



Hernando County, Florida Sheriff

Independent Auditor's Report, Financial Statements, and Supplementary Information

September 30, 2025



Hernando County, Florida Sheriff
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Independent Auditor's Report

Honorable Al Nienhuis, Hernando County Sheriff
Hernando County, Florida
Brooksville, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Hernando County, Florida Sheriff (the "Sheriff") as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Sheriff as of September 30, 2025, and the respective change in financial position, and where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Sheriff, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis-of-Matter

As described in Note 1 to the financial statements, the accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General for Local Governmental Entity Audits*. These financial statements are not intended to be a complete presentation of the financial position of Hernando County, Florida as of September 30, 2025, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The budgetary comparison schedules and combining and individual financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison schedules, and the combining individual financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2026 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Tampa, Florida
February 23, 2026**

**Hernando County, Florida Sheriff
Balance Sheet - Governmental Funds
September 30, 2025**

	<u>General</u>	<u>E-911</u>	<u>Inmate Welfare</u>	<u>Inmate Revenue</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 6,166,790	\$ 1,471,206	\$ 2,460,908	\$ 821,365	\$ 2,604,237	\$ 13,524,506
Due from other funds	11,920	-	26,188	-	-	38,108
Due from other governments	98,443	-	-	104,625	326,472	529,540
Total Assets	<u>\$ 6,277,153</u>	<u>\$ 1,471,206</u>	<u>\$ 2,487,096</u>	<u>\$ 925,990</u>	<u>\$ 2,930,709</u>	<u>\$ 14,092,154</u>
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	\$ 1,379,359	\$ 3,587	\$ 10,635	\$ 30,774	\$ 9,298	\$ 1,433,653
Accrued wages and benefits payable	3,792,168	8,968	26,430	139,969	15,927	3,983,462
Due to Hernando County, Florida Board of County Commissioners	1,105,626	-	-	755,247	4,842	1,865,715
Total Liabilities	<u>6,277,153</u>	<u>12,555</u>	<u>37,065</u>	<u>925,990</u>	<u>30,067</u>	<u>7,282,830</u>
Fund Balances						
Restricted for:						
Law enforcement activities	-	-	-	-	955,347	955,347
Communications	-	1,458,651	-	-	1,782,736	3,241,387
Education and training	-	-	-	-	162,559	162,559
Inmate benefits	-	-	2,450,031	-	-	2,450,031
Total Fund Balances	<u>-</u>	<u>1,458,651</u>	<u>2,450,031</u>	<u>-</u>	<u>2,900,642</u>	<u>6,809,324</u>
Total Liabilities and Fund Balance	<u>\$ 6,277,153</u>	<u>\$ 1,471,206</u>	<u>\$ 2,487,096</u>	<u>\$ 925,990</u>	<u>\$ 2,930,709</u>	<u>\$ 14,092,154</u>

**Hernando County, Florida Sheriff
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
For the Year Ended September 30, 2025**

	<u>General</u>	<u>E-911</u>	<u>Inmate Welfare</u>	<u>Inmate Revenue</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Revenues						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 1,003,518	\$ 1,003,518
Charges for services	402,294	1,111,342	884,913	4,743,655	677,443	7,819,647
Fines and forfeitures	-	-	-	-	167,241	167,241
Interest revenue	698,825	-	10,097	-	1,529	710,451
Miscellaneous	95,047	-	154,077	-	437,878	687,002
Total Revenues	<u>1,196,166</u>	<u>1,111,342</u>	<u>1,049,087</u>	<u>4,743,655</u>	<u>2,287,609</u>	<u>10,387,859</u>
Expenditures						
Public safety:						
Personnel services	72,143,132	594,540	452,882	2,749,724	779,675	76,719,953
Operating expenditures	10,956,069	257,612	211,227	650,254	712,382	12,787,544
Capital outlay	3,262,257	15,016	45,486	147,813	458,190	3,928,762
Court services:						
Personnel services	1,840,393	-	-	-	-	1,840,393
Operating expenditures	351,105	-	-	-	-	351,105
Total Expenditures	<u>88,552,956</u>	<u>867,168</u>	<u>709,595</u>	<u>3,547,791</u>	<u>1,950,247</u>	<u>95,627,757</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(87,356,790)</u>	<u>244,174</u>	<u>339,492</u>	<u>1,195,864</u>	<u>337,362</u>	<u>(85,239,898)</u>
Other Financing Sources (Uses)						
Transfers in:						
Other funds	-	-	-	-	471,688	471,688
Hernando County, Florida, Board of County Commissioners:						
Appropriations	89,146,121	-	-	3,593,333	-	92,739,454
Transfers (out):						
Other funds	(471,688)	-	-	-	(7,671)	(479,359)
Hernando County, Florida, Board of County Commissioners:						
Other revenues	(1,196,160)	-	-	(4,743,655)	-	(5,939,815)
Excess fees	(121,483)	-	-	(45,542)	-	(167,025)
Total Other Financing Sources (Uses)	<u>87,356,790</u>	<u>-</u>	<u>-</u>	<u>(1,195,864)</u>	<u>464,017</u>	<u>86,624,943</u>
Net Change in Fund Balance	<u>-</u>	<u>244,174</u>	<u>339,492</u>	<u>-</u>	<u>801,379</u>	<u>1,385,045</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>1,214,477</u>	<u>2,110,539</u>	<u>-</u>	<u>2,099,263</u>	<u>5,424,279</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 1,458,651</u>	<u>\$ 2,450,031</u>	<u>\$ -</u>	<u>\$ 2,900,642</u>	<u>\$ 6,809,324</u>

Hernando County, Florida Sheriff
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
General Fund
For the Year Ended September 30, 2025

