COUNTY, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
TAX COLLECTOR AGENCY FUNDS
For the Fiscal Year Ended September 30, 2020

	<u>Balance 9/30/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2020</u>
ASSETS				
Pooled Cash and Investments	\$ 7,599,316	\$ 154,287	\$ -	\$ 7,753,603
Due from Other Governments	<u>274</u>	<u>101</u>	<u>-</u>	<u>375</u>
Total Assets	<u>\$ 7,599,590</u>	<u>\$ 154,388</u>	<u>\$ -</u>	<u>\$ 7,753,978</u>
LIABILITIES				
Accounts Payable	\$ 57,215	\$ 26,591	\$ -	\$ 83,806
Due to Other Governments	4,854,895	-	1,769,545	3,085,350
Deposits	<u>2,687,480</u>	<u>1,897,342</u>	<u>-</u>	<u>4,584,822</u>
Total Liabilities	<u>\$ 7,599,590</u>	<u>\$ 1,923,933</u>	<u>\$ 1,769,545</u>	<u>\$ 7,753,978</u>

See accompanying independent auditors' report.

HERNANDO COUNTY, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
SHERIFF AGENCY FUNDS
For the Fiscal Year Ended September 30, 2020

	<u>Balance 9/30/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2020</u>
ASSETS				
Cash and Cash Equivalents	\$ 121,116	\$ 31,840	\$ -	\$ 152,956
Total Assets	<u>\$ 121,116</u>	<u>\$ 31,840</u>	<u>\$ -</u>	<u>\$ 152,956</u>
LIABILITIES				
Accounts Payable	\$ 63,317	\$ -	\$ 4,624	\$ 58,693
Accrued Liabilities	27,545	4,965	-	32,510
Due to Other Governments	7,966	-	805	7,161
Deposits	22,288	32,304	-	54,592
Total Liabilities	<u>\$ 121,116</u>	<u>\$ 37,269</u>	<u>\$ 5,429</u>	<u>\$ 152,956</u>

See accompanying independent auditors' report.

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STATISTICAL TABLES

This section contains the following:

The statistical data is information gathered by the Clerk of Circuit Court and relates to the physical, economic, social and political characteristics of the County.

It is intended to provide financial report users with a broader and more complete understanding of the County and its financial affairs than is possible from the Financial Statements and supporting schedules included in the Financial Section.

Many of these tables cover multiple fiscal years and present data from outside the accounting records. Therefore, the Statistical Section data has not been subjected to independent audit.

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STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

Schedule 1

**Hernando County, Florida
Net Position by Component**

Last Ten Fiscal Years
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2011	2012	2013	2014	2015 (1)
Governmental activities					
Net Invested in Capital Assets	\$ 280,327	\$ 285,954	\$ 290,020	\$ 292,320	\$ 303,506
Restricted	86,754	88,847	82,667	72,678	61,254
Unrestricted (Deficit)	37,429	30,767	24,747	32,333	(28,753)
Total Governmental Activities Net Position	\$ 404,510	\$ 405,568	\$ 397,434	\$ 397,331	\$ 336,007
Business-type activities					
Net Invested in Capital Assets	\$ 179,518	\$ 170,908	\$ 171,017	\$ 168,614	\$ 171,560
Restricted	6,956	10,743	10,312	10,442	9,597
Unrestricted	19,608	25,030	28,386	33,505	37,215
Total Business-type Activities Net Position	\$ 206,082	\$ 206,681	\$ 209,715	\$ 212,561	\$ 218,372
Primary government					
Net Invested in Capital Assets	\$ 459,845	\$ 456,862	\$ 461,037	\$ 460,934	\$ 475,066
Restricted	93,710	99,590	92,979	83,120	70,851
Unrestricted	57,037	55,797	53,133	65,838	8,462
Total Primary Government Net Position	\$ 610,592	\$ 612,249	\$ 607,149	\$ 609,892	\$ 554,379

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

2016	2017	2018	2019	2020
\$ 306,373	\$ 304,605	\$ 304,941	\$ 306,203	\$ 331,520
62,476	57,323	60,066	78,821	90,385
(42,266)	(46,513)	(61,512)	(86,050)	(90,418)
<u>\$ 326,583</u>	<u>\$ 315,415</u>	<u>\$ 303,495</u>	<u>\$ 298,974</u>	<u>\$ 331,487</u>
\$ 174,660	\$ 171,817	\$ 172,789	\$ 178,095	\$ 188,883
12,753	17,783	18,818	40,140	51,337
42,892	49,047	54,634	43,391	32,345
<u>\$ 230,305</u>	<u>\$ 238,647</u>	<u>\$ 246,241</u>	<u>\$ 261,626</u>	<u>\$ 272,565</u>
\$ 481,033	\$ 476,422	\$ 477,730	\$ 484,298	\$ 520,403
75,229	75,106	78,884	118,961	141,721
626	2,534	(6,878)	(42,659)	(58,073)
<u>\$ 556,888</u>	<u>\$ 554,062</u>	<u>\$ 549,736</u>	<u>\$ 560,600</u>	<u>\$ 604,051</u>

Schedule 2

**Hernando County, Florida
Changes in Net Position**

Last Ten Fiscal Years (a)
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2011	2012	2013	2014	2015
Expenses					
Governmental Activities:					
General government	\$ 18,750	\$ 17,511	\$ 20,629	\$ 21,044	\$ 22,134
Public safety	59,674	69,359	69,196	74,079	74,105
Physical Environment	1,236	1,114	1,316	988	1,195
Transportation	2,565	20,939	19,119	19,983	20,187
Economic Environment	3,828	2,691	2,377	1,689	2,355
Human Services	7,280	10,404	8,819	10,009	8,762
Culture and Recreation	5,557	5,004	5,326	5,173	5,146
Court Operations	5,771	5,609	6,140	6,656	6,868
Interest on Long-term Debt	1,730	1,654	1,224	1,144	1,062
Total governmental activities expenses	<u>106,391</u>	<u>134,285</u>	<u>134,146</u>	<u>140,765</u>	<u>141,814</u>
Business-type activities					
Water and Sewer District	25,648	25,976	25,147	25,505	25,882
Aviation Operations	2,588	2,232	2,561	2,914	2,242
Waste Management	6,072	6,040	6,902	6,918	3,348
Building Department	1,710	1,794	1,724	1,990	2,218
Zoning Department	446	378	350	359	-
Total business-type activities expenses	<u>36,464</u>	<u>36,420</u>	<u>36,684</u>	<u>37,686</u>	<u>33,690</u>
Total primary government expenses	<u>\$ 142,855</u>	<u>\$ 170,705</u>	<u>\$ 170,830</u>	<u>\$ 178,451</u>	<u>\$ 175,504</u>
Program Revenues					
Governmental activities:					
Charges for services					
General government	\$ 12,696	\$ 12,666	\$ 10,116	\$ 13,730	\$ 14,238
Public safety	16,153	19,961	18,180	27,931	29,063
Highways and streets	100	630	79	306	214
Health and sanitation	4,460	4,194	4,327	3,165	4,856
Human services	57	2	115	54	96
Culture and recreation	249	238	231	245	229
Conservation of natural resources	724	809	811	851	833
Economic development	4,336	4,399	4,978	5,120	5,059
Operating grants and contributions	7,818	3,864	4,528	2,408	5,033
Capital grants and contributions	15,538	3,652	4,323	1,887	3,006
Total governmental activities program revenues	<u>62,131</u>	<u>50,415</u>	<u>47,688</u>	<u>55,697</u>	<u>62,627</u>
Business-type activities:					
Charges for services:					
Water and Sewer District	22,988	24,491	25,275	26,568	28,569
Aviation Operations	1,587	1,558	1,878	1,629	1,607
Waste Management	6,965	7,085	7,331	7,420	7,668
Building Department	1,737	1,921	1,792	1,900	2,602
Zoning Department	319	274	247	320	-
Operating grants and contributions	584	85	75	245	294
Capital grants and contributions	2,300	2,409	2,036	1,549	2,531
Total business-type activities program revenues	<u>36,480</u>	<u>37,823</u>	<u>38,634</u>	<u>39,631</u>	<u>43,271</u>
Total primary government program revenues	<u>\$ 98,611</u>	<u>\$ 88,238</u>	<u>\$ 86,322</u>	<u>\$ 95,328</u>	<u>\$ 105,898</u>

(a) In fiscal year 2015, the Zoning Department was moved to the General Fund.

	2016	2017	2018	2019	2020
\$	24,583	\$ 26,219	\$ 28,208	\$ 30,156	\$ 30,576
	86,582	92,685	99,101	112,625	120,003
	1,230	1,304	1,402	6,395	8,128
	23,236	24,465	25,206	26,166	27,506
	3,095	3,487	2,856	2,565	4,808
	7,275	7,504	7,936	8,312	8,444
	5,714	5,712	6,220	6,845	6,418
	6,773	7,163	7,384	7,664	7,525
	1,038	1,074	1,162	1,225	1,094
	<u>159,526</u>	<u>169,613</u>	<u>179,475</u>	<u>201,953</u>	<u>214,502</u>
	27,673	30,933	31,357	32,681	34,129
	2,567	2,233	2,257	2,695	3,028
	6,447	7,594	9,792	8,957	12,227
	2,786	2,807	3,258	3,540	4,142
	-	-	-	-	-
	<u>39,473</u>	<u>43,567</u>	<u>46,664</u>	<u>47,873</u>	<u>53,526</u>
\$	<u>198,999</u>	<u>\$ 213,180</u>	<u>\$ 226,139</u>	<u>\$ 249,826</u>	<u>\$ 268,028</u>

\$	12,050	\$ 12,419	\$ 13,428	\$ 14,555	\$ 15,481
	31,168	31,312	35,831	46,038	47,217
	345	865	503	101	223
	5,398	5,692	6,307	13,234	13,510
	-	66	-	18	19
	250	231	242	278	215
	915	1,037	1,051	961	890
	4,832	4,848	5,090	5,059	4,413
	4,935	5,993	5,361	6,393	32,962
	1,777	4,728	6,035	4,546	7,952
	<u>61,670</u>	<u>67,191</u>	<u>73,848</u>	<u>91,183</u>	<u>122,882</u>
	31,032	33,832	33,861	35,858	38,933
	1,806	1,701	1,895	1,972	2,120
	7,653	7,803	7,896	8,168	9,032
	2,970	2,915	3,547	3,677	3,803
	-	-	-	-	-
	94	110	107	1,521	842
	<u>5,306</u>	<u>4,469</u>	<u>6,629</u>	<u>7,870</u>	<u>8,533</u>
	<u>48,861</u>	<u>50,830</u>	<u>53,935</u>	<u>59,066</u>	<u>63,264</u>
\$	<u>110,531</u>	<u>\$ 118,021</u>	<u>\$ 127,783</u>	<u>\$ 150,249</u>	<u>\$ 186,146</u>

Schedule 2

**Hernando County, Florida
Changes in Net Position**

Last Ten Fiscal Years (a)
(accrual basis of accounting)
(dollars expressed in thousands)

	Fiscal Year				
	2011	2012	2013	2014	2015
Net (Expense)/Revenue					
Governmental Activities	\$ (66,960)	\$ (83,870)	\$ (86,458)	\$ (85,068)	\$ (79,187)
Business-type Activities	15	1,404	1,950	1,945	9,581
Total Primary Government Net Expense	<u>\$ (66,945)</u>	<u>\$ (82,466)</u>	<u>\$ (84,508)</u>	<u>\$ (83,123)</u>	<u>\$ (69,606)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities					
Taxes					
Property Taxes	\$ 52,091	\$ 56,605	\$ 57,141	\$ 59,178	\$ 58,984
Fuel Taxes	7,112	6,216	6,058	6,089	6,242
Sales Taxes	7,817	7,367	7,638	8,029	8,697
Other Taxes	1,946	1,768	1,804	1,667	2,530
State Shared Revenue	3,758	4,013	4,227	4,428	4,756
Investment Earnings	1,297	2,209	73	1,475	1,671
Miscellaneous	941	1,787	1,460	4,351	1,274
Gain on Sale of Capital Assets	47	-	-	28	221
Extraordinary Item	-	-	-	-	-
Transfers	121	(77)	(76)	(18)	610
Total Governmental Activities	<u>75,130</u>	<u>79,888</u>	<u>78,325</u>	<u>85,227</u>	<u>84,985</u>
Business-type Activities					
Investment Earnings	382	664	31	605	743
Gain on Sale of Capital Assets	1	(1,091)	116	50	46
Miscellaneous	1,116	(454)	860	900	864
Transfers	(121)	77	76	18	(610)
Total Business-type Activities	<u>1,378</u>	<u>(804)</u>	<u>1,083</u>	<u>1,573</u>	<u>1,043</u>
Total Primary Government	<u>\$ 76,508</u>	<u>\$ 79,084</u>	<u>\$ 79,408</u>	<u>\$ 86,800</u>	<u>\$ 86,028</u>
Changes in Net Position					
Governmental Activities	\$ 8,170	\$ (3,981)	\$ (8,133)	\$ 159	\$ 5,798
Business-type Activities	1,393	600	3,033	3,518	10,624
Total Primary Government	<u>\$ 9,563</u>	<u>\$ (3,381)</u>	<u>\$ (5,100)</u>	<u>\$ 3,677</u>	<u>\$ 16,422</u>

