Hernando School District

School Board Regular Meeting

Agenda - Final

Tuesday, January 27, 2026 **6:00 PM** **District Office-Board Room**
919 N. Broad Street
Brooksville, FL 34601

CALL TO ORDER

REFLECTION

by Mark Johnson, Board Member

PLEDGE OF ALLEGIANCE by Suncoast Elementary School

SCHOOL SPOTLIGHT

ADOPTION OF AGENDA

1. **26-3566** Approval to adopt the agenda dated 1/27/2026.

ELECTED OFFICIALS

STUDENT REPRESENTATIVE TO THE BOARD, Jaserah Abdul-Rahim

2. **26-3567** Student Representative, Jaserah Abdul-Rahim of F.W. Springstead High School, to Share an Update of School Related Activities and Events with the Board

PRESENTATIONS

3. **26-3478** Recognition of the January HCSD Veteran

Attachments: Budget Sheet - NO Financial Impact

PROCLAMATIONS/RESOLUTIONS

4. **26-3543** Approve Proclamation P26-003 for National Counseling Week

Attachments: Proclamation image for agenda no 26-3543.pdf
Proclamation 26-003.pdf
Budget Sheet Sept 2021 Revised NO Financial Impact ACC.pdf

APPROVAL OF THE MINUTES

5. **26-3565** Approval of the Minutes from the Student Expulsion Appeal Hearing, Employee Discipline Appeal Hearing for Thomas Kelly, Employee Discipline Appeal Hearing for Dulce Munoz-Nagel, Informal Meeting, Workshop and Regular School Board Meeting of 1/13/2026.

Attachments: 01-13-26 Student Expulsion Minutes DRAFT
01-13-26 Employee Appeal Minutes-Kelly DRAFT
01-13-26 Employee Appeal Minutes-Munoz-Nagel DRAFT
01-13-26 Informal Minutes DRAFT
01-13-26 Workshop Minutes DRAFT
01-13-26 Regular Meeting Minutes with links DRAFT

EXPULSION RECOMMENDATIONS

6. **26-3541** Enter a Final Order Expelling the Student in Case No. E2026-01-01 for one (1) year.

Attachments: Budget Sheet Sept 2021 Revised NO Financial Impact ACC

7. **26-3542** Enter a Final Order Expelling the Student in Case No. E2026-01-02 for one (1) year.

Attachments: Budget Sheet Sept 2021 Revised NO Financial Impact ACC

CITIZEN INPUT ON AGENDA ITEMS (GREEN SPEAKER FORMS)

8. **26-3568** Citizen Input on agenda items (Green Form)

Attachments: Citizen Input Speaker Green Form 031424 ACC

ADOPTION OF CONSENT AGENDA (Item # 9-25)

Personnel Recommendations

9. **26-3555** Approval of the Personnel Recommendations

Attachments: 25-26 BOARD AGENDAJ AN 27 2026
1-27-26 CORE OOF Board Agenda
1-27-26 ESOL OOF Board Agenda
2026 Inst. Supplements & Differentiated Pay for 1-27-2026
2026 Noninst., PTS & Adm. Supplements for 1-27-2026

All Other Teaching & Learning Agenda Items

10. **26-3544** Approve an out of state field trip for Central High School's NJROTC Cadet to Columbia, Missouri, to compete in Navy Nationals Air Rifle competition, on February 11 - 16, 2026.

Attachments: CHS NJROTC Missouri 021126 Budget Sheet

11. **26-3553** Approve Overnight Field Trip for West Hernando Middle School Thespians Society's Troupe 12068 to Compete at the 2026 Florida Junior State Thespians Festival from February 4 - 8, 2026 in Orlando, Florida.

Attachments: Budget sheet Financial sheet Thespians

12. **26-3557** Approve the Overnight Athletic Event for F.W. Springstead High School Boys Wrestling Team to Attend the Ippolitto Memorial Wrestling Tournament in Brandon, Florida from February 6, 2026 through February 7, 2026.

Attachments: Leave of Absence Forms - Ippolitto Memorial Wrestling Tournament 2-6-2025
Budget Sheet - SHS Boys Wrestling - Ippolitto Memorial Tournament 2-6-2026

13. **26-3559** Approve the Overnight Athletic Event for F.W. Springstead High School Boys Wrestling Team to Attend the Colby Memorial Wrestling Tournament in Estero, Florida from January 30, 2026 through January 31, 2026.