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 303,000	\$ 303,000	\$ 402,294	\$ 99,294
Interest revenue	30,000	30,000	698,825	668,825
Miscellaneous	32,500	43,000	95,047	52,047
Total Revenues	<u>365,500</u>	<u>376,000</u>	<u>1,196,166</u>	<u>820,166</u>
Expenditures				
Public safety:				
Personnel services	72,812,294	71,943,311	72,143,132	(199,821)
Operating expenditures	10,419,236	11,374,011	10,956,069	417,942
Capital outlay	1,976,900	3,634,978	3,262,257	372,721
Court services:				
Personnel services	1,847,835	1,842,600	1,840,393	2,207
Operating expenditures	523,883	351,221	351,105	116
Total Expenditures	<u>87,580,148</u>	<u>89,146,121</u>	<u>88,552,956</u>	<u>593,165</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(87,214,648)</u>	<u>(88,770,121)</u>	<u>(87,356,790)</u>	<u>1,413,331</u>
Other Financing Sources (Uses)				
Transfers in:				
Hernando County, Florida, Board of County Commissioners:	87,580,148	89,146,121	89,146,121	-
Transfers (out):				
Transfer to other fund	-	-	(471,688)	(471,688)
Hernando County, Florida, Board of County Commissioners:				
Other revenues	(348,500)	(434,500)	(1,196,160)	(761,660)
Excess fees	(17,000)	58,500	(121,483)	(179,983)
Total Other Financing Sources (Uses)	<u>87,214,648</u>	<u>88,770,121</u>	<u>87,356,790</u>	<u>(1,413,331)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Hernando County, Florida Sheriff
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
E-911 Fund
For the Year Ended September 30, 2025

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 1,035,000	\$ 1,035,000	\$ 1,111,342	\$ 76,342
Interest revenue	1,500	1,500	-	(1,500)
Total Revenues	<u>1,036,500</u>	<u>1,036,500</u>	<u>1,111,342</u>	<u>74,842</u>
Expenditures				
Public safety:				
Personnel services	979,082	979,082	594,540	384,542
Operating expenditures	298,900	329,375	257,612	71,763
Capital outlay	300,000	300,000	15,016	284,984
Total Expenditures	<u>1,577,982</u>	<u>1,608,457</u>	<u>867,168</u>	<u>741,289</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(541,482)</u>	<u>(571,957)</u>	<u>244,174</u>	<u>816,131</u>
Other Financing Sources (Uses)				
Transfers (out)	-	-	-	-
Reserve for contingencies	(922,909)	(892,434)	-	892,434
Total Other Financing Sources (Uses)	<u>(922,909)</u>	<u>(892,434)</u>	<u>-</u>	<u>892,434</u>
Net Change in Fund Balance	(1,464,391)	(1,464,391)	244,174	1,708,565
Fund Balance, Beginning of Year	<u>1,464,391</u>	<u>1,464,391</u>	<u>1,214,477</u>	<u>(249,914)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,458,651</u>	<u>\$ 1,458,651</u>

**Hernando County, Florida Sheriff
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
Inmate Welfare Fund
For the Year Ended September 30, 2025**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 925,000	\$ 925,000	\$ 884,913	\$ (40,087)
Interest revenue	500	500	10,097	9,597
Miscellaneous	5,000	5,000	154,077	149,077
Total Revenues	<u>930,500</u>	<u>930,500</u>	<u>1,049,087</u>	<u>118,587</u>
Expenditures				
Public safety:				
Personnel services	531,758	479,804	452,882	26,922
Operating expenditures	290,058	304,491	211,227	93,264
Capital outlay	10,000	47,521	45,486	2,035
Total Expenditures	<u>831,816</u>	<u>831,816</u>	<u>709,595</u>	<u>122,221</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>98,684</u>	<u>98,684</u>	<u>339,492</u>	<u>240,808</u>
Other Financing Sources (Uses)				
Reserve for contingencies	<u>(2,209,223)</u>	<u>(2,209,223)</u>	<u>-</u>	<u>2,209,223</u>
Total Other Financing Sources (Uses)	<u>(2,209,223)</u>	<u>(2,209,223)</u>	<u>-</u>	<u>2,209,223</u>
Net Change in Fund Balance	(2,110,539)	(2,110,539)	339,492	2,450,031
Fund Balance, Beginning of Year	<u>2,110,539</u>	<u>2,110,539</u>	<u>2,110,539</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,450,031</u>	<u>\$ 2,450,031</u>

**Hernando County, Florida Sheriff
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
Inmate Revenue Fund
For the Year Ended September 30, 2025**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 3,700,000	\$ 3,700,000	\$ 4,743,655	\$ 1,043,655
Total Revenues	<u>3,700,000</u>	<u>3,700,000</u>	<u>4,743,655</u>	<u>1,043,655</u>
Expenditures				
Public safety:				
Personnel services	2,654,980	2,749,665	2,749,724	(59)
Operating expenditures	938,353	655,681	650,254	5,427
Capital outlay	-	187,987	147,813	40,174
Total Expenditures	<u>3,593,333</u>	<u>3,593,333</u>	<u>3,547,791</u>	<u>45,542</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>106,667</u>	<u>106,667</u>	<u>1,195,864</u>	<u>1,089,197</u>
Other Financing Sources (Uses)				
Transfers in:				
Hernando County, Florida, Board of County Commissioners	3,593,333	3,593,333	3,593,333	-
Transfers (out):				
Hernando County, Florida, Board of County Commissioners:				
Other revenue	(3,700,000)	(3,700,000)	(4,743,655)	(1,043,655)
Excess fees	-	-	(45,542)	(45,542)
Total Other Financing Sources (Uses)	<u>(106,667)</u>	<u>(106,667)</u>	<u>(1,195,864)</u>	<u>(1,089,197)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Hernando County, Florida Sheriff
Statement of Net Position Proprietary Fund Type - Internal Service Fund
September 30, 2025

	Internal Service
Assets	
Cash and cash equivalents	\$ 9,282,380
Right to use leased assets, net of amortization	211,420
Total Assets	<u>9,493,800</u>
Liabilities	
Accounts payable	2,786,973
Accrued interest	643
Liability for unpaid claims	557,102
Long-term leases	236,689
Total Liabilities	<u>3,581,407</u>
Net Position	
Unrestricted	<u>5,912,393</u>
Total Net Position	<u><u>\$ 5,912,393</u></u>

**Hernando County, Florida Sheriff
Statement of Revenues, Expenditures and Changes in Fund Net Position -
Proprietary Fund - Internal Service Fund
For the Year Ended September 30, 2025**