	2016	2017	2018	2019	2020
\$	(97,856)	\$ (102,422)	\$ (105,627)	\$ (110,771)	\$ (91,620)
	9,388	7,263	7,271	11,192	9,738
\$	<u>(88,468)</u>	<u>\$ (95,159)</u>	<u>\$ (98,356)</u>	<u>\$ (99,579)</u>	<u>\$ (81,882)</u>

\$	61,572	\$ 62,915	\$ 69,647	\$ 72,134	\$ 86,534
	8,146	8,722	8,970	8,872	8,328
	9,100	9,337	9,878	10,241	10,458
	2,560	2,597	2,710	2,455	2,597
	4,889	5,102	5,335	5,601	5,317
	1,437	562	532	5,190	4,126
	1,378	1,597	1,682	1,613	4,640
	349	205	53	-	-
	-	-	-	-	-
	(998)	217	154	145	119
	<u>88,433</u>	<u>91,254</u>	<u>98,961</u>	<u>106,251</u>	<u>122,119</u>

	701	348	245	3,514	2,610
	28	(11)	315	13	47
	818	958	1,057	812	676
	998	(217)	(154)	(145)	(119)
	<u>2,545</u>	<u>1,078</u>	<u>1,463</u>	<u>4,194</u>	<u>3,215</u>
\$	<u>90,978</u>	<u>\$ 92,332</u>	<u>\$ 100,424</u>	<u>\$ 110,445</u>	<u>\$ 125,333</u>

\$	(9,423)	\$ (11,168)	\$ (6,666)	\$ (4,520)	\$ 30,499
	11,933	8,341	8,734	15,385	12,952
\$	<u>2,510</u>	<u>\$ (2,827)</u>	<u>\$ 2,068</u>	<u>\$ 10,865</u>	<u>\$ 43,451</u>

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Schedule 3

Hernando County, Florida
Fund Balance of Government Funds
 Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Nonspendable	\$ 215	\$ 187	\$ 145	\$ 46	\$ 829	\$ 4,570	\$ 7,503	\$ 5,890	\$ 3,909	\$ 1,469
Restricted	3,630	2,783	981	312	142	341	771	1,015	1,046	1,676
Committed	4,854	4,968	4,436	4,812	5,374	5,320	5,717	5,913	7,677	7,052
Assigned	2,300	8,500	3,350	5,712	4,000	3,000	-	28	-	339
Unassigned	13,277	10,225	9,825	12,034	12,992	9,443	6,860	9,760	9,346	48,035
Total General Fund	<u>\$ 24,276</u>	<u>\$ 26,663</u>	<u>\$ 18,737</u>	<u>\$ 22,916</u>	<u>\$ 23,337</u>	<u>\$ 22,674</u>	<u>\$ 20,851</u>	<u>\$ 22,606</u>	<u>\$ 21,978</u>	<u>\$ 58,571</u>
All other Governmental Funds										
Nonspendable	\$ 56	\$ 674	\$ 574	\$ 78	\$ 65	\$ 57	\$ 51	\$ 51	\$ 181	\$ 128
Restricted	81,256	83,527	79,282	69,625	59,257	59,914	53,754	58,082	72,330	81,497
Committed	925	965	966	1,017	1,140	1,247	1,286	1,353	1,625	1,823
Assigned	18,598	7,410	7,473	9,220	10,164	8,104	15,252	12,207	11,864	13,412
Total all other Government Funds	<u>\$ 100,835</u>	<u>\$ 92,576</u>	<u>\$ 88,295</u>	<u>\$ 79,940</u>	<u>\$ 70,626</u>	<u>\$ 69,322</u>	<u>\$ 70,343</u>	<u>\$ 71,693</u>	<u>\$ 86,000</u>	<u>\$ 96,860</u>

Schedule 4

Hernando County, Florida
Changes in Fund Balances of Governmental Funds

Last Ten Fiscal years
(modified accrual basis of accounting)
(dollars expressed in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues										
Taxes	\$ 60,486	\$ 64,669	\$ 65,009	\$ 66,892	\$ 67,733	\$ 72,115	\$ 74,178	\$ 81,305	\$ 83,660	\$ 97,420
Licenses and Permits	97	157	62	60	390	446	504	529	625	579
Intergovernmental	29,968	24,855	24,149	20,716	23,624	23,916	27,279	28,931	29,157	56,962
Charges for Services	14,476	18,020	18,276	21,034	28,395	26,403	25,585	29,449	32,234	33,764
Fines and Forfeitures	635	974	1,060	1,692	1,621	1,543	1,540	1,732	1,643	1,653
Special Assessments	11,302	11,388	11,348	19,155	19,140	20,404	21,479	23,056	36,458	36,730
Impact Fees	783	146	(6)	422	892	1,299	2,733	3,129	3,176	3,264
Interest	1,204	2,012	99	1,334	1,460	1,281	486	454	4,580	3,732
Miscellaneous	4,832	5,646	2,513	8,535	2,552	2,553	2,428	2,690	2,975	6,843
Total Revenues	<u>\$ 123,783</u>	<u>\$ 127,867</u>	<u>\$ 122,510</u>	<u>\$ 139,840</u>	<u>\$ 145,807</u>	<u>\$ 149,960</u>	<u>\$ 156,212</u>	<u>\$ 171,275</u>	<u>\$ 194,508</u>	<u>\$ 240,947</u>
Expenditures										
Current										
General government	\$ 16,905	\$ 15,891	\$ 18,563	\$ 18,516	\$ 20,258	\$ 21,271	\$ 21,946	\$ 23,999	\$ 24,519	\$ 24,113
Public safety	58,051	67,047	67,047	70,449	75,963	78,707	81,327	86,506	92,621	97,700
Physical Environment	1,148	1,057	1,140	966	1,131	1,094	1,144	1,188	6,170	7,913
Transportation	13,112	12,666	13,037	13,500	13,584	14,932	15,720	15,600	15,851	17,215
Economic Environment	3,799	2,646	2,350	1,639	2,298	3,031	3,415	2,771	2,478	4,701
Human Services	5,882	9,054	7,402	8,538	7,043	5,520	5,710	6,094	6,448	6,577
Culture and Recreation	4,749	4,228	4,500	4,316	4,615	4,758	4,852	5,291	5,783	5,482
Court Operations	5,602	5,461	6,034	6,525	6,708	6,585	6,952	7,222	7,490	7,358
Debt service										
Principal	3,141	3,204	3,319	3,085	2,888	3,854	4,075	4,185	4,322	4,576
Interest and other charges	1,691	1,627	963	1,078	990	978	975	987	1,035	912
Capital outlay	17,602	15,095	14,227	15,663	19,297	13,475	12,268	14,878	14,151	17,190
Total Expenditures	<u>\$ 131,682</u>	<u>\$ 137,976</u>	<u>\$ 138,582</u>	<u>\$ 144,275</u>	<u>\$ 154,775</u>	<u>\$ 154,205</u>	<u>\$ 158,384</u>	<u>\$ 168,721</u>	<u>\$ 180,868</u>	<u>\$ 193,737</u>
Excess of revenues over (under) expenditures	(7,899)	(10,109)	(16,072)	(4,435)	(8,968)	(4,245)	(2,172)	2,554	13,640	47,210

Schedule 4

Hernando County, Florida
Changes in Fund Balances of Governmental Funds (Continued)

Last Ten Fiscal years
(modified accrual basis of accounting)
(dollars expressed in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Other Financing Sources (Uses)										
Transfers in	\$ 6,488	\$ 12,851	\$ 10,276	\$ 6,812	\$ 6,046	\$ 10,989	\$ 14,063	\$ 14,640	\$ 15,961	\$ 16,208
Transfers Out	(6,256)	(12,964)	(10,889)	(8,266)	(7,834)	(9,469)	(15,061)	(15,333)	(16,977)	(17,482)
Sale of capital assets	-	-	-	-	-	-	-	53	-	-
Additions to Long-Term Debt	299	196	29,786	1,713	1,864	757	2,368	1,189	1,056	1,516
Proceeds og Refunding Bonds	-	-	-	-	-	-	-	-	-	-
Premium on Refunding Bonds	-	-	-	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	(25,308)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>531</u>	<u>83</u>	<u>3,865</u>	<u>259</u>	<u>76</u>	<u>2,277</u>	<u>1,370</u>	<u>549</u>	<u>40</u>	<u>242</u>
Net Change in Fund Balances	<u>\$ (7,368)</u>	<u>\$ (10,026)</u>	<u>\$ (12,207)</u>	<u>\$ (4,176)</u>	<u>\$ (8,892)</u>	<u>\$ (1,968)</u>	<u>\$ (802)</u>	<u>\$ 3,103</u>	<u>\$ 13,680</u>	<u>\$ 47,452</u>
Debt Service as a Percentage of Noncapital Expenditures	4.1%	3.8%	3.4%	3.2%	2.8%	3.6%	3.5%	3.4%	3.2%	3.1%

Schedule 5

Hernando County, Florida
General Government State Shared Revenues by Source

Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year	Local Government Half-Cent Sales Tax	State Revenue Sharing Proceeds	Constitutional Fuel Tax	County Fuel Tax	Local Option 1 - 6 cents	State Housing Initiative Partnership	Other Revenues
2011	\$ 7,232	\$ 3,398	\$ 1,660	\$ 725	\$ 4,457	\$ 350	\$ -
2012	7,354	3,653	1,702	737	4,277	-	-
2013	7,608	3,838	1,657	731	4,136	428	-
2014	8,000	4,063	1,701	734	4,143	-	-
2015	8,647	4,392	1,724	756	4,257	864	-
2016	9,099	4,519	1,780	787	4,571	878	-
2017	9,306	4,735	1,836	808	4,594	1,167	-
2018	9,823	4,971	1,880	826	4,753	796	237
2019	10,113	5,224	1,947	843	4,754	360	237
2020	10,334	4,913	1,747	758	4,402	404	237

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

Schedule 6

**Hernando County, Florida
Fair Market, Assessed Value and Taxable Value of Property**

Last Ten Fiscal Years
(dollars expressed in thousands)

Tax Roll Year	Fair Market (a)(i)		Assessed Value (b)(i)		Exemptions (c)(i)		Taxable Value (d)(i)			Total Direct Tax Rate (e)	
	Real Property (f)	Personal Property (g)	Real Property (f)	Personal Property (g)	Real Property (f)	Personal Property (g)	Real Property (f)	Personal Property (g)	Centrally Assessed (h) Total		
2011	\$ 10,600,374	\$ 1,629,933	\$ 9,915,576	\$ 1,585,617	\$ 3,466,896	\$ 325,372	\$ 6,448,681	\$ 1,260,244	\$ 7,199	\$ 7,716,124	\$ 7.7912
2012	9,949,202	1,691,643	9,269,516	1,645,987	3,332,500	339,564	5,937,016	1,306,423	7,325	7,250,764	8.2396
2013	9,989,311	1,602,911	9,341,160	1,594,242	3,349,573	627,890	5,991,587	966,351	7,626	6,965,564	8.4478
2014	10,349,863	1,606,000	9,531,618	1,604,589	3,350,771	608,798	6,180,847	995,791	7,842	7,184,480	8.4775
2015	10,800,268	1,585,644	9,795,639	1,584,744	3,403,429	600,482	6,392,210	984,263	7,869	7,384,342	8.5941
2016	11,208,262	1,703,765	10,044,161	1,703,015	3,473,220	596,852	6,570,941	1,106,163	8,326	7,685,430	8.5942
2017	12,247,949	1,834,656	10,572,795	1,766,495	3,555,440	600,848	7,017,354	1,165,647	7,483	8,190,484	8.9692
2018	13,300,360	1,846,816	11,165,701	1,776,293	3,646,183	601,446	7,519,519	1,174,846	7,926	8,702,291	8.7342
2019	15,210,973	1,721,661	11,880,508	1,693,762	3,780,811	609,861	8,099,697	1,083,901	7,694	9,191,292	9.7344
2020	16,567,712	1,766,669	12,807,078	1,739,675	3,963,063	612,477	8,844,015	1,127,198	9,594	9,980,807	9.4844

- (a) Florida law requires that 'Just Value' of all property be determined each year. The Florida Supreme Court has declared Just Value to be legally synonymous to Full Cash Value and Fair Market Value. The Just Value or Fair Market Value is the amount it could sell for in a competitive open market, assuming that the buyer and seller both acted knowledgeably and without duress.
- (b) Assessed value is different than just/market value for those properties that have assessment limitations on them. Examples of assessment limitations include Save our Homes (SOH) limitation for homestead properties, "greenbelt" for properties which have an agricultural use classification, and pollution control devices.
- (c) There are a number of property tax exemptions which include, but are not limited to; homestead, widow/widowers, blind, disabled, veterans, government and institutional.
- (d) Taxable value is the resulting value after all applicable exemptions have been deducted from the assessed value of the property. The taxable value is what the millage rates are applied to develop the ad valorem property tax.
- (e) Total Direct Tax Rate is the weighted average of the direct rates in each area. See Schedule 7, "Direct and Overlapping Property Tax Rates" for more information.
- (f) Real Property means land, buildings, fixtures, and all other improvements to land.
- (g) Personal Property commonly known as Tangible Personal Property (TPP) is defined as furniture, fixtures and equipment used in the operation of a business.
- (h) Centrally assessed property are the railroad tracks and train cars which cross county lines and are assessed by the Florida Department of Revenue who provide the assessed values to the respective Property Appraiser. No exemptions are applicable to Centrally Assessed Properties.
- (i) The year previous to current year may be restated due to changes made subsequent to release of previous year's values.