	<u>Internal Service</u>
Operating Revenues	
Inter-fund charges	\$ 10,695,119
Premiums - employees	524,090
Premiums - retirees	382,641
Miscellaneous	855,407
	<u>12,457,257</u>
Total Operating Revenues	<u>12,457,257</u>
Operating Expenses	
Personnel	54,378
Claims	11,494,965
Other services and charges	2,143,348
Insurance	442,508
Amortization	37,310
	<u>14,172,509</u>
Total Operating Expenses	<u>14,172,509</u>
Operating Loss	<u>(1,715,252)</u>
Non-Operating Revenues (Expenses)	
Interest earnings	306,328
Interest expense	(8,650)
	<u>297,678</u>
Total Non-Operating Revenues (Expenses)	<u>297,678</u>
Loss Before Transfers	<u>(1,417,574)</u>
Transfers in	<u>7,671</u>
Total Transfers	<u>7,671</u>
Change in Net Position	(1,409,903)
Net Position, Beginning of Year	<u>7,322,296</u>
Net Position, End of Year	<u><u>\$ 5,912,393</u></u>

Hernando County, Florida Sheriff
Statement of Cash Flows - Proprietary Fund - Internal Service Fund
For the Year Ended September 30, 2025

	<u>Internal Service</u>
Operating Activities	
Cash received from inter-fund charges	\$ 10,695,119
Cash received from employees	524,090
Cash received from retirees	382,641
Other cash receipts	855,407
Payments to employees	(54,378)
Payments to suppliers	(803,809)
Claims paid	(11,502,665)
Net Cash Provided by Operating Activities	<u>96,405</u>
Investing Activities	
Interest received	<u>306,328</u>
Capital and Related Financing Activities	
Transfers in from other funds	7,671
Interest payments on long-term leases	(8,742)
Principal payments on long-term leases	(34,571)
Net Cash Used by Capital and Related Financing Activities	<u>(35,642)</u>
Net Increase in Cash and Cash Equivalents	367,091
Cash and Cash Equivalents, Beginning of Year	<u>8,915,290</u>
Cash and Cash Equivalents, End of Year	<u><u>9,282,381</u></u>
Reconciliation of operating loss to cash and cash equivalents used by operating activities:	
Operating loss	(1,715,252)
Adjustment to reconcile operating loss to net cash provided by operating activities:	
Amortization	37,310
Changes in assets and liabilities:	
Increase in accounts payable	1,782,046
Decrease in liability for unpaid claims	(7,700)
Total Adjustments	<u>1,811,656</u>
Net Cash Provided by Operating Activities	<u><u>\$ 96,404</u></u>

**Hernando County, Florida Sheriff
Statement of Changes in Fiduciary Net Position - Custodial Funds
For the Year Ended September 30, 2025**

Additions	
Miscellaneous	\$ 1,429,834
Total Additions	<u>1,429,834</u>
Deductions	
Payments to Hernando County, Florida, Board of County Commissioners	98,652
Other payments	<u>1,301,177</u>
Total Deductions	<u>1,399,829</u>
Net Increase in Fiduciary Net Position	30,005
Net Position, Beginning of Year	<u>75,513</u>
Net Position, End of Year	<u><u>\$ 105,518</u></u>

Note 1. Summary of Significant Accounting Policies

Reporting Entity

Hernando County, Florida (the "County"), is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the "Board") and managed by an appointed County Administrator. The Hernando County, Florida, Sheriff (the "Sheriff") is an elected constitutional officer of the County as provided for by the Constitution of the State of Florida. Pursuant to Chapter 129, Florida Statutes, the Sheriff's budget is submitted to the Board for approval.

The Sheriff is the chief law enforcement officer of the County. Funding for the Sheriff's operations comes primarily from annual appropriations from the Board and all unexpended proceeds must be returned to the Board at year end.

For financial reporting purposes, the Sheriff is deemed to be part of the primary government of the County and, as such, is included in the County's Annual Comprehensive Financial Report.

Blended Component Unit

In fiscal year 2020, the Sheriff established the Hernando County Sheriff's Office Section 115 Trust (the "Trust") to administer the Sheriff's Employee Group Health, Dental Insurance Program, and Clinic. Assets necessary to fund the programs are transferred to the Trust; however, under the terms of the Trust Agreement, the Sheriff retains control of the assets. Due to the substantive economic relationship between the Sheriff and the Trust, the financial activities of the Trust are reported in the accompanying basic financial statements as an internal service fund.

Basis of Presentation

The accompanying financial statements include all the funds and accounts of the Sheriff's Office but are not intended to be a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General - Local Governmental Entity Audits*.

The financial transactions of the Sheriff are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. These funds are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

The Sheriff reports the following governmental funds:

- **General Fund** - The general fund is used to account for the general operations of the Sheriff and includes all transactions, which are not accounted for in other funds.
- **E-911 Fund** - This fund is used to account for the proceeds of telephone charges collected for the installation and operation of an Emergency 911 System.
- **Inmate Welfare Fund** - This fund is used to account for revenue from commissions from the commissary and pay phone. The funds are used for expenditures in the commissary operation, including overall inmate welfare.
- **Inmate Revenue Fund** - This fund is used to account for the proceeds of housing federal and other local government inmates at the detention facility.

**Hernando County, Florida Sheriff
Notes to Financial Statements
September 30, 2025**

The Sheriff also reports the following other special revenue funds:

- 800 MHz Fund
- Law Enforcement Educational Fund
- Grants and Contributions Fund

The Sheriff reports the following other fund types:

- **Proprietary Fund Type - Internal Service Funds** - These funds are used to account for health, dental, and clinic insurance benefits, including a wellness program, provided to the employees by the Sheriff. Their funding is based upon an annual actuarial study of expected benefit payouts.
- **Fiduciary Fund Type - Custodial Funds** - These funds are used to account for assets held by the Sheriff in a trustee capacity or as an agent for individuals, private organizations, and other governments.

Measurement Focus and Basis of Accounting

Governmental funds are accounted for using the flow of current financial resources measurement focus. Only current assets and current liabilities, generally, are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available to finance liabilities of the current fiscal year). For this purpose, the Sheriff considers revenues to be available if they are collected within 60 days after year end. Grants must also meet eligibility requirements to be accrued.

For governmental funds, expenditures are recorded when the related fund liability is incurred, except for certain compensated absences, which are recognized as expenditures when paid. Substantially all of the Sheriff's operating budget funding is appropriated by the Board. These resources are reflected as other financing sources at the time of receipt. Interest and other revenue are recognized as they are earned and become measurable and available to pay liabilities of the current period.