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

Source: Hernando County Property Appraiser

Schedule 7

**Hernando County, Florida
Direct and Overlapping Property Tax Rates**

Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
DIRECT RATES (a)										
Countywide										
Hernando County Government:										
General Fund	5.6279	5.9169	6.8669	6.9912	6.9912	6.9912	6.8912	6.8912	7.8912	7.6412
Special Revenue										
Transportation Trust Fund	0.7091	0.7091	0.7091	0.7091	0.7091	0.7091	0.7091	0.7091	0.7091	0.7091
Health Department	0.1102	0.1102	0.1102	0.1102	0.1102	0.1102	0.1102	0.1102	0.1102	0.1102
Total Countywide	<u>6.4472</u>	<u>6.7362</u>	<u>7.6862</u>	<u>7.8105</u>	<u>7.8105</u>	<u>7.8105</u>	<u>7.7105</u>	<u>7.7105</u>	<u>8.7105</u>	<u>8.4605</u>
Maximum Allowed (b)	<u>10.0000</u>									
Other										
Hernando County Government:										
Municipal Services Taxing Units										
Stormwater Management Program	0.1139	0.1139	0.1139	0.1139	0.1139	0.1139	0.1139	0.1139	0.1139	0.1139
Emergency Medical Services	0.5598	0.5598	0.5534	0.5534	0.6700	0.6700	0.6700	0.9100	0.9100	0.9100
Fire Services	-	-	-	-	-	-	0.5000	-	-	-
Mosquito Control	0.0844	0.0844	0.1000	-	-	-	-	-	-	-
Spring Hill Fire and Rescue (e)	2.5000	2.5000	-	-	-	-	-	-	-	-
Total	<u>3.2581</u>	<u>3.2581</u>	<u>0.7673</u>	<u>0.6673</u>	<u>0.7839</u>	<u>0.7839</u>	<u>1.2839</u>	<u>1.0239</u>	<u>1.0239</u>	<u>1.0239</u>
Maximum Allowed Per Taxpayer (b)	<u>10.0000</u>									
Total Direct Tax Rates (c)	<u>7.7912</u>	<u>8.2396</u>	<u>8.4478</u>	<u>8.4775</u>	<u>8.5941</u>	<u>8.5942</u>	<u>8.9692</u>	<u>8.7344</u>	<u>9.7344</u>	<u>9.4844</u>
OVERLAPPING RATES (d)										
Countywide										
School Board	7.5080	7.4540	7.2800	7.1670	7.1960	6.8690	6.6190	6.3400	6.1630	5.9130
Southwest Florida Water Management District	0.3928	0.3928	0.3818	0.3658	0.3488	0.3317	0.3131	0.2955	0.2801	0.2669
Not Countywide										
Municipalities										
City of Brooksville	6.3700	6.3700	6.7317	6.6962	6.6439	6.6426	6.9763	6.2000	6.2000	5.9000
City of Weeki Wachee	2.7838	2.7137	2.7654	2.6237	2.7622	2.8478	2.8470	2.8421	2.8658	-

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

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

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

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

(e) On June 11, 2009, a Special Act of the Legislature was passed changing the Spring Hill Fire And Rescue's status to independent of the County and subsequently was dissolved becoming dependent on the County on October 1, 2011.

(f) Data represents the millages used to approve the budget, and calculate taxes to support the following year, but are based on the tax roll which began on January 1 for reflected year.

Source: Hernando County Property Appraiser

Schedule 8

**Hernando County, Florida
Principal Property Taxpayers**

Last Fiscal Year Compared to the Fiscal Year Ten Years Earlier
(dollars expressed in thousands)

Taxpayer	Type of Business	2020			2010		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Cemex, Inc.	Cement Manufacturing	\$ 277,179	1	2.78%	\$ 358,510	1	4.24%
Withlacoochee River Electric Co-op	Electric Utility	225,261	2	2.26%	263,677	2	3.12%
Duke energy (formerly Progress Energy)	Electric Utility	111,428	3	1.12%	94,272	4	1.11%
Wal-Mart Regional Distribution	Distribution	61,466	4	0.62%	-	-	-
HCA Health Services of Florida, Inc.	Hospital/Health Care	56,708	5	0.57%	61,100	6	0.72%
BW Hibiscus Springs LLC	Apartments	49,400	6	0.49%	-	-	-
Florida Gas Transmissions	Utility	48,112	7	0.48%	44,637	8	0.53%
Wal-Mart Stores, Inc.	Retail Sales	45,690	8	0.46%	124,676	3	1.47%
Wal-Mart Stores East LP	Retail Sales	31,461	9	0.32%	-	-	-
BRE DDR BR Nature Coast FL LLC	Retail Sales	25,215	10	0.25%	-	-	-
AT&T Telecommunications	Telecommunications	-	-	-	70,435	5	0.83%
Bright House Networks	Cable Utility	-	-	-	54,780	7	0.65%
Florida Crushed Stone Corporation	Rock Mining	-	-	-	24,135	9	0.29%
Millenium Ventures Limited	Assisted Living	-	-	-	23,134	10	0.27%
Totals		<u>\$ 931,920</u>		<u>9.35%</u>	<u>\$ 1,119,356</u>		<u>13.23%</u>

Source: Hernando County Property Appraiser

Schedule 9

**Hernando County, Florida
Property Tax Levies and Collections**

Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year Ended September 30	Certified Taxes Levied for the Fiscal Year (a) (d)	Certificates of Correction by Property Appraiser	Adjusted Taxes Levied for the Fiscal Year (a)	Collected within the Fiscal Year of the Levy (b)			Prior Year Taxes Collected (c)	Total Taxes Collected		
				Levied Collections	Discounts/Penalties	Adjusted Collections		Percentage Collected	Amount	Percentage Collected
2011	\$ 81,473	\$ (1,728)	\$ 79,745	\$ 76,596	\$ (2,276)	\$ 74,320	\$ 93.20	\$ 776	\$ 75,096	94.17%
2012	77,291	(1,801)	75,490	73,689	(2,197)	71,492	94.70	677	72,169	95.60%
2013	75,403	(2,870)	72,533	72,114	(2,197)	69,917	96.39	320	70,237	96.83%
2014	83,274	(204)	83,070	82,776	(2,531)	80,245	96.60	404	80,649	97.09%
2015	85,321	(419)	84,902	84,555	(2,629)	81,926	96.49	229	82,155	96.76%
2016	88,933	(112)	88,821	88,485	(2,778)	85,707	96.49	403	86,110	96.95%
2017	92,969	161	93,130	91,320	(2,890)	88,430	94.95	451	88,881	95.44%
2018	101,714	(120)	101,594	99,973	(3,189)	96,784	95.27	231	97,015	95.49%
2019	118,155	(116)	118,039	116,432	(3,715)	112,717	95.49	107	112,824	95.58%
2020	132,568	(152)	132,416	132,321	(4,266)	128,055	96.71	199	128,254	96.86%

- (a) Certified taxes levied is the original tax assessment due to Hernando County before any adjustments are determined by Property Appraiser and/or the Value Adjustment Board, and before any tax amounts are determined to be uncollectible due to insolvencies and/or litigation. Adjusted Taxes Levied reflects changes made throughout the fiscal year. The tax levy represents only the taxes due to the Hernando County financial reporting entity and therefore, excludes taxes due to the School Board, the City of Brooksville, Southwest Florida Water Management District and certain other governmental entities. This corresponds to the Direct Tax Rates section of Schedules 6 and 7.
- (b) In accordance with Florida Statutes, property taxes become due and payable on November 1 of each year and are delinquent on April 1 of the following year. A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percent each month thereafter. Taxes collected will not equal 100% of the tax levy due to insolvencies, litigation and county certificates. In the table above, taxes collected November 1, 2019 through March 31, 2020 are reflected as levied for the Fiscal Year Ended September 30, 2020. Tax Certificates for unpaid taxes and assessments for that year will be sold no later than June 1, 2021.
- (c) Includes all delinquent tax collections received during the year regardless of the year in which the taxes were originally levied.
- (d) Includes non-ad valorem taxes, which are not a part of the tax notice. Non-ad valorem taxes are separately reported as Special Assessments in the Governmental Funds and are part of Charges for Services in the Proprietary Funds.

Source: Hernando County Tax Collector

Schedule 10

Hernando County, Florida
Ratios of Outstanding Debt by Type

Last Ten Fiscal Years
(dollars expressed in thousands, except per capita)

Fiscal Year Ended September 30	Governmental Activities			Business-Type Activities			Debt as a Ratio to Personal Income (b)	Debt Per Capita
	Revenue and Refunding Bonds (a)	Notes Payable	Capital Leases	Water and Sewer Revenue Bonds (a)	Notes Payable	Total Primary Government		
2011	\$ 38,376	\$ 1,278	\$ 498	\$ 45,962	\$ 18,207	\$ 104,321	1.96%	\$ 603
2012	35,711	916	512	43,915	24,969	106,023	1.91%	613
2013	8,663	29,230	535	40,920	24,195	103,543	1.89%	596
2014 (c)	6,983	30,900	217	40,666	23,196	101,962	2.04%	583
2015	5,209	31,665	54	38,337	40,540	115,805	2.13%	655
2016	3,964	29,852	-	35,949	57,739	127,504	1.97%	712
2017	2,691	29,416	-	33,465	57,955	123,527	1.76%	679
2018	2,345	30,789	-	30,901	55,047	119,082	1.60%	642
2019	1,993	27,135	-	28,228	52,193	109,549	1.42%	574
2020	1,622	27,009	823	26,852	49,274	105,580	-	549

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

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

(b) Due to a time lag in receiving personal income figures, ratios were not reported for the most recent year(s). See Schedule 14, "Demographic and Economic Statistics", for actual personal income and population figures used above. Source: U.S. Department of Commerce Bureau of Economic Analysis

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

Schedule 11

Hernando County, Florida
Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years
(dollars expressed in thousands, except per capita amount)

Fiscal Year Ended September 30	Revenue and Refunding Bonds	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Taxable Value of Property (a)	General Debt Per Capita (b)
2011	\$ 38,376	\$ 650	\$ 37,726	0.49%	\$ 221
2012	35,711	671	35,040	0.48%	206
2013	8,663	667	7,996	0.11%	50
2014	6,983	658	6,325	0.09%	40
2015	5,209	82	5,127	0.07%	29
2016	3,964	22	3,942	0.05%	22
2017	2,691	24	2,667	0.03%	15
2018	2,345	9	2,336	0.03%	13
2019	1,993	12	1,981	0.02%	10
2020	1,622	13	1,609	0.02%	9

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

- (a) Bonds are shown net of related deferred gains or losses on bond refundings and net of related unamortized bond issue premiums or discounts.
- (b) Taxable Value information can be found on Schedule 6, Schedule of Fair Market, Assessed Value and Taxable Value of Property for property value data.
- (c) Population data can be found on Schedule 14, Schedule of Demographic and Economic Statistics.

Schedule 12

**Hernando County, Florida
Computation of Direct and Overlapping Debt**

Government Unit	Payable from Ad Valorem Taxes	Non-Self- Supporting Revenue Debt	Estimated Percentage Applicable	Amount Applicable to Primary Government
SCHOOL BOARD: (1)				
State Board of Education Bonds, Series 2011A Refunding	\$ -	\$ 145,000		
State Board of Education Bonds, Series 2014A Refunding	-	277,000		
State Board of Education Bonds, Series 2020A Refunding	-	758,000		
Bonds Payable-Unamortized Premium		472,751		
Certificates of Participation, Series 2013A	-	9,295,284		
Certificates of Participation, Series 2016A	-	86,725,000		
Capital Improvement bonds, Series 2001 Refunding	-	9,242,878		
2020 Series Refunding	-	3,500,000		
Total School Board	\$ -	\$ 110,415,913	100%	\$ 110,415,913
CITY OF BROOKSVILLE:				
General Fund Promissory Note	\$ 44,832	\$ -		
USDA Loan	-	120,000		
Florida Capital Improvement Revenue Note, Series 2011	-	1,665,540		
Patch Truck Loan	-	86,550		
USDA Fire Truck Loan	-	78,163		
Total City of Brooksville	\$ 44,832	\$ 1,950,253	5%	\$ 97,513
Subtotal Overlapping Debt	\$ 44,832	\$ 112,366,166		\$ 110,513,426
COUNTY BOARD:				
Non-revolving line of credit draws	\$ -	\$ 14,233,463		
Non-Ad Valorem Refunding Revenue Note, Series 2012	-	12,776,000		
Non-Ad Valorem Refunding Revenue Bonds, Series 2010	-	1,615,000		
Hernando County, Florida Direct Debt	\$ -	\$ 28,624,463	100%	\$ 28,624,463
Total Direct and Overlapping Debt	\$ 44,832	\$ 140,990,629		\$ 139,137,889

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

(1) Outstanding debt obligations for Hernando County School Board at June 30, 2020.

Schedule 13A

Hernando County, Florida
Schedule of Non-Ad Valorem Debt Coverage
Non-Ad Valorem Refunding Revenue Bonds, Series 2010
Non-Ad Valorem Refunding Revenue Note, Series 2012

Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year Ended September 30	Gross		Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
	Revenues (a)	Expenditures (b)		Principal (c)	Interest	Total	
2011	\$ 31,221	\$ -	\$ 31,221	\$ 560	\$ 178	\$ 738	42.30
2012	31,807	-	31,807	570	164	734	43.33
2013	28,088	-	28,088	600	595	1,195	23.50
2014	34,209	-	34,209	310	761	1,071	31.94
2015	33,869	-	33,869	557	749	1,306	25.93
2016	34,711	-	34,711	1,935	720	2,655	13.07
2017	34,003	-	34,003	1,986	667	2,653	12.82
2018	36,328	-	36,328	2,997	601	3,598	10.10
2019	39,570	-	39,570	3,074	614	3,688	10.73
2020	71,536	-	71,536	3,160	502	3,662	19.53

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

(b) There are no expenditures that relate directly to the gross revenue, but gross revenues not used for the purpose of debt service are used for other purposes in the budget.

Schedule 13B

Hernando County, Florida
Schedule of Revenue Bond Coverage
Water and Sewer Revenue Bonds, Series 2013A

Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year Ended September 30	Gross		Net Revenue			Debt Service Requirements			Coverage
	Revenues(a)	Expenses (b)	Available for Debt Service	Connection Fees	Pledged Funds(c)	Principal (e)	Interest	Total	
2011	\$ 23,496	\$ 17,110	\$ 6,386	\$ 552	\$ 6,938	\$ 1,990	\$ 2,044	\$ 4,034	1.72
2012	24,894	16,086	8,808	538	9,346	2,055	1,982	4,037	2.32
2013	25,623	15,026	10,597	794	11,391	2,125	1,916	4,041	2.82
2014	27,270	15,617	11,653	1,379	13,032	2,015	1,525	3,540	3.68
2015	29,089	16,062	13,027	1,384	14,411	2,150	1,652	3,802	3.79
2016	31,925	17,805	14,120	2,178	16,298	2,210	1,590	3,800	4.29
2017	34,461	17,863	16,598	2,113	18,711	2,305	1,507	3,812	4.91
2018	34,739	19,276	15,463	2,269	17,732	2,563	1,419	3,982	4.45
2019	38,860	20,359	18,501	2,303	20,804	2,674	1,308	3,982	5.22
2020	40,999	22,870	18,129	2,200	20,329	1,377	1,201	2,578	7.89

- (a) Pursuant to bond definitions, gross revenues include operating revenue and interest income, but do not include sewer connection fees, water connection fees or special assessment proceeds.
- (b) Pursuant to bond definitions, expenses do not include amortizations or depreciation. Similarly, charges associated with replacement of vehicles in lieu of depreciation have not been included.
- (c) Effective with the issuance of the Water and Sewer Refunding Revenue Bonds Series 2003, connection fees are included in the definition of pledged funds.
- (d) Includes Water and Sewer Refunding Revenue Bonds, Series 2013A, and the Water and Sewer portion of the Non-Ad Valorem Refunding Revenue Bonds, Series 2010.
- (e) For FY 2020, the principal amount including the bond premium \$176,849 is \$1,376,849. See Note H.

Schedule 14

**Hernando County, Florida
Demographic and Economic Statistics**

Last Ten Fiscal Years

Fiscal Year	Population (a)				Permanent Households (a)	Personal Income	Total Personal Income	Median Age (b)	Citizens With a Bachelors Degree(h)	Public School Enrollment (d)	Unemployment Rate (e)
	City of Brooksville	City of Weeki Wachee	Unincorporated Hernando County	Total		Per Capita (f)	(in thousands) (c)(f)				
2011	7,711	12	165,355	173,078	71,864	\$ 30,729	\$ 5,318,514	47.7	16.2%	22,146	13.5%
2012	7,702	12	165,397	173,111	72,106	31,927	5,536,867	47.7	16.2%	21,855	10.4%
2013	7,643	5	166,160	173,808	72,238	31,422	5,481,211	48.0	15.5%	21,541	8.5%
2014	7,687	5	167,263	174,955	72,492	32,324	5,684,266	48.5	14.9%	21,470	8.1%
2015	7,780	5	169,034	176,819	72,951	33,098	6,033,940	48.0	15.5%	21,421	6.5%
2016	8,006	5	171,492	179,503	73,402	34,899	6,371,015	48.4	15.7%	21,613	6.2%
2017	8,074	9	173,799	181,882	75,883	35,601	6,649,676	49.0	16.0%	22,153	4.3%
2018	8,410	9	177,185	185,604	77,493	36,878	7,038,712	48.9	17.1%	23,615	4.3%
2019	8,661	9	179,688	188,358	78,718	38,223	7,412,217	49.1	17.5%	23,770	3.6%
2020	8,983	9	183,194	192,186	80,375	-	-	47.4	12.0%	22,185	5.9%

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

(b) Source: Hernando County Planning Department

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

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

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

(f) Due to a time lag in receiving personal income and population figures, ratios were calculated using income and population figures from the most recently available information.

Schedule 15

**Hernando County, Florida
Principal Employers (a)
Non-retail, Non-government**

Latest Fiscal Year compared to the Nine Prior Fiscal Years

Employer	Type of Operation	2020			2019			2018		
		Employees	%	Rank	Employees	%	Rank	Employees	%	Rank
Oak Hill Hospital	Healthcare	1,541	2.31	1	1,307	1.95	1	1,307	1.98	1
Walmart Distribution Center	Distribution Center	1,160	1.74	2	1,200	1.79	2	1,200	1.82	2
Bayfront Regional Healthcare	Healthcare	964	1.44	3	957	1.43	3	939	1.42	3
Encompass Health (formerly HealthSouth)	Healthcare	459	0.69	4	459	0.68	4	459	0.70	4
Barrette Outdoor Living	Manufacturer	313	0.47	5	-	-	-	-	-	-
Cemex (form. Rinker Materials/FCS)	Manufacturer	300	0.45	6	350	0.52	6	300	0.45	6
Accuform Signs Inc	Manufacturer	275	0.41	7	307	0.46	5	307	0.47	5
Sparton Electronics	Manufacturer	180	0.27	8	175	0.26	8	180	0.27	8
Micro-Matic	Supplier	170	0.25	9	191	0.28	9	162	0.25	9
Sun Trust Bank	Service	110	0.16	10	110	0.16	10	110	0.17	10
Withlacoochee River Electric Coop	Utility	-	-	-	-	-	-	-	-	-
Evergreen Woods	Healthcare	-	-	-	-	-	-	-	-	-
Alumi Guard	Trucking	-	-	-	275	0.41	7	260	0.39	7
Chapters Health System (form. HPH Hospice)	Healthcare	-	-	-	-	-	-	-	-	-
Totals		<u>5,472</u>	<u>8.19 %</u>		<u>5,331</u>	<u>7.94 %</u>		<u>5,224</u>	<u>7.92 %</u>	
Total Employment		<u>66,800</u>			<u>67,107</u>			<u>66,001</u>		

(a) Percentages shown represent the number of employees as a percent of Hernando County's total employment.
Source: Hernando County Office of Business Development.

Schedule 15

**Hernando County, Florida
Principal Employers (a)
Non-retail, Non-government**

Latest Fiscal Year compared to the Nine Prior Fiscal Years

Employer	Type of Operation	2017			2016			2015		
		Employees	%	Rank	Employees	%	Rank	Employees	%	Rank
Oak Hill Hospital	Healthcare	2,036	3.19	1	2,036	3.20	1	1,156	1.84	2
Walmart Distribution Center	Distribution Center	1,020	1.60	2	1,020	1.60	3	1,200	1.91	1
Bayfront Regional Healthcare	Healthcare	1,032	1.62	3	1,032	1.62	2	965	1.53	3
Encompass Health (form. HealthSouth)	Healthcare	355	0.56	4	355	0.56	4	288	0.46	4
Barrette Outdoor Living	Manufacturer	-	-	-	-	-	-	-	-	-
Cemex (form. Rinker Materials/FCS)	Manufacturer	250	0.39	6	250	0.39	6	240	0.38	6
Accuform Signs Inc	Manufacturer	280	0.44	5	280	0.44	5	290	0.46	5
Sparton Electronics	Manufacturer	219	0.34	8	219	0.34	8	200	0.32	7
Micro-Matic	Supplier	-	-	-	-	-	-	-	-	-
Sun Trust Bank	Service	110	0.17	9	110	0.17	9	85	0.14	9
Withlacoochee River Electric Coop	Utility	80	0.13	10	80	0.13	10	79	0.13	10
Evergreen Woods	Healthcare	-	-	-	-	-	-	-	-	-
Alumi Guard	Trucking	-	-	-	-	-	-	-	-	-
Chapters Health System (form. HPH Hospice)	Healthcare	221	0.35	7	221	0.35	7	119	0.19	8
Totals		<u>5,603</u>	<u>8.77</u> %		<u>5,603</u>	<u>8.79</u> %		<u>4,622</u>	<u>7.35</u> %	
Total Employment		<u>63,869</u>			<u>63,720</u>			<u>62,873</u>		

(a) Percentages shown represent the number of employees as a percentage of Hernando County's total employment.
Source: Hernando County Office of Business Development.

Schedule 15

**Hernando County, Florida
Principal Employers (a)
Non-retail, Non-government**

Latest Fiscal Year compared to the Nine Prior Fiscal Years

Employer	Type of Operation	2014			2013			2012			2011		
		Employees	%	Rank									
Oak Hill Hospital	Healthcare	1,136	1.93	1	1,089	1.71	1	1,070	1.70	1	950	1.51	2
Walmart Distribution Center	Distribution Center	1,020	1.73	2	1,020	1.60	2	1,008	1.60	3	900	1.43	3
Bayfront Regional Healthcare	Healthcare	965	1.64	3	913	1.44	3	1,018	1.62	2	1,032	1.64	1
Encompass Health (formerly HealthSouth)	Healthcare	288	0.49	4	355	0.56	4	272	0.43	6	125	0.20	9
Barrette Outdoor Living	Manufacturer	-	-	-	-	-	-	-	-	-	-	-	-
Cemex (form. Rinker Materials/FCS)	Manufacturer	240	0.41	6	250	0.39	6	288	0.46	4	288	0.46	4
Accuform Signs Inc	Manufacturer	274	0.47	5	280	0.44	5	280	0.45	5	247	0.39	5
Sparton Electronics	Manufacturer	215	0.37	7	219	0.34	8	180	0.29	8	159	0.25	7
Micro-Matic	Supplier	-	-	-	-	-	-	-	-	-	-	-	-
Sun Trust Bank	Service	85	0.14	9	110	0.17	9	105	0.17	10	105	0.17	10
Withlacoochee River Electric Coop	Utility	80	0.14	10	80	0.13	10	-	-	-	77	0.12	-
Evergreen Woods	Healthcare	-	-	-	-	-	-	130	0.21	9	135	0.21	8
Alumi Guard	Trucking	-	-	-	-	-	-	-	-	-	-	-	-
Chapters Health System (form. HPH Hospice)	Healthcare	181	0.31	8	221	0.35	7	221	0.35	7	170	0.27	6
Totals		<u>4,484</u>	<u>7.62</u> %		<u>4,537</u>	<u>7.14</u> %		<u>4,572</u>	<u>7.27</u> %		<u>4,188</u>	<u>6.66</u> %	
Total Employment		<u>58,867</u>			<u>63,581</u>			<u>62,895</u>			<u>62,895</u>		

(a) Percentages shown represent the number of employees as a percentage of Hernando County's total employment.
Source: Hernando County Office of Business Development.