The proprietary fund type - internal service fund accounts for medical and dental insurance coverage for the Sheriff's employees. Proprietary fund types use the accrual basis of accounting, where revenues are recognized when they are earned and expenses are recognized when they are incurred, regardless of the timing of related cash flows. In addition, proprietary funds distinguish operating revenues and expenses from non-operating items.

The focus on fiduciary type fund financial statements is by fund type. The Sheriff only has one fiduciary fund type, the custodial fund type. Accordingly, there is only one column in the fiduciary fund financial statements. Custodial funds are accounted for under the economic resources method and accrual basis of accounting.

Excess Fees and Other Revenues

Florida Statutes provide that the amount by which revenues and transfers exceed annual expenditures be remitted to the Board within one month following the fiscal year for which the funding was provided or following the fiscal year during which other revenue was recognized. This requirement is reflected in the Sheriff's General Fund where the amount of this distribution is recorded as a liability and as another financing use. Other revenues due to the Board consist of those third-party revenues received directly by the Sheriff for certain expenditures that are owed to the Board.

Cash Equivalents

Cash equivalents are defined as highly liquid investments with original maturities of three months or less.

Right-to-Use Assets

The Sheriff has recorded right to use assets within its proprietary fund as a result of implementing Governmental Accounting Standards Board (“GASB”) 87. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any payments made prior to the term, less incentives, and plus ancillary charges necessary to place the asset into service. The right-to-use assets are amortized on a straight-line basis over the life of the related agreement. Right-to-use assets in governmental fund types have not been recorded, see Note 5.

Compensated Absences

Eligible full-time employees are entitled to accrue compensatory time, annual vacation, and sick leave up to predetermined thresholds, and received pay for those hours at termination or retirement. For terminations in good standing, the employee is paid for 25% of all accumulated sick leave, 100% of all compensatory time and 100% of accumulated annual time up to 500 hours. Upon retirement, (separation from the agency), current employees with consecutive years of service, will receive a payout of sick leave as follows: 20+ years of service equals 100%; 15-19 years of service equals 75%; and up to 14 years of service equals 50%. For all payments of sick leave, the employee is paid at their pay rate effective at termination or retirement.

Vacation and sick leave payments are included in personnel services when the payments are made to the employees. The Sheriff does not, nor is he legally required to, accumulate financial resources for these obligations. Accordingly, the liability for compensated absences is not reported in the governmental funds but rather is reported in the basic financial statements of the County.

Fund Balances

The Sheriff reports its fund balance information in classifications based on the extent to which the Sheriff is bound to honor constraints on the specific purpose for which amounts in the fund can be spent. Fund balance is reported in five components - non-spendable, restricted, committed, assigned, and unassigned:

- **Non-Spendable** - This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.
- **Restricted** - This component of fund balances 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** - This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., policy) of the organization’s governing authority. By statute, the Sheriff himself is the governing authority. These committed amounts cannot be used for any other purpose unless the Sheriff removes or changes the specified use by taking the same type of action (e.g., policy) he employed to constrain those amounts.
- **Assigned** - 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 Sheriff has not delegated the responsibility to assign fund balances to any individual or body.
- **Unassigned** - 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 Sheriff’s policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) then restricted resources as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is generally the Sheriff’s policy to use unassigned resources first, then assigned, and then committed as needed.

**Hernando County, Florida Sheriff
Notes to Financial Statements
September 30, 2025**

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported or disclosed in the financial statements and accompanying notes. Actual results could differ from those estimates.

Note 2. Budgetary Process

Florida Statutes, Sections 30.49, 129.021, and 129.03 govern the preparation, adoption, and administration of the Sheriff's annual budget. The Sheriff prepares individual budgets for the General Fund, E-911, 800 MHz, and the Inmate Revenue Fund Special Revenue Funds, and submits them to the Board for approval. Any budgets that are not subject to the approval of the Board shall follow the same procedures as those approved by the Board with the exception that the Sheriff is the approver rather than the Board.

The budgets are prepared on a basis consistent with GAAP and serve as the legal authorization for expenditures. Amendments increasing total fund expenditures must be approved by the Sheriff and/or Board. Budgetary changes between or among expenditures within a fund may be made at the discretion of the Comptroller.

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 changes applicable to the fiscal year and approved by the Board or Sheriff within 60 days after year end.

Note 3. Cash and Investments

At September 30, 2025, the fair value of the Sheriff's cash and cash equivalents was as follows:

	<u>Fair Value</u>
Cash on Hand	\$ 11,115
Demand Deposits	7,537,822
Certificates of Deposit	<u>15,439,321</u>
Total Cash and Cash Equivalents	<u>\$ 22,988,258</u>

Such amounts are reported as cash and cash equivalents of \$13,524,506, \$9,282,380, and \$181,372 in the governmental, internal service, and custodial funds, respectively.

**Hernando County, Florida Sheriff
Notes to Financial Statements
September 30, 2025**

The Sheriff's bank deposits are held in qualified public depositories ("QPDs") pursuant to Chapter 280, Florida Statutes. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

Authorized Investments

The Sheriff's Investment Policy follows the state's guidance set forth in Section 219.075, Florida Statutes, regarding the deposit of funds received and the investment of surplus funds. That Section requires local governments without written investment policies, including County officers, to follow the state policy in Section 218.415(17), Florida Statutes. That Section authorizes the following investments:

- (A) The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the *Florida Interlocal Cooperation Act*, as provided in Florida Statute 163.01.
- (B) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- (C) Interest-bearing time deposits or savings accounts in qualified public depositories.
- (D) Direct obligations of the United States Treasury.

Note 4. Capital Assets/Right-to-Use Assets

Pursuant to Florida Statutes, the Sheriff can own tangible capital assets, and the Sheriff maintains custody and recordkeeping responsibility for these assets. However, office space and facilities used in the Sheriff's operations are provided at no cost by the Board.

Capital assets paid for by the Sheriff are recorded as expenditures in the governmental funds of the Sheriff but are capitalized in the basic financial statements of the County. The capitalization threshold is \$5,000. Donated capital assets are recorded at their estimated fair value on the date received. Effective October 1, 2010, the Sheriff is responsible for recording all grant-related assets regardless of whether the grant origin was the County or the Sheriff. Depreciation is recorded at the County level. Most of the capital assets listed below are being depreciated over five years.

The Sheriff has recorded one right-to-use leased asset for a leased building. The related lease is discussed in the Long-Term Liabilities section. The right-to-use asset is amortized on a straight-line basis over the term of the related lease.