Schedule 16

**Hernando County, Florida
County Government Employees by Function/Program**

Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013 (b)</u>	<u>2014</u>	<u>2015</u>
Function/Program					
Governmental Activities:					
General Government	243	227	221	227	225
Public Safety	471	566	750	773	776
Physical Environment	5	7	6	7	7
Transportation	79	91	91	92	93
Economic Environment	7	7	7	7	8
Human Services	20	21	21	21	20
Culture and Recreation	62	65	65	66	63
Courts	78	79	84	88	85
Business-type Activities:					
Airport	5	5	5	5	4
Water and Wastewater	149	147	142	139	134
Business Development	29	28	26	28	27
Solid Waste	28	29	29	28	33
Total	1,176	1,272	1,447	1,481	1,475

(a) Source: Hernando County Department of Financial Services.

(b) Increase is due to addition of jail employees to the Hernando County Sheriff department.

2016	2017	2018	2019	2020
237	244	247	236	249
782	782	791	859	859
8	8	1	1	1
92	96	93	90	94
10	10	10	9	9
19	21	23	21	21
63	70	66	61	62
78	83	79	81	77
4	4	4	6	6
132	131	134	136	136
27	31	34	34	35
32	32	31	30	32
1,484	1,512	1,513	1,564	1581

Schedule 17

**Hernando County, Florida
Operating Indicators by Function**

Last Ten Fiscal Years

Function	Fiscal Year				
	2011	2012	2013	2014	2015
General Government					
Number of programs broadcast	212	208	208	206	190
Number of employee records managed	645	859	852	772	771
Public Safety					
Total incidents responded to (HCFR)	14,076	22,868	27,222	26,254	28,951
Number of emergency citizen volunteers	838	825	903	982	1,009
Number of building permits issued	11,316	11,904	10,492	11,104	12,048
Physical Environment					
Extension Classes/programs	20,055	17,863	30,480	20,172	29,730
Transportation					
Number of signals maintained	80	88	88	88	85
Number of lane miles of roads re-surfaced	70	64	32	36	42
Economic Environment					
Number of successful business projects	7	8	7	9	8
Number of veteran clients served	6,681	23,540	6,857	6,918	7,916
Human Services					
Animals impounded	4,256	3,578	3,095	2,923	2,950
Number of human service requests processed	13,256	23,540	8,288	9,099	10,789
Culture and Recreation					
Registered library card holders	85,284	90,623	97,642	102,910	109,366
Number of participants in the County Recreation programs	19,485	19,185	13,799	17,955	20,045
Court Operations					
Number of judicial cases managed	57,394	65,520	63,060	64,290	53,796
Water and Sewer					
Water consumption in millions of gallons a day	18.9	18.4	17.1	16.8	16.7
Average number of water accounts	61,260	61,363	56,975	57,376	60,966
Number of meter reads	752,244	736,400	737,748	740,748	719,986
Aviation Operations					
Number of airport & industrial park leases	173	140	140	141	138
Waste Management					
Total tons landfilled	99,346	104,281	103,733	114,370	114,370
Tons of Convenience Center Waste Collected	7,681	15,701	7,317	6,161	6,161
Tons of recyclables collected & processed	5,638	4,881	4,910	11,976	11,976

Source: Various County Departments

2016	2017	2018	2019	2020
196	288	233	230	196
782	795	783	784	777
30,496	31,704	32,023	30,772	31,646
1,440	1,440	1,462	1,469	1,469
12,525	12,370	14,622	14,725	15,790
32,267	30,770	37,798	40,905	51,938
85	86	88	88	89
39	8	72	11	15
8	3	1	2	4
8,909	6,141	8,418	10,030	3,800
2,725	3,143	2,867	3,156	2,318
6,285	9,558	7,843	6,685	7,065
116,994	122,503	110,813	101,723	92,940
22,049	24,790	23,596	31,516	4,848
51,869	66,156	61,550	59,204	52,225
17.7	18.8	18.3	19	20
60,978	62,878	61,573	64,100	63,226
751,440	773,101	778,212	787,143	793,812
133	173	184	190	188
122,259	127,047	131,425	130,683	137,799
7,814	7,968	7,986	7,270	8,031
11,685	10,815	10,069	10,088	10,541

Schedule 18

Hernando County, Florida
Capital Asset and Infrastructure Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015
General Government					
Number of buildings	172	151	156	160	165
Fleet Vehicles	395	370	403	423	403
Public Safety					
Sheriff's patrol vehicles:	343	336	323	324	325
Radio Towers	5	5	5	5	5
Transportation					
Lane miles	2,371	2,380	2,393	2,407	2,457
Culture and Recreation					
Park acreage - developed	323	323	323	340	340
Park acreage - undeveloped	1,206	1,206	1,206	1,206	1,206
Trails-Jogging/Exercise/Nature	30	30	30	30	30
Playgrounds	14	14	14	14	14
Boat ramps (lanes)	16	16	16	16	16
Picnic shelters	189	189	189	190	190
Number of libraries/branches	6	6	6	5	5
Aviation Operations					
Number of runways	2	2	2	2	2
Runways in linear feet	12,000	12,000	12,000	12,000	12,000
Land (acres)	2,400	2,400	2,400	2,400	2,400
Waste Management					
Volume developed for landfill use (million cubic yards)	6,601,544	6,601,544	6,601,544	6,601,544	6,601,544
Remaining available landfill capacity (cubic yards)	3,346,936	3,255,100	2,941,953	2,704,818	2,452,353
Water					
Trans & dist lines (miles)	1,247	1,232	1,232	1,232	1,232
Maximum daily storage capacity (million gallons)	19.46	20.90	20.90	19.08	19.08
Number of meters in service	59,131	56,805	56,805	57,376	58,251
Sewer					
Number of pumping or lift stations	297	298	298	301	301
Collection & Trans lines (miles)	486	486	486	501	501
Reclaimed water trans & dist lines (miles)	4.30	4.30	4.30	4.30	4.30
Number of manholes	6,946	6,945	6,945	6,952	7,106

(a) Source: Various County Departments

2016	2017	2018	2019	2020
169	177	176	160	159
378	392	398	421	432
336	348	365	376	391
4	4	4	4	4
2,492	2,516	2,556	2,771	2,776
340	340	340	340	340
1,206	1,206	1,206	1,206	1,206
30	30	30	30	30
14	13	13	12	12
16	8	8	8	8
190	190	190	190	192
4	4	4	4	4
2	2	2	2	2
12,000	12,000	12,000	12,000	12,000
2,400	2,400	2,400	2,400	2,400
6,601,544	6,601,544	6,601,544	6,601,544	6,601,544
2,435,065	2,059,982	1,878,573	1,701,456	1,512,854
1,232	1,709	1,096	1,019	1,070
19.78	19.78	19.78	19.77	19.77
58,281	59,952	62,756	61,425	63,018
301	307	298	299	310
513	515	507	515	515
4.30	4.30	4.30	14.60	14.60
7,165	7,200	7,200	7,300	7,300

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COMPLIANCE SECTION

This section contains the following:

Single Audit Reports
and Grant Compliance

Bond Compliance Information

Affidavit

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Single Audit Reports and Grant Compliance



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

Honorable Board of County Commissioners
Hernando County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hernando County, Florida (the “County”) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements and have issued our report thereon dated March 29, 2021.

Internal Control over Financial Reporting

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

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

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

Honorable Board of County Commissioners
Hernando County, Florida

Compliance and Other Matters

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

We have issued a management letter to the Board of County Commissioners, Hernando County, Florida, dated March 29, 2021, presenting certain required disclosures and comments pursuant to the Chapter 10.550, *Rules of the Auditor General*.

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

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 29, 2021



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE
AND CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL***

Honorable Board of County Commissioners
Hernando County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the compliance of Hernando County, Florida (the “County”) with the types of compliance requirements described in the U.S. Office of Management and Budget (“OMB”) *Compliance Supplement* and the requirements described in the Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2020. The County’s major federal programs and state projects are 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the County’s major federal programs and state projects 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; 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 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project identified in the accompanying Schedule of Findings and Questioned Costs occurred. An audit includes examining, on a test basis, evidence about the County’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 each major federal program and state project. However, our audit does not provide a legal determination of the County’s compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program or major state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, 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 County'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, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 29, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purposes of additional analysis, as required by the Uniform Guidance, Chapter 69I-5, *Schedule of Expenditures of State Financial Assistance*, Rules of the Department of Financial Services, and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 29, 2021

HERNANDO COUNTY, FLORIDA
Schedule of Federal Awards and State Financial Assistance
Year Ended September 30, 2020

Federal/State/Pass Through Grantor Grant Program Name	CFDA / CSFA #	Grant ID	Expenditures
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Pass Through FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY Community Development Block Grant (CDBG)/State's Program	14.228	17DB-OL-05-37-01-H 07	\$ 467,045
<i>Total DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</i>			<u>467,045</u>
DEPARTMENT OF JUSTICE			
Pass Through FLORIDA OFFICE OF ATTORNEY GENERAL Crime Victim Assistance (VOCA)	16.575	2019-HCSO-00205	91,928
Pass Through FLORIDA COALITION AGAINST DOMESTIC VIOLENCE STOP Violence Against Women	16.588	19-8015-LE-ENH	74,381
STOP Violence Against Women	16.588	20-8015-LE-ENH	14,317
STOP Violence Against Women	16.588	20-8015-LE-EQUIPMENT	2,905
Subtotal CFDA 16.588			<u>91,603</u>
Direct State Criminal Alien Assistance Program (SCAAP)	16.606	2019-AP-BX-0960	498
Direct Bulletproof Vest Partnership Program	16.607	FY2018	16,002
Direct Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	2018-DJ-BX-0671	30,617
Pass Through FLORIDA DEPARTMENT OF LAW ENFORCEMENT Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	2019-JAGC-HERN-2-N2-114	5,517
Subtotal CFDA 16.738			<u>36,134</u>
Direct Equitable Sharing Program/Federal Forfeitures	16.922	FL0270000	230,119
<i>Total DEPARTMENT OF JUSTICE</i>			<u>466,284</u>
DEPARTMENT OF TRANSPORTATION			
Direct Airport Improvement Program	20.106	3-12-0008-022-2019	4,098,968
Airport Improvement Program	20.106	3-12-0008-023-2020	319,093
Airport Improvement Program	20.106	3-12-0008-025-2020	12,878
Subtotal CFDA 20.106			<u>4,430,939</u>
Highway Planning & Construction Cluster:			
Pass Through FLORIDA DEPARTMENT OF TRANSPORTATION Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	GOU11; FPN 436709-1-38-01/02	1,783
Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	GOU06; FPN 436712-1-38-01/02	5,231
Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G0Z21; FPN 433714-1-38-01/02	43,178
Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G1518; FPN 439509-1-38-01	45,311
Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G1708; FPN 436708-1-58/68-01/02	442,798
Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G1B58; FPN 439508-1-38-01	5,054
Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G1B18; FPN 436711-1-58/68-01/02	781,312
Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G1F82; FPN 436710-1-58/68-01/02	440,553
Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G1L11; FPN 436709-1-58/68-01/02	3,425
Highway Planning & Construction- Federal Aid Highway Program (LAP)	20.205	G1L10; FPN 436712-1-58/68-01/02	1,613
Highway Planning & Construction- Federal Aid Highway Program (PL)	20.205	GOW90; FPN 439335-2-14-01	419,555
Highway Planning & Construction- Federal Aid Highway Program (PL)	20.205	G1M00; FPN 439335-3-14-01	104,434
Subtotal CFDA 20.205			<u>2,294,247</u>
Total Highway Planning & Construction Cluster (CFDA 20.205)			<u>2,294,247</u>
Pass Through FLORIDA DEPARTMENT OF TRANSPORTATION Metropolitan Transportation Planning (Section 5305d)	20.505	GOD90; FPN 401983-1-14-17	39,350
Metropolitan Transportation Planning (Section 5305d)	20.505	GOT22; FPN 401983-1-14-18	14,969
Metropolitan Transportation Planning (Section 5305d)	20.505	G1780; FPN 401983-1-14-19	87,216
Subtotal CFDA 20.505			<u>141,535</u>

HERNANDO COUNTY, FLORIDA
Schedule of Federal Awards and State Financial Assistance
Year Ended September 30, 2020

Federal/State/Pass Through Grantor Grant Program Name	CFDA / CSFA #	Grant ID	Expenditures
Federal Transit Cluster:			
Direct			
Urbanized Area Formula Program (Section 5307)	20.507	FL-2017-062; (X015) X940	\$ 55,441
Urbanized Area Formula Program (Section 5307)	20.507	FL-2018-031; (X017) X970	360,317
Urbanized Area Formula Program (Section 5307)	20.507	FL-2018-105; X998	438,382
Urbanized Area Formula Program (Section 5307)	20.507	FL2019-082; Y037	365,549
Urbanized Area Formula Program (Section 5307)	20.507	FL-2020-091-0; Y091	998,519
Subtotal CFDA 20.507			<u>2,218,208</u>
Total Federal Transit Cluster (CFDA 20.507)			<u>2,218,208</u>
Pass Through			
FLORIDA DEPARTMENT OF TRANSPORTATION Formula Grants for Rural Areas (Section 5311)	20.509	GOJ61; FPN 401982-1-84-17	8,514
Formula Grants for Rural Areas (Section 5311)	20.509	GOT52; FPN 401982-1-84-18	176,955
Subtotal CFDA 20.509			<u>185,469</u>
<i>Total</i>			<u>9,270,398</u>
DEPARTMENT OF TREASURY			
Direct			
Gulf Restore- Direct Component	21.015	1RDCGR110034-01-00	602,636
Pass Through			
FLORIDA HOUSING FINANCE CORPORTATION Coronavirus Relief Fund	21.019	060-2020	58,556
Pass Through			
FLORIDA DIVISION OF EMERGENCY MANAGEMENT Coronavirus Relief Fund	21.019	Y2277	25,952,683
Subtotal CFDA 21.019			<u>26,011,239</u>
<i>Total</i>			<u>26,613,875</u>
GULF COAST ECOSYSTEM RESTORATION COUNCIL			
Pass Through			
THE GULF CONSORTIUM Oil Spill Impact Program	87.052	200110141.01; GNTSP20FL0110	2,521
<i>Total</i>			<u>2,521</u>
US ELECTION ASSISTANCE COMMISSION			
Pass Through			
FLORIDA DEPARTMENT OF STATE DIVISION OF ELECTIONS Help America Vote Act Requirements Payments (HAVA)	90.401	2015-2016-0001-HER	352
Help America Vote Act Requirements Payments (HAVA)	90.401	2016-2017-0001-HER	36,356
Help America Vote Act Requirements Payments (HAVA)	90.401	2017-2018-0001-HER	23,369
Help America Vote Act Requirements Payments (HAVA)	90.401	2018-2019-0001-HER	5,049
Subtotal CFDA 90.401			<u>65,126</u>
Help America Vote Act Requirements Payments (HAVA) Election Security Grants	90.404	2020-001-HER	76,843
<i>Total</i>			<u>141,969</u>
DEPARTMENT OF HEALTH & HUMAN SERVICES			
Direct			
Substance Abuse & Mental Health Service Administration (SAMHSA)	93.243	H79TI081928; 1H79TI081928-01	197,043
Substance Abuse & Mental Health Service Administration (SAMHSA)	93.243	H79TI081928; 6H79TI081928-02M001	82,832
Subtotal CFDA 93.243			<u>279,875</u>
Pass Through			
FLORIDA DEPARTMENT OF REVENUE Child Support Enforcement	93.563	COC27	213,807
<i>Total</i>			<u>493,682</u>

HERNANDO COUNTY, FLORIDA
Schedule of Federal Awards and State Financial Assistance
Year Ended September 30, 2020

Federal/State/Pass Through Grantor Grant Program Name	CFDA / CSFA #	Grant ID	Expenditures
DEPARTMENT OF HOMELAND SECURITY			
Pass Through FLORIDA DIVISION OF EMERGENCY MANAGEMENT Disaster Grants - Public Assistance	97.036	Z0291	\$ 779,615
Pass Through FLORIDA DIVISION OF EMERGENCY MANAGEMENT Emergency Management Performance Grant	97.042	G0062	74,183
Emergency Management Performance Grant	97.042	G0110	5,058
Subtotal CFDA 97.042			<u>79,241</u>
<i>Total DEPARTMENT OF HOMELAND SECURITY</i>			<u>858,856</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 38,314,630</u>
FLORIDA EXECUTIVE OFFICE OF THE GOVERNOR			
Emergency Management Program (EMPA)	31.063	A0039	\$ 67,628
Emergency Management Program (EMPA)	31.063	A0151	4,263
Subtotal CSFA 31.063			<u>71,891</u>
Emergency Management Projects (Hazard Analyses)	31.067	T0041	2,832
<i>Total FLORIDA EXECUTIVE OFFICE OF THE GOVERNOR</i>			<u>74,723</u>
FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION			
Statewide Surface Water Restoration & Wastewater Projects	37.039	LP27018	365,415
Florida Springs Grant Program	37.052	LP27016	63,959
Pass Through SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT (SWFWMD) Florida Springs Grant Program	37.052	16CF0000244	215,804
Subtotal CFDA 37.052			<u>279,763</u>
<i>Total FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION</i>			<u>645,178</u>
FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY			
Growth Management Implementation	40.024	P0357	33,422
<i>Total FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY</i>			<u>33,422</u>
FLORIDA HOUSING FINANCE CORPORATION			
State Housing Initiatives Partnership Program (SHIP)	40.901	SHIP FY16/17	12,561
State Housing Initiatives Partnership Program (SHIP)	40.901	SHIP FY17/18	236,869
State Housing Initiatives Partnership Program (SHIP)	40.901	SHIP FY18/19	95,183
State Housing Initiatives Partnership Program (SHIP)	40.901	SHIP FY19/20	591,812
State Housing Initiatives Partnership Program (SHIP)	40.901	SHIP FY20/21	2
Subtotal CSFA 40.901			<u>936,427</u>
<i>Total FLORIDA HOUSING FINANCE CORPORATION</i>			<u>936,427</u>
FLORIDA DEPARTMENT ARGICULTURE & CONSUMER SERVICES			
Mosquito Control	42.003	026493	48,748
<i>Total FLORIDA DEPARTMENT ARGICULTURE & CONSUMER SERVICES</i>			<u>48,748</u>

HERNANDO COUNTY, FLORIDA
Schedule of Federal Awards and State Financial Assistance
Year Ended September 30, 2020

Federal/State/Pass Through Grantor Grant Program Name	CFDA / CSFA #	Grant ID	Expenditures
FLORIDA DEPARTMENT OF FINANCIAL SERVICES			
Volunteer Firefighter Grant Assistance Program	43.006	FY 2019/20	\$ 13,434
Local Government Fire Service Grants	43.009	FM450	95,763
Total	<i>FLORIDA DEPARTMENT OF FINANCIAL SERVICES</i>		<u>109,197</u>
FLORIDA DEPARTMENT OF STATE			
State Aid to Libraries	45.030	18-ST-19	441,085
State Aid to Libraries	45.030	19-ST-19	155,059
Subtotal CSFA 45.030			<u>596,144</u>
Total	<i>FLORIDA DEPARTMENT OF STATE</i>		<u>596,144</u>
FLORIDA DEPARTMENT OF TRANSPORTATION			
Commission for Transportation Disadvantaged Planning Grant	55.002	G1854	4,740
Commission for Transportation Disadvantaged Planning Grant	55.002	G1826	5,831
Commission for Transportation Disadvantaged Planning Grant	55.002	G1N49	2,280
Commission for Transportation Disadvantaged Planning Grant	55.002	G1N24	2,347
Subtotal CSFA 55.002			<u>15,198</u>
Aviation Development Grants	55.004	G0J48; FPN 440874-1-94-01	99,059
Aviation Development Grants	55.004	GOV56; FPN 415777-1-94-01	118,678
Aviation Development Grants	55.004	GOU71; FPN 442899-1-94-01	107,802
Aviation Development Grants	55.004	G1961; FPN 444806-1-94-01	734,543
Aviation Development Grants	55.004	G1J37; FPN 447079-1-94-01	28,155
Subtotal CSFA 55.004			<u>1,088,237</u>
Public Transit Block Program	55.010	GOT99; FPN 408104-1-84-18	130,961
Public Transit Service Development Program	55.012	G0692; FPN 401982-3-84-16	69,380
Transit Corridor Program	55.013	G0D90; FPN 401983-1-14-17	4,919
Transit Corridor Program	55.013	GOT22; FPN 401983-1-14-18	1,871
Subtotal CSFA 55.013			<u>6,790</u>
Local Transportation Projects	55.039	G1522; FPN 443372-1-34-01	88,064
Local Transportation Projects	55.039	G1521; FPN 443369-1-34/54-01	135,228
Local Transportation Projects	55.039	G1G22; FPN 445742-1-94-01	79,672
Subtotal CSFA 55.039			<u>302,964</u>
Total	<i>FLORIDA DEPARTMENT OF TRANSPORTATION</i>		<u>1,613,530</u>
FLORIDA DEPARTMENT OF HEALTH			
Emergency Medical Services (EMS) Matching Awards	64.003	M8038	28,744
County Grant Awards (EMS)	64.005	C8027	21,461
Total	<i>FLORIDA DEPARTMENT OF HEALTH</i>		<u>50,205</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u><u>\$ 4,107,574</u></u>

**HERNANDO COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

Note 1 - General

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

The County reporting entity is defined in Note A to the County's basic financial statements for the year ended September 30, 2020. All federal awards and state financial assistance received directly from federal or state agencies, as well as federal awards and state financial assistance passed through other governmental agencies, are included in the schedule.

Note 2 - Basis of Accounting

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

Note 3 - Loans Outstanding

The County has the following loan balances outstanding at September 30, 2020:

<u>Program</u>	<u>CSFA Number</u>	<u>Loan Outstanding</u>
State Housing Initiatives Partnership (SHIP)	40.901	\$ 14,758,030

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

Note 4 - Contingencies

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

Note 5 – Expenditures & Program Income

The amounts shown as current year expenditures on the accompanying schedule represent only the grant portion of the program/project costs. The total expenditures of the program/project may be more than shown. Program income generated by and expended on a Federal or State award during the period of performance is included on this schedule if the program income is added to the award amount or if specifically directed by the awarding agency and/or required by program guidance. Program income that reduces the total allowable expenditures (deduction method) is not included.

HERNANDO COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Note 6 – Indirect Costs

Hernando County Board of County Commissioners did not elect to use the 10% de minimis cost rate in fiscal year 2020 as covered in 2 CFR 200.414.

Note 7 – Disaster Public Assistance

Disaster funding received from the FEMA Public Assistance Program (CFDA 97.036) is based on Project Worksheets (PWs) that outline the eligible expenses and the scope of the project. Expenditures recorded on this schedule are contingent on when a funding agreement is executed, funds are obligated and approved, and the County has incurred eligible expenditures. PWs are categorized as either “small” or “large” based on the total expenses. “Small” PWs are reported based on the amount obligated, while “large” PWs are determined by actual eligible expenditures. Approximately \$779,615 of eligible expenditures incurred in prior years were reported on the schedule this year. See Note A of the CAFR for additional details regarding the accounting of funds received under this program.

HERNANDO COUNTY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2020

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified Opinion

Internal control over financial reporting:

- Significant deficiency(ies) identified? ___ Yes X None reported
- Material weakness(es) identified? ___ Yes X No

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards and State Financial Assistance

Internal control over major federal programs and state projects:

- Significant deficiency(ies) identified? ___ Yes X None reported
- Material weakness(es) identified? ___ Yes X No

Type of auditor's report issued on compliance for major Federal programs and State projects:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the *Uniform Guidance* or Chapter 10.557, *Rules of the Auditor General*?

___ Yes X No

Identification of Major Federal Program(s) and State Project(s):

<u>CFDA Number(s)</u>	<u>Name of Federal Program(s)</u>
20.507	Federal Transit Cluster
21.019	Coronavirus Relief Fund

<u>CSFA Number(s)</u>	<u>Name of State Project(s)</u>
40.901	State Housing Initiatives Partnership Program (SHIP)
45.030	State Aid to Libraries
55.004	Aviation Development Grants

Dollar threshold used to distinguish between Type A and Type B programs/projects:

Federal	<u>\$1,149,439</u>
State	<u>\$ 750,000</u>

Auditee qualified as low-risk auditee? X Yes ___ No

HERNANDO COUNTY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)

For the Year Ended September 30, 2020

SECTION II - FINANCIAL STATEMENT FINDINGS SECTION

None reported.