**Hernando County, Florida Sheriff
Notes to Financial Statements
September 30, 2025**

Capital/Right-to-use asset activity for which the Sheriff had custodial and recordkeeping responsibility, for the year ended September 30, 2025, was as follows:

	<u>Balance October 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2025</u>
Automobile and Other Vehicles	\$ 17,422,443	\$ 3,697,835	\$ (906,689)	\$ 20,213,589
Furniture and Equipment	10,176,832	1,676,308	(2,083,979)	9,769,161
Right-to-Use Asset - Building	360,660	-	-	360,660
Construction in Progress	<u>638,103</u>	<u>-</u>	<u>(579,596)</u>	<u>58,507</u>
Total at Cost	<u>28,598,308</u>	<u>5,374,143</u>	<u>(3,570,264)</u>	<u>30,401,917</u>
Accumulated Amortization	(111,930)	(37,310)	-	(149,240)
Accumulated Depreciation	<u>(19,954,694)</u>	<u>(3,207,554)</u>	<u>2,920,068</u>	<u>(20,242,180)</u>
Book Value	<u>\$ 8,531,414</u>	<u>\$ 2,129,279</u>	<u>\$ (650,196)</u>	<u>\$ 10,010,497</u>

Proceeds from the sale or disposal of vehicles are netted against capital outlay in the accompanying statement of revenues, expenditures, and changes in fund balance. Following is a reconciliation of 2025 capital asset additions above to capital outlay on the accompanying statement of revenues, expenditures, and changes in fund balance:

Capital Outlay	\$ 3,928,759
Proceeds from Vehicle Sales/Disposals	372,721
Releases from CIP	579,596
Other Funding Sources	<u>493,067</u>
Total Additions	<u>\$ 5,374,143</u>

Note 5. Long-Term Liabilities

The following is a summary of changes in general long-term liabilities, which are reported in the basic financial statements of the County:

	<u>Balance October 1, 2024</u>	<u>Additions</u>	<u>Retirement</u>	<u>Balance September 30, 2025</u>	<u>Due Within One Year</u>
Long-Term Lease - Building	\$ 271,260	\$ -	\$ (34,571)	\$ 236,689	\$ 37,531
Accrued Compensation Absences	<u>9,452,044</u>	<u>6,137,426</u>	<u>(4,784,830)</u>	<u>10,804,640</u>	<u>7,131,062</u>
Total Long-Term Liabilities	<u>\$ 9,723,304</u>	<u>\$ 6,137,426</u>	<u>\$ (4,816,580)</u>	<u>\$ 11,041,329</u>	<u>\$ 7,168,593</u>

The Sheriff has entered into a building lease agreement. The lease term terminates on May 2031 with monthly payments ranging from \$3,229 to \$3,853. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.42%, which is the County's incremental borrowing rate at October 1, 2021. As a result of the lease, the Sheriff has recorded a right-to-use asset with a net book value of \$211,420 at September 30, 2025.

**Hernando County, Florida Sheriff
Notes to Financial Statements
September 30, 2025**

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2025, were as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 37,531	\$ 7,516
2027	40,049	6,186
2028	41,427	4,808
2029	42,880	3,355
2030	44,370	1,865
2031-2032	<u>30,432</u>	<u>391</u>
Total	<u>\$ 236,689</u>	<u>\$ 24,121</u>

The Sheriff may lease assets for various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Additionally, the Sheriff may enter into various agreements meeting the definition of subscription-based-information technology arrangements (“SBITAs”) under GASB Statement No. 96. Detailed information about the Sheriff’s governmental fund type leases and SBITAs, if applicable, can be found in basic financial statements of the County.

Any governmental fund type leases or SBITAs that would be entered into by the Sheriff are included in the County financial statements as other financing sources and capital outlay expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance in the year of inception. Any payments made in accordance with the terms of the lease or SBITA are reported in the County financial statements as debt service expenditures (principal and interest) in the Statement of Revenues, Expenditures, and Changes in Fund Balance as they are incurred. In the Sheriff financial statements, these payments are included in operating expenditures.

Note 6. Detention Operations

For 22 years, the Hernando County jail was operated by a private corporation. Effective August 27, 2010, the Sheriff took over the detention operations based on an interlocal agreement between the Sheriff and the Board. An updated agreement was entered into and shall continue until September 30, 2025, with one automatic one-year renewal period, expiring on September 30, 2026.

**Hernando County, Florida Sheriff
Notes to Financial Statements
September 30, 2025**

Note 7. General Fund Revenues and Expenditures

General Fund revenues and expenditures for the year ended September 30, 2025 were as follows:

	<u>Total</u>	<u>Law Enforcement</u>	<u>Detention</u>	<u>Courthouse</u>
Revenues				
Inmate Booking	\$ 33,379	\$ -	\$ 33,379	\$ -
Inmate Medical	27,079	-	27,079	-
Inmate Subsistence	140,879	-	140,879	-
Inmate Social Security	22,600	-	22,600	-
Animal Services Revenue	<u>178,357</u>	<u>-</u>	<u>178,357</u>	<u>-</u>
Charges for Services	<u>402,294</u>	<u>-</u>	<u>402,294</u>	<u>-</u>
Interest Income	698,825	698,825	-	-
Miscellaneous	<u>95,047</u>	<u>95,047</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>\$ 1,196,166</u>	<u>\$ 793,872</u>	<u>\$ 402,294</u>	<u>\$ -</u>
Expenditures				
Personnel Services	\$ 73,983,525	\$ 53,892,754	\$ 18,250,378	\$ 1,840,393
Operating Expenditures	11,307,174	8,342,468	2,613,601	351,105
Capital Outlays	<u>3,262,257</u>	<u>3,262,257</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 88,552,956</u>	<u>\$ 65,497,479</u>	<u>\$ 20,863,979</u>	<u>\$ 2,191,498</u>

Note 8. Employee Retirement Plan

The Sheriff participates in the Florida Retirement System (“FRS”) for Pension Benefits. A detailed plan description and any liability for employees of the Sheriff are included in the financial statements of the County.

Funding Policy

The Sheriff’s contributions to the FRS for fiscal years ended September 30, 2023 through 2025 were: \$9,159,872, \$11,724,654, and \$13,490,624, respectively, which were equal to the required contribution for each fiscal year.