SECTION III - FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS SECTION

Federal

None reported.

State

None reported.

SECTION IV - PRIOR-YEAR AUDIT FINDINGS

Federal

None reported.

State

None reported.

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**Hernando County Board of County Commissioners
Other Supplemental Information
Schedule of Deepwater Horizon Oil Spill - Related Receipts & Expenditures
For the Fiscal Year Ending September 30, 2020**

CFDA	Program	Funding Agency	Pass-Thru	Project	Award Identifier	Expenditures	Revenue
							Federal
21.015	Gulf RESTORE - DIRECT COMPONENT	Department of Treasury	N/A	Bayou Drive Repair & Restoration	1 RDCGR110034-01-00	\$ 602,636	\$ 602,636
87.052	RESTORE Council Oil Spill Impact Program	Gulf Coast Ecosystem Restoration Council	Gulf Consortium	Artificial Reef Program	GNTSP20FL0110	\$ 2,521	\$ 2,521
						\$ 605,157	\$ 605,157

- Note 1:** Expenditures included on this schedule are subject to Federal Single Audit requirements of 2CFR Part 200 and will be reported on the County's Schedule of Expenditures of Federal Awards.
- Note 2:** CFDA 21.015 was authorized under the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012, Title 31, Part 34, 126 Stat. 588, 33 U.S.C 1321 (t)(1).
- Note 3:** CFDA 87.052 was authorized under the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States (RESTORE) Act of 2012, Title 33, Part 1321(t)(3), Section 1603(3), Public Law 112-141, Statute 126,588, 33 US Code 1321(t)(2).



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Board of County Commissioners
Hernando County, Florida

Report on the Financial Statements

We have audited the financial statements of Hernando County, Florida (the "County") as of and for the year ended September 30, 2020, and have issued our report thereon dated March 29, 2021.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in 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 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance and on Schedule of Expenditures of Federal Awards and State Financial Assistance in Accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 29, 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 the preceding annual financial audit report. In connection with the preceding audit, there were no findings or recommendations.

Official Title and Legal Authority

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

Financial Condition and Management

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

Honorable Board of County Commissioners
Hernando County, Florida

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

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

Special District Component Units

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

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have 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, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 29, 2021

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INDEPENDENT ACCOUNTANT'S REPORT

Honorable Board of County Commissioners
Hernando County, Florida

We have examined Hernando County, Florida's (the "County") compliance with the requirements of Sections 218.415, 365.172(10), and 365.172(2)(d), Florida Statutes, during the year ended September 30, 2020. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the County's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 29, 2021

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Bond Compliance

**HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
September 30, 2020
(UNAUDITED)**

BOND COMPLIANCE INFORMATION

WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 2013A

HISTORIC GROWTH OF WATER AND WASTEWATER SYSTEM CUSTOMERS

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

Fiscal Year	Number of Active Accounts (1)	
	Water	Sewer
2011	56,597	26,757
2012	56,777	26,811
2013	56,975	26,897
2014	57,376	27,127
2015	58,251	27,688
2016	58,281	27,688
2017	59,952	28,778
2018	62,756	30,770
2019	61,425	29,631
2020	63,018	30,606

(1) Figures represent number of active accounts at the close of each Fiscal Year ended September 30.

Source: Hernando County Utilities Department

HISTORIC WATER CONSUMPTION FLOWS

The following table sets forth data regarding the Historic Water Consumption Flows for the last ten fiscal years for Hernando County, Florida:

Fiscal Year	Average Daily Flow (MGD)	Peak Day Flow (MGD)
2011	18.902	28.945
2012	18.380	25.137
2013	17.088	24.999
2014	16.762	24.426
2015	16.725	23.957
2016	17.707	24.664
2017	18.766	27.684
2018	18.306	26.074
2019	18.832	26.680
2020	19,505	26,695

Source: Hernando County Utilities Department

**HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
September 30, 2020
(UNAUDITED)**

HISTORIC WASTEWATER TREATMENT PLANT FLOWS

The following table sets forth data regarding the Historic Wastewater Treatment Plant Flows for the last ten fiscal years for Hernando County, Florida:

<u>Fiscal Year</u>	<u>Average Daily Flow (MGD)</u>
2011	3.692
2012	3.966
2013	3.978
2014	4.128
2015	4.191
2016	4.470
2017	4.802
2018	4.546
2019	4.645
2020	4.453

Source: Hernando County Utilities Department

**HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
September 30, 2020
(UNAUDITED)**

COUNTY SYSTEM RATES
Monthly Water Rates

	As of September 30, 2020
Residential	
Minimum Monthly Billing Charge:	
All Meter Sizes	\$ 8.09
Consumption Charge (Per 1,000 Gallons)	
0-5000	\$ 1.42
5,001-10,000	1.67
10,001-20,000	2.51
20,001-30,000	3.34
30,001-50,000	5.01
50,001-75,000	8.35
Above 75,000	11.69
Commercial	
Minimum Monthly Billing Charge:	
Per ERU	\$ 8.09
Consumption Charge (Per 1,000 Gallons)	
0-10,000	\$ 1.67
10,001-20,000	2.51
20,001-30,000	3.34
30,001-50,000	5.01
50,001-75,000	8.35
Above 75,000	11.69
Irrigation	
Minimum Monthly Billing Charge:	
Per ERU	\$ 8.09
Consumption Charge (Per 1,000 Gallons)	
0-10,000	\$ 1.67
10,001-20,000	2.51
20,001-30,000	3.34
30,001-50,000	5.01
50,001-75,000	8.35
Above 75,000	11.69
Residential	
Minimum Monthly Billing Charge (per Account)	\$ 21.06
Consumption Charge (Per 1,000 Gallons) (Capped at 10,000 Gallons per Month)	4.69
Commercial	
Minimum Monthly Billing Charge (per ERU)	\$ 21.06
Consumption Charge (Per 1,000 Gallons)	4.69

1) Amounts shown to be applied on a per ERU basis.

Source: *Hernando County Utilities Department*

**HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
September 30, 2020
(UNAUDITED)**

COUNTY SYSTEM RATES (CONTINUED)

Connection Fee ERU

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

Meter Size	ERU Meter Factor	2016		2017		2018		2019		2020	
		Water	Sewer								
5/8	1	\$ 1,147	\$ 3,544	\$ 1,147	\$ 3,544	\$ 1,147	\$ 3,544	\$ 1,147	\$ 3,544	\$ 1,147	\$ 3,544
3/4	1.5	1,721	5,316	1,721	5,316	1,721	5,316	1,721	5,316	1,721	5,316
1	2.5	2,868	8,860	2,868	8,860	2,868	8,860	2,867	8,860	2,867	8,860
1 1/2	5	5,735	17,720	5,735	17,720	5,735	17,720	5,735	17,720	5,735	17,720
2	8	9,176	28,352	9,176	28,352	9,176	28,352	9,176	28,352	9,176	28,352
3	16	18,352	56,704	18,352	56,704	18,352	56,704	18,352	56,704	18,352	56,704
4	25	28,675	88,600	28,675	88,600	28,675	88,600	28,675	88,600	28,675	88,600
6	50	57,350	177,200	57,350	177,200	57,350	177,200	57,350	177,200	57,350	177,200
8	80	91,760	283,520	91,760	283,520	91,760	283,520	91,760	283,520	91,760	283,520
10	115	131,905	407,560	131,905	407,560	131,905	407,560	131,905	407,506	131,905	407,506

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**HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
September 30, 2020
(UNAUDITED)**

COUNTY SYSTEM RATES (CONTINUED)

Other County System Rates and Charges

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

Charges/Fee Descriptions	2016	2017	2018	2019	2020
Water Hook-up Fees:					
Meter Size:					
5/8" x 3/4" Water Meter	\$ 250	\$ 250	\$ 250	\$ 250	\$ 350
5/8" x 3/4" Water Meter Short/Long Tap-In	350	350	350	350	690
1" Water Meter	750	750	750	750	860
1 1/2" Water Meter	1,170	1,170	1,170	1,170	1,550
2" Water Meter	1,400	1,400	1,400	1,400	1,685
3" Compound Water Meter	Contracted	Contracted	Contracted	Contracted	Contracted
4" Compound Water Meter	Contracted	Contracted	Contracted	Contracted	Contracted
6" Compound Water Meter	Contracted	Contracted	Contracted	Contracted	Contracted
8" Compound Water Meter	Contracted	Contracted	Contracted	Contracted	Contracted
Wastewater Hook-Up Fee:					
Residential	N/A	N/A	N/A	N/A	N/A
Commercial	N/A	N/A	N/A	N/A	N/A
Utility Service Fee:					
Workdays - 8:00 a.m. to 5:00 p.m.	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00
After 5:00 p.m., Weekends, Holidays	70.00	70.00	70.00	70.00	70.00

**HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
September 30, 2020
(UNAUDITED)**

The following two tables set forth a summary of the Hernando County Water and Sewer Capital Improvements and Funding Sources for the next five years.

FIVE-YEAR CAPITAL IMPROVEMENTS PROGRAM

	Fiscal Year Ending September 30,					Total
	2021	2022	2023	2024	2025	
WATER SYSTEM						
Water Production	\$ -	\$ 4,087,000	\$ 6,000,000	\$ -	\$ 200,000	\$ 10,287,000
Water Distribution/Storage	87,187	-	-	115,000	900,000	1,102,187
Total Water Systems	87,187	4,087,000	6,000,000	115,000	1,100,000	11,389,187
WASTEWATER SYSTEM						
Treatment and Effluent Disposal	6,300,000	6,800,000	24,000,000	2,300,000	23,600,000	63,000,000
W.W. Collection/Effluent Transmission	7,117,033	4,775,000	8,825,000	5,155,000	7,925,000	33,797,033
Total Wastewater System	13,417,033	11,575,000	32,825,000	7,455,000	31,525,000	96,797,033
TOTAL – Water & Wastewater System	\$ 13,504,220	\$ 15,662,000	\$ 38,825,000	\$ 7,570,000	\$ 32,625,000	\$ 108,186,220

**HERNANDO COUNTY, FLORIDA
SUPPLEMENTAL INFORMATION
September 30, 2020
(UNAUDITED)**

FUNDING SOURCES FOR FIVE-YEAR WATER AND SEWER CAPITAL IMPROVEMENTS PROGRAM

FUNDING SOURCES	2021	2022	2023	2024	2025	Total
WATER SYSTEM						
Renewal & Replacement Fund	\$ -	\$ 3,487,000	\$ -	\$ 115,000	\$ 1,100,000	\$ 4,702,000
Connection Fees	87,187	600,000	6,000,000	-	-	6,687,187
Total Water System	87,187	4,087,000	6,000,000	115,000	1,100,000	11,389,187
WASTEWATER SYSTEM						
Capital Reserves	2,800,000	2,800,000	9,000,000	2,300,000	23,700,000	40,600,000
Renewal & Replacement Fund	240,000	1,300,000	1,000,000	330,000	3,200,000	6,070,000
Connection Fees	694,063	3,725,000	22,825,000	4,825,000	4,625,000	36,694,063
Other Funding Sources	9,682,970	3,750,000	-	-	-	13,432,970
Total Wastewater System	13,417,033	11,575,000	32,825,000	7,455,000	31,525,000	96,797,033
TOTAL – Water & Wastewater System	\$ 13,504,220	\$ 15,662,000	\$ 38,825,000	\$ 7,570,000	\$ 32,625,000	\$ 108,186,220

**HERNANDO COUNTY, FLORIDA
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HISTORICAL OPERATING RESULTS AND DEBT SERVICE COVERAGE-COUNTY SYSTEM

The following table shows certain historical operating data for the Water and Sewer System for the last five fiscal years. Presentation of such figures is intended to reflect the provisions of the Resolution. The historical figures are derived from the County's audited financial statements.