Employees are required to contribute 3% towards the FRS. Employee withholdings for this purpose amounted to \$1,033,103, \$1,189,627, and \$1,349,927 for the fiscal years ended September 30, 2023 through 2025, respectively, which were equal to the required contribution for each fiscal year.

Note 9. Other Post-Employment Benefits

The Sheriff participates in the plan established by the Board to provide other postemployment benefits to retirees of the Board and constitutional officers. A detailed plan description and any liability for employees of the Sheriff are included in the financial statements of the County.

Note 10. Risk Management

The Sheriff participates in the Florida Sheriff’s Risk Management Fund to insure against automobile, workers’ compensation, and general liabilities claims. Except as disclosed in the next paragraph, there have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for any of the last three years.

Effective October 1, 2011, the Sheriff became self-insured for employee and retiree health coverage. Effective October 1, 2014, the Sheriff became self-insured for employee and retiree dental coverage. Prior to those dates, the Sheriff carried commercial insurance for its health and dental coverage.

Note 11. Self-Insurance Internal Service Fund

The self-insurance program was established under Florida Statute 112.08 to reduce employee medical costs for the Sheriff’s Office. 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, administrative expenses, and clinic expenses.

Changes in claims liability amounts for the years ended September 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Unpaid Claims, Beginning of Year	\$ 564,802	\$ 399,700
Incurred Claims	11,494,965	10,552,681
Claim Payments	<u>(11,502,665)</u>	<u>(10,387,579)</u>
Unpaid Claims, End of Year	<u>\$ 557,102</u>	<u>\$ 564,802</u>

Note 12. Claims and Contingencies

Litigation

The Sheriff is involved as defendant or plaintiff in certain litigation and claims arising from the ordinary course of operations. Any judgments against the Sheriff in excess of insurance limits would be settled by the Board. In the opinion of the Sheriff and legal counsel, the range of potential recoveries or liabilities will not materially affect the financial position of the Sheriff.

Federal and State Grants

Grant funds received by the Sheriff are subject to audit by grantor agencies. Audits of these grants may result in disallowed costs, which may constitute a liability of the Sheriff. In the opinion of management disallowed costs, if any, would be insignificant to the financial position and operations of the Sheriff.

Supplementary Information

**Hernando County, Florida Sheriff
Special Revenue Funds
September 30, 2025**

Special revenue funds are used to account for the proceeds of special revenue sources that are legally restricted to specified purposes. The Hernando County, Florida Sheriff (the "Sheriff") has the following other special revenue funds:

- **800MHz Fund** - This fund derives its resources from lease payments for space leased on the Hernando County's (the "County") primary tower site, fees assessed to each radio user department for maintenance contract costs, and a \$12.50 fee included in each fine paid for a traffic citation. The 800MHz system is maintained to ensure continuous and optimum radio communications for all public safety and the County radio users.
- **Law Enforcement Education Fund** - This fund derives its resources from court cost assessments pursuant to Sections 938.15 and 318.18 of the Florida Statutes. The assessments are collected by the Clerk of the Circuit Court and remitted to the Sheriff monthly. Use of the funds received is restricted to criminal justice education and training in approved programs.
- **Grants and Contributions Fund** - This fund derives its resources from grants and donations. Each grant and donation is separately accounted for within the fund, to assure proper accounting in accordance with the grant agreements.

Hernando County, Florida Sheriff
Combining Balance Sheet - Other Governmental Funds
September 30, 2025

	<u>Special Revenue Funds</u>			<u>Total Other Governmental Funds</u>
	<u>800MHz</u>	<u>Law Enforcement Education</u>	<u>Grants and Contributions</u>	
ASSETS				
Cash and cash equivalents	\$ 1,787,764	\$ 162,697	\$ 653,776	\$ 2,604,237
Due from other governments	-	-	326,472	326,472
Total Assets	<u>\$ 1,787,764</u>	<u>\$ 162,697</u>	<u>\$ 980,248</u>	<u>\$ 2,930,709</u>
LIABILITIES				
Accounts payable	\$ 186	\$ 138	\$ 8,974	\$ 9,298
Accrued wages and benefits payable	-	-	15,927	15,927
Unearned revenue	4,842	-	-	4,842
Total Liabilities	<u>5,028</u>	<u>138</u>	<u>24,901</u>	<u>30,067</u>
Fund Balances				
Restricted for:				
Law enforcement activities	-	-	955,347	955,347
Communications	1,782,736	-	-	1,782,736
Education and training	-	162,559	-	162,559
Total Fund Balances	<u>1,782,736</u>	<u>162,559</u>	<u>955,347</u>	<u>2,900,642</u>
Total Liabilities and Fund Balance	<u>\$ 1,787,764</u>	<u>\$ 162,697</u>	<u>\$ 980,248</u>	<u>\$ 2,930,709</u>

**Hernando County, Florida Sheriff
Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
Other Governmental Funds
For the Year Ended September 30, 2025**

	<u>Special Revenue Funds</u>			Total Other Governmental Funds
	<u>800MHz</u>	<u>Law Enforcement Education</u>	<u>Grants and Contributions</u>	
Revenues				
Intergovernmental	\$ -	\$ -	\$ 1,003,518	\$ 1,003,518
Charges for services	677,443	-	-	677,443
Fines and forfeitures	117,981	49,260	-	167,241
Interest revenue	-	1,529	-	1,529
Miscellaneous	90,040	-	347,838	437,878
Total Revenues	<u>885,464</u>	<u>50,789</u>	<u>1,351,356</u>	<u>2,287,609</u>
Expenditures				
Public safety:				
Personnel services	-	-	779,675	779,675
Operating expenditures	341,111	150,722	220,549	712,382
Capital outlay	-	-	458,190	458,190
Total Expenditures	<u>341,111</u>	<u>150,722</u>	<u>1,458,414</u>	<u>1,950,247</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>544,353</u>	<u>(99,933)</u>	<u>(107,058)</u>	<u>337,362</u>
Other Financing Sources (Uses)				
Transfers in:				
Other funds	-	-	471,688	471,688
Transfers (out):				
Other funds	-	-	(7,671)	(7,671)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>464,017</u>	<u>464,017</u>
Net Change in Fund Balance	544,353	(99,933)	356,959	801,379
Fund Balance, Beginning of Year	<u>1,238,383</u>	<u>262,492</u>	<u>598,388</u>	<u>2,099,263</u>
Fund Balance, End of Year	<u><u>1,782,736</u></u>	<u><u>\$ 162,559</u></u>	<u><u>\$ 955,347</u></u>	<u><u>\$ 2,900,642</u></u>

**Hernando County, Florida Sheriff
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - 800 MHz Fund
For the Year Ended September 30, 2025**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 630,000	\$ 630,000	\$ 677,443	\$ 47,443
Fines and forfeitures	130,000	130,000	117,981	(12,019)
Miscellaneous	90,000	90,000	90,040	40
Total Revenues	<u>850,000</u>	<u>850,000</u>	<u>885,464</u>	<u>35,464</u>
Expenditures				
Public safety:				
Operating expenditures	384,650	384,650	341,111	43,539
Total Expenditures	<u>384,650</u>	<u>384,650</u>	<u>341,111</u>	<u>43,539</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>465,350</u>	<u>465,350</u>	<u>544,353</u>	<u>79,003</u>
Other Financing Sources (Uses)				
Reserve for contingencies	(1,644,749)	(1,644,749)	-	1,644,749
Total Other Financing Sources (Uses)	<u>(1,644,749)</u>	<u>(1,644,749)</u>	<u>-</u>	<u>1,644,749</u>
Net Change in Fund Balance	(1,179,399)	(1,179,399)	544,353	1,723,752
Fund Balance, Beginning of Year	<u>1,179,399</u>	<u>1,179,399</u>	<u>1,238,383</u>	<u>58,984</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,782,736</u>	<u>\$ 1,782,736</u>

**Hernando County, Florida Sheriff
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Law Enforcement Education Fund
For the Year Ended September 30, 2025**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 50,000	\$ 50,000	\$ 49,260	\$ (740)
Interest revenue	800	800	1,529	729
Total Revenues	<u>50,800</u>	<u>50,800</u>	<u>50,789</u>	<u>(11)</u>
Expenditures				
Public safety:				
Operating expenditures	<u>160,100</u>	<u>160,100</u>	<u>150,722</u>	<u>9,378</u>
Total Expenditures	<u>160,100</u>	<u>160,100</u>	<u>150,722</u>	<u>9,378</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(109,300)</u>	<u>(109,300)</u>	<u>(99,933)</u>	<u>9,367</u>
Other Financing Sources (Uses)				
Reserve for contingencies	<u>(114,192)</u>	<u>(153,192)</u>	<u>-</u>	<u>153,192</u>
Total Other Financing Sources (Uses)	<u>(114,192)</u>	<u>(153,192)</u>	<u>-</u>	<u>153,192</u>
Net Change in Fund Balance	<u>(223,492)</u>	<u>(262,492)</u>	<u>(99,933)</u>	<u>162,559</u>
Fund Balance, Beginning of Year	<u>223,492</u>	<u>262,492</u>	<u>262,492</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,559</u>	<u>\$ 162,559</u>

**Hernando County, Florida Sheriff
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Grants and Contributions Fund
For the Year Ended September 30, 2025**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 549,563	\$ 1,355,765	\$ 1,003,518	\$ (352,247)
Miscellaneous	1,100	266,488	347,838	81,350
Total Revenues	<u>550,663</u>	<u>1,622,253</u>	<u>1,351,356</u>	<u>(270,897)</u>
Expenditures				
Public safety:				
Personnel services	69,500	726,890	779,675	(52,785)
Operating expenditures	37,270	892,177	220,549	671,628
Capital outlay	721,337	916,150	458,190	457,960
Total Expenditures	<u>828,107</u>	<u>2,535,217</u>	<u>1,458,414</u>	<u>1,076,803</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(277,444)</u>	<u>(912,964)</u>	<u>(107,058)</u>	<u>805,906</u>
Other Financing Sources (Uses)				
Transfers in:				
Other funds	70,674	322,347	471,688	149,341
Transfers (Out)	-	(7,671)	(7,671)	-
Reserve for contingencies	(7,771)	(100)	-	100
Total Other Financing Sources (Uses)	<u>62,903</u>	<u>314,576</u>	<u>464,017</u>	<u>149,441</u>
Net Change in Fund Balance	(214,541)	(598,388)	356,959	955,347
Fund Balance, Beginning of Year	<u>598,388</u>	<u>598,388</u>	<u>598,388</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 383,847</u>	<u>\$ -</u>	<u>\$ 955,347</u>	<u>\$ 955,347</u>

**Hernando County, Florida Sheriff
Internal Service Funds
September 30, 2025**

Internal service funds are used when a fund primarily provides benefits for other funds, departments, or agencies of the primary government. The Hernando County, Florida Sheriff (the "Sheriff") has internal service funds that account for:

- **Health Insurance** - This is used to account for the Sheriff's self-insurance program for employee health benefits.
- **Dental Insurance** - This is used to account for the Sheriff's self-insurance program for employee dental benefits.
- **Wellness Clinic** - This is used to account for the Sheriff's self-insurance program for the operation of the health clinic.
- **Wellness Program** - This is used to account for the Sheriff's self-insurance program for the operation of the health program.

**Hernando County, Florida Sheriff
Combining Statement of Revenues, Expenditures and Changes in Fund Net Position -
Internal Service Funds
For the Year Ended September 30, 2025**