	Fiscal Year Ending September 30,				
	2016	2017	2018	2019	2020
Water & Wastewater Sales Revenues	\$ 31,061,648	\$ 33,735,229	\$ 34,108,510	\$ 36,133,965	\$ 38,922,432
Other Operating Revenues	501,088	492,740	471,155	519,832	412,227
Interest Income	362,002	232,704	159,142	2,206,169	1,664,166
Total Gross Revenues (1)	31,924,738	34,460,673	34,738,807	38,859,966	40,998,825
Operating Expenses: (2)					
Personal Services	8,116,910	8,797,541	9,075,201	9,897,899	10,225,603
Other Operating Expenses	9,857,776	9,290,662	10,517,510	10,826,671	13,097,421
Depreciation Equivalent Charges (3)	(169,459)	(225,368)	(316,453)	(366,071)	(453,088)
Total Operating Expenses	17,805,227	17,862,835	19,276,258	20,358,499	22,869,936
Net Revenues (4)	14,119,511	16,597,838	15,462,549	18,501,467	18,128,889
Connection Fees:					
Water Connection Fees	644,833	700,853	859,607	807,319	763,215
Wastewater Connection Fees	1,532,964	1,411,720	1,409,732	1,495,310	1,436,950
Total Connection Fees	2,177,797	2,112,573	2,269,339	2,302,629	2,200,165
Pledged Funds (5)	16,297,308	18,710,411	17,731,888	20,804,096	20,329,054
Actual Senior Lien Debt Service	\$ 3,979,117	\$ 3,991,177	\$ 3,983,233	\$ 3,982,002	\$ 2,577,705
Actual Coverage on Net Revenues (6)	3.55	4.16	3.88	4.65	7.03
Required Coverage	1.10	1.10	1.10	1.10	1.10
Actual Coverage on Pledged Funds (6)	4.10	4.69	4.45	5.22	7.89
Required Coverage	1.20	1.20	1.20	1.20	1.20

(1) Pursuant to the Resolution, does not include Sewer Connection Fees, Water Connection Fees or Special Assessment Proceeds.

(2) Pursuant to the Resolution, does not include amortization or depreciation.

(3) For purposes of this table, charges associated with replacement of vehicles in lieu of depreciation have been eliminated. This is consistent with definition of Operating Expenses in the Resolution, which excludes depreciation, amortization and other similar charges.

(4) Net revenues are defined in the Resolution as Gross Revenues less Operating Expenses.

(5) Pledged Revenues are defined in the Resolution as Net Revenues plus Connection Fees, together with certain other funds and accounts which are not accounted for in this table.

(6) Upon issuance of the Series 2013A Bonds, required coverage on Net Revenues increased from 1.00 to 1.10 times and required coverage on Pledged Funds will increase from 1.10 to 1.20 times. For purposes of these calculations, it has been assumed that the Fund Balance equaled \$0.

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TOP TEN UTILITY CUSTOMERS (BASED ON SALES REVENUE)

The following table shows the ten largest customers of Hernando County for fiscal year ending September 30, 2020:

Customer	Class	Meter Size	Type of Service	System Revenue	% of Total County Sales Revenue
Oak Hill Hospital	Commercial	6"	Water & Sewer	280,206	0.7%
Hernando County Jail	Commercial	6"	Water & Sewer	160,726	0.4%
Hernando Correctional Institution	Commercial	6"	Water & Sewer	141,229	0.4%
Brooksville Regional Hospital	Commercial	6"	Water & Sewer	119,522	0.3%
Oak Hill Hospital Cooling Tower	Commercial	2"	Water	115,619	0.3%
Bridgewater Club Apartments	Commercial	6"	Water & Sewer	109,587	0.3%
Hernando County School Board	Commercial	6"	Water & Sewer	59,183	0.2%
Atria Evergreen Woods	Commercial	4"	Water & Sewer	57,156	0.1%
Evergreen Woods	Commercial	4"	Water & Sewer	44,591	0.1%
Spring Hill Hospital Cooling Tower	Commercial	2"	Water	27,441	0.1%
Total				<u>\$ 1,115,260</u>	

Source: Hernando County Utilities Department.

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NON-AD VALOREM REFUNDING REVENUE BONDS, SERIES 2010

The following table represents the County's determination of non-ad valorem revenues for the last six years (excludes non-ad valorem revenues of the County which are not legally available to pay debt service on the Series 2010 Bonds). Certain of such revenue may heretofore or hereinafter be specifically pledged to secure other indebtedness by the County. Any such debt would be payable from such specific revenue sources prior to payment of debt service on the Series 2010 Bonds. Such table is not intended to represent revenues of the County which would necessarily be available to pay debt service on the Series 2010 Bonds; however, they are an indication of the relative amounts of non-ad valorem revenues of the County which may be available for the payment of principal and interest on the Series 2010 Bonds taking into account general government expenditures. Certain categories may cease to exist altogether and new sources may come about from time to time.

**HERNANDO COUNTY, FLORIDA
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HISTORICAL NON-AD VALOREM REVENUES IN GENERAL FUND ⁽¹⁾

	Fiscal Year Ending September 30,					
	2015	2016	2017	2018	2019	2020
Revenues						
Taxes:						
Local Communications Services Tax	\$ 1,786,365	\$ 1,725,437	\$ 1,654,590	\$ 1,658,612	\$ 1,494,033	\$ 1,508,963
Licenses and Permits:						
Other	326,210	363,882	437,911	462,182	489,033	485,251
Intergovernmental:						
Local Governmental Half-Cent Sales Tax (2)	8,646,879	9,098,938	9,305,757	9,823,445	10,113,257	10,333,528
State Revenue Sharing	4,392,492	4,519,219	4,735,465	4,970,666	5,223,897	4,913,385
Other (3)	4,082,022	6,225,361	5,068,030	4,916,876	6,023,774	32,700,262
Charges for Services:						
General Government	9,389,625	7,642,009	7,745,846	8,475,322	9,373,508	13,179,182
Public Safety	1,792,748	1,668,836	1,755,579	2,673,726	2,791,145	476,860
Physical Environment	170,986	308,890	342,347	313,140	-	173,550
Transportation	164,232	174,220	153,856	152,677	147,853	120,283
Human Services	212,236	225,273	208,346	204,134	224,203	181,143
Recreation and Culture	687,864	746,590	854,872	854,542	764,664	737,690
Other	30,890	25,368	26,640	28,561	29,197	29,720
Fines and Forfeitures	87,637	76,420	106,757	110,167	137,409	128,878
Interest Income	358,184	402,933	204,633	227,855	1,120,746	1,166,271
Miscellaneous Revenue	1,740,723	1,507,647	1,403,238	1,456,065	1,637,594	5,401,409
Total Sources of Non-Ad Valorem Revenues	<u>\$ 33,869,093</u>	<u>\$ 34,711,023</u>	<u>\$ 34,003,867</u>	<u>\$ 36,327,970</u>	<u>\$ 39,570,313</u>	<u>\$ 71,536,375</u>

(1) Includes non-ad valorem revenues in General Fund only.

(2) This revenue source is pledged as the source of security for payment for the Series 2010 Bonds, Non-Ad Valorem Refunding Revenue Note, Series 2012, and the Non-Revolving Lines of Credit.

(3) Increases/decreases predominantly due to changes in grant funding provided by other governmental agencies.

**HERNANDO COUNTY, FLORIDA
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OTHER OBLIGATIONS PAYABLE FROM NON-AD VALOREM REVENUES

The County has other debt issues outstanding which are secured by and payable from specific non-ad valorem revenues (excluding gas taxes and net revenues of the water and sewer enterprise fund, neither of which are legally available to pay debt service on the Series 2010 Bonds). Such indebtedness is summarized below.

Description	Source of Security	Amount Outstanding (1)	Final Maturity	Maximum Annual Debt Service
Non-Revolving Line of Credit	Covenant to Budget and Appropriate Legally Available Non-Ad Valorem Revenues	\$ 15,255,852	5/01/2030	\$ 2,671,919
Non-Ad Valorem Refunding Revenue Bonds, Series 2010	Covenant to Budget and Appropriate Legally Available Non-Ad Valorem Revenues	\$ 1,615,000	2/01/2024	\$ 1,290,806
Non-Ad Valorem Refunding Revenue Note, Series 2012	Covenant to Budget and Appropriate Legally Available Non-Ad Valorem Revenues	\$ 12,776,000	2/01/2028	\$ 3,159,419
		<u>\$ 29,646,852</u>		<u>\$ 7,122,144</u>

(1) The amount outstanding on each bond issue is calculated as of September 30, 2020.

**HERNANDO COUNTY, FLORIDA
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GENERAL FUND REVENUES AND EXPENDITURES

The Following chart shows information regarding the General Fund for the County's fiscal years ending September 30, 2015 through September 30, 2020:

	Fiscal Year Ending September 30,					
	2015	2016	2017	2018	2019	2020
REVENUES						
Taxes	\$ 50,405,280	\$ 51,800,500	\$ 52,991,102	\$ 55,176,696	\$ 58,402,513	\$ 71,651,035
Licenses and Permits	326,210	363,882	437,911	462,182	489,034	485,251
Intergovernmental	17,121,393	17,392,796	19,109,252	19,718,014	21,360,928	47,947,175
Charges for Services	12,448,581	10,791,186	11,087,486	12,702,102	13,330,570	14,898,428
Fines and Forfeitures	87,637	76,420	106,757	110,167	137,409	128,878
Interest	358,184	402,933	204,633	227,855	1,120,746	1,166,271
Miscellaneous	1,740,723	1,507,647	1,403,238	1,456,065	1,637,594	5,401,409
TOTAL REVENUES	\$ 82,488,008	\$ 82,335,364	\$ 85,340,379	\$ 89,853,081	\$ 96,478,794	\$ 141,678,447
EXPENDITURES						
Current:						
General Government	\$ 18,918,049	\$ 19,799,462	\$ 20,384,193	\$ 22,264,779	\$ 22,766,601	\$ 22,837,187
Public Safety	42,363,066	44,253,671	45,737,271	48,693,366	51,776,924	55,173,881
Physical Environment	232,043	264,339	296,056	328,852	444,670	496,058
Transportation	1,556,825	2,039,001	2,397,631	2,514,283	2,415,463	2,723,307
Economic Environment	569,075	468,929	510,631	469,298	558,060	2,949,502
Human Services	5,623,448	4,047,107	4,274,185	4,609,019	4,686,387	4,828,136
Culture and Recreation	4,614,532	4,651,780	4,734,319	5,201,253	5,675,994	5,442,599
Court Operations	1,141,355	1,223,902	1,248,242	1,266,448	1,388,518	1,540,870
Debt Service:						
Principal	508,414	469,465	420,070	424,739	441,217	563,348
Interest and Fiscal Charges	81,411	116,433	70,632	66,194	69,632	78,403
Capital Outlay	2,401,167	2,764,664	3,306,681	3,358,739	3,607,192	4,155,093
TOTAL EXPENDITURES	\$ 78,009,385	\$ 80,098,753	\$ 83,379,911	\$ 89,196,970	\$ 93,830,658	\$ 100,788,384
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 4,478,623	\$ 2,236,611	\$ 1,960,468	\$ 656,111	\$ 2,648,136	\$ 40,890,063
OTHER FINANCING SOURCES (USES)						
Transfers In (1)	\$ 670,107	\$ 1,192,360	\$ 567,136	\$ 3,365,406	\$ 2,390,979	\$ 775,376
Transfers Out (1)	(4,727,066)	(4,092,519)	(5,199,978)	(5,412,852)	(5,666,358)	(5,629,608)
Additions to Long-Term Debt	-	-	-	142,399	-	556,530
TOTAL OTHER FINANCING SOURCES (USES)	\$ (4,056,959)	\$ (2,900,159)	\$ (4,632,842)	\$ (1,905,047)	\$ (3,275,379)	\$ (4,297,702)
Net Change in Fund Balances	421,664	(663,548)	(2,672,374)	(1,248,936)	(627,243)	36,592,361
BEGINNING FUND BALANCE	22,916,171	23,337,835	23,523,455	23,854,816	22,605,880	21,978,637
ENDING BALANCE	\$ 23,337,835	\$ 22,674,287	\$ 20,851,081	\$ 22,605,880	\$ 21,978,637	\$ 58,570,998

(1) Transfers from or to other funds of the County.

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Affidavit

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BOARD OF COUNTY COMMISSIONERS

20 NORTH MAIN STREET ♦ ROOM 263 ♦ BROOKSVILLE, FLORIDA 34601
P 352.754.4002 ♦ F 352.754.4477 ♦ W www.HernandoCounty.us

AFFIDAVIT OF IMPACT FEE COMPLIANCE

Hernando County, Florida has complied with Section 163.31801 of Florida Statutes regarding accounting and reporting of Impact Fee collections and expenditures.

Doug Chorvat, Jr.
Acting Financial Services Director
Office of Doug Chorvat Jr., Clerk of Circuit Court and Comptroller

State of Florida
County of Hernando

Subscribed and sworn to (or affirmed) before me on this day of 22nd March, 2021, by

Doug Chorvat proved to me on the basis of satisfactory evidence to be the person who appeared before me.



MARSHAE MARRIAGE
Commission # GG 253108
Expires October 23, 2022
Bonded Thru Budget Notary Services

(Seal)