	<u>Health Insurance</u>	<u>Dental Insurance</u>	<u>Wellness Clinic</u>	<u>Wellness Program</u>	<u>Total Internal Service</u>
Operating Revenues					
Inter-fund charges	\$ 9,306,027	\$ 217,213	\$ 1,171,879	\$ -	\$ 10,695,119
Premiums - employees	400,959	123,131	-	-	524,090
Premiums - retirees	339,205	43,436	-	-	382,641
Miscellaneous	824,907	-	-	30,500	855,407
Total Operating Revenues	<u>10,871,098</u>	<u>383,780</u>	<u>1,171,879</u>	<u>30,500</u>	<u>12,457,257</u>
Operating Expenses					
Personnel services	-	-	-	54,378	54,378
Claims	11,137,123	357,842	-	-	11,494,965
Professional services	654,539	28,889	1,233,502	-	1,916,930
Repairs and maintenance	-	-	30,510	-	30,510
Materials and supplies	-	-	180,958	7,431	188,389
Other expenses	-	-	7,519	-	7,519
Insurance	442,508	-	-	-	442,508
Amortization	-	-	37,310	-	37,310
Total Operating Expenses	<u>12,234,170</u>	<u>386,731</u>	<u>1,489,799</u>	<u>61,809</u>	<u>14,172,509</u>
Operating Income (Loss)	<u>(1,363,072)</u>	<u>(2,951)</u>	<u>(317,920)</u>	<u>(31,309)</u>	<u>(1,715,252)</u>
Non-Operating Revenues (Expenses)					
Interest earnings	273,816	12,711	19,801	-	306,328
Interest expense	-	-	(8,650)	-	(8,650)
Total Non-Operating Revenues (Expenses)	<u>273,816</u>	<u>12,711</u>	<u>11,151</u>	<u>-</u>	<u>297,678</u>
Loss Before Transfers	<u>(1,089,256)</u>	<u>9,760</u>	<u>(306,769)</u>	<u>(31,309)</u>	<u>(1,417,574)</u>
Transfers out	-	(250,000)	-	-	(250,000)
Transfers in	-	-	250,000	7,671	257,671
Total Transfers	<u>-</u>	<u>(250,000)</u>	<u>250,000</u>	<u>7,671</u>	<u>7,671</u>
Change in Net Position	(1,089,256)	(240,240)	(56,769)	(23,638)	(1,409,903)
Net Position, Beginning of Year	<u>6,614,858</u>	<u>403,402</u>	<u>48,649</u>	<u>255,387</u>	<u>7,322,296</u>
Net Position, End of Year	<u>\$ 5,525,602</u>	<u>\$ 163,162</u>	<u>\$ (8,120)</u>	<u>\$ 231,749</u>	<u>\$ 5,912,393</u>

**Hernando County, Florida Sheriff
Custodial Funds
September 30, 2025**

Custodial funds are used to account for assets held by the Hernando County, Florida Sheriff (the "Sheriff") in a Trustee capacity or as an agent for individuals, private organizations, and other governments. The Sheriff has the following custodial funds:

- **Civil Trust Fund** - This fund is used to account for fees received by the Sheriff for serving documents (civil process) pursuant to Florida Statute 30.231(5). The funds received are returned to the Hernando County Board of County Commissioners on a monthly basis. This fund is also used for cost deposits provided by plaintiffs or their attorneys in advance, to pay for the Sheriff's statutory fees and costs in executing Sheriff's levies and Writs of Attachment.
- **Property & Evidence Fund** - This fund accounts for confiscated property and evidence.
- **Inmate Trust Fund** - This fund accounts for inmate personal accounts and the proceeds from certain inmate programs.

Hernando County, Florida Sheriff
Combining Statement of Fiduciary Net Position - All Custodial Funds
September 30, 2025

	<u>Civil Trust Fund</u>	<u>Property & Evidence Fund</u>	<u>Inmate Trust Fund</u>	<u>Total Custodial Funds</u>
Assets				
Cash and cash equivalents	\$ 7,731	\$ 21,550	\$ 152,091	\$ 181,372
Total Assets	<u>7,731</u>	<u>21,550</u>	<u>152,091</u>	<u>181,372</u>
Liabilities				
Accounts payable	-	419.00	29,596	30,015
Due to other funds	-	-	38,108	38,108
Hernando County, Florida, Board of County Commissioners	<u>7,731</u>	<u>-</u>	<u>-</u>	<u>7,731</u>
Total Liabilities	<u>7,731</u>	<u>419</u>	<u>67,704</u>	<u>75,854</u>
Net Position				
Restricted for:				
Individuals and other governments	<u>\$ -</u>	<u>\$ 21,131</u>	<u>\$ 84,387</u>	<u>\$ 105,518</u>

**Hernando County, Florida Sheriff
Combining Statement of Changes in Fiduciary Net Position -
All Custodial Funds
For the Year Ended September 30, 2025**

	Civil Trust Fund	Property & Evidence Fund	Inmate Trust Fund	Total Custodial Funds
Additions				
Miscellaneous	\$ 104,971	\$ 116,190	\$ 1,208,673	\$ 1,429,834
Total Additions	<u>104,971</u>	<u>116,190</u>	<u>1,208,673</u>	<u>1,429,834</u>
Deductions				
Payments to Hernando County, Florida				
Board of County Commissioners	98,652	-	-	98,652
Other payments	6,319	133,921	1,160,937	1,301,177
Total Deductions	<u>104,971</u>	<u>133,921</u>	<u>1,160,937</u>	<u>1,399,829</u>
Net Increase (Decrease) in Fiduciary Net Position	-	(17,731)	47,736	30,005
Net Position, Beginning of Year	<u>-</u>	<u>38,862</u>	<u>36,651</u>	<u>75,513</u>
Net Position, End of Year	<u>\$ -</u>	<u>\$ 21,131</u>	<u>\$ 84,387</u>	<u>\$ 105,518</u>

Other Reports

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Honorable Al Nienhuis, Hernando County Sheriff
Hernando County, Florida
Brooksville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hernando County, Florida Sheriff (the "Sheriff") as of and for the fiscal year ended September 30, 2025 and the relates notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, and have issued our report thereon dated February 23, 2026, which includes an emphasis of matter paragraph related to reporting requirements.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sheriff'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 Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff'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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff'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 that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Forvis Mazars, LLP

**Tampa, Florida
February 23, 2026**

Independent Accountant's Report

Honorable Al Nienhuis, Hernando County Sheriff
Hernando County, Florida
Brooksville, Florida

We have examined the Hernando County, Florida Sheriff's (the "Sheriff") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2025. The Sheriff's management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

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

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on the Sheriff's compliance with the specified requirements.

In our opinion, the Sheriff complied with the aforementioned requirements for the fiscal year ended September 30, 2025, in all material respects.

Forvis Mazars, LLP

**Tampa, Florida
February 23, 2026**

Independent Auditor's Management Letter

Honorable Al Nienhuis, Hernando County Sheriff
Hernando County, Florida
Brooksville, Florida

We have audited the basic financial statements of the Hernando County, Florida Sheriff (the "Sheriff") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated February 23, 2026.

Auditor's Responsibility

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 and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 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, which are dated February 23, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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 Management

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.

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 fraud, waste, 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, the Sheriff and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

Forvis Mazars, LLP

**Tampa, Florida
February 23, 2026**