Attachments: Leave of Absence Forms - Colby Memorial Wrestling Tournament 2-6-2025
Budget Sheet - SHS Boys Wrestling - Colby Memorial Tournament 1-30-2026

All Other Business Services Agenda Items

14. **26-3429** Approval to Accept the 2024-2025 Annual Comprehensive Financial Report

Attachments: 2024-2025 ACFR FINAL JM
2024-2025 ACFR Budget Sheet

15. **26-3547** Approve the Participation Agreement for the Hernando County School District to Apply for Membership in the Florida Educator Health Trust (FLEHT)

Attachments: FLEHT Participation Agreement
Florida Health Trust
Affidavit Regarding the Use of Coercian for Labor Services (CM) - Signed 12-16-2025
PUR 1355 (CM) - Signed 12-16-2025
Budget Sheet Sept 2021 Revised NO Financial Impact ACC

16. **26-3549** Approval to Accept the Audit Report for the Hernando County Education Direct Support Organization, Inc. (Education Foundation) for Fiscal Year Ending June 30, 2025

Attachments: 08201AR25 Final Hernando County Education Direct Support Org
26-3549 HCEF Audit Budget Sheet

All Other Purchase Order/Bid Agenda Items

17. **26-3524** Award the Contract for Construction Manager Services for Play Court Relocation for Weeki Wachee High School, to J. E. Dunn Construction Company, for construction goods & services under RFQ #9009-234-2301: Construction Manager Services Continuing Contract, and authorize the purchase of $10,000.00 in pre-construction services, using half-cent tax funds.

Attachments: 26-3524 A133-2019 FINAL with Exhibits - SIGNED
26-3524 Budget Sheet for WWHS Pre-Construction Play Courts

18. **26-3529** Approve the extension to the Piggyback of the District School Board of Pasco County, Florida - Bid No. 16-029-DM awarded to Tri-County Locksmith and approve expenditures for an estimated annual amount of $65,000.00.

Attachments: 16-029-24 PB RN EXT Emergency Lock and Key (01-27-26)
Emergency Lock Budget Sheet with Financial Impact 092021

19. **26-3534** Award RFP #9009-2510-505, Real Estate Appraisal Services, to CBRE Valuation and Advisory Services, Lee Pallardy, Inc., and Value Tech Realty Services, Inc., to Provide Appraisals in Hernando County, Florida for the Acquisition of Future Schools and Support Facilities, and Also for the Sale of Existing School Board Real Property and Approve the Contract and the Purchase of the Goods And/Or Services for an Estimated Annual Amount of $55,000.00.

Attachments: 26-3534 Real Estate Appraisal Service RFP 9009-2510-505 With Attachments
26-3534 RFP 9009-2510-505 Ranking Matrix and Evaluator Score Sheet
26-3534 Bid Tabulation Real Estate Appraisal Service
26-3534 Budget Sheet

20. **26-3540** Approve the renewal of bid no. 23-670-22 RN, Plumbing Products, Fixtures, Parts & Supplies, awarded to Best Plumbing Specialties, Inc. and Golden X Plumbing Supply, Inc. and authorize purchases for an estimated annual spending of $55,000.00.

Attachments: 23-670-22 RN Plumbing Products (01-27-2026)
Plumbing Products Budget Sheet 1-9-2026

21. **26-3548** Approve the renewal of Bid No. 24-165-25 RN: Commercial Food Service Equipment for School Cafeterias, awarded to multiple vendors, and authorize an estimated annual expenditure of $200,000.00.

Attachments: Bid 24-165-25 RN
Budget Sheet Bid 24-165-25 RN

22. **26-3551** Approve the piggyback of the State of Florida, Department of Management Services, State Term Contract No. 15100000-25-STC: Bulk Fuel, Gasoline, Diesel, Marine and Biodiesel, awarded to multiple and authorize the purchase of bulk fuel for an estimated annual spending of $ 558,537.38.

Attachments: Tabulation sheet
Budget Sheet

All Other Safe Schools Agenda Items

23. **26-3538** Accept notification of the Florida School Safety Compliance Inspection Report for Quarter 2 to document compliance with safety requirements.

Attachments: Q2 Compliance report 2025-2026 SY Board meeting 01272026
Budget Sheet Sept 2021 Revised NO Financial Impact ACC

ITEMS REMOVED FROM CONSENT AGENDA FOR ACTION

ADDENDUM ITEMS

CITIZEN INPUT ON GENERAL TOPICS (PINK SPEAKER FORMS)

24. **26-3569** Citizen Input on Hernando County School issues on which the School Board customarily takes action (Pink Form - non-agenda items)

Attachments: Citizen Input Speaker Pink Form 031424 ACC

INFORMATIONAL AGENDA ITEMS

GENERAL COUNSEL

SCHOOL BOARD COMMENTS

ADJOURNMENT

The next School Board Meetings are scheduled for February 10, 2026:
1:00 PM - Informal Meeting
2:00 PM - Workshop
6:00 PM - Regular Meeting

Mission Statement
The Hernando County School District Collaborates with students, parents and other community stakeholders to effectively prepare all students for a successful transition into a diverse and changing world.

Hernando School District

School Board Regular Meeting

Agenda Item # 1. 26-3566 1/27/2026

Title and Board Action Requested
Approval to adopt the agenda dated 1/27/2026.

Executive Summary
The Superintendent of Schools, hereby requests the Board adopt the agenda dated 1/27/2026.

My Contact
Ray Pinder
Superintendent of Schools

2023-28 Strategic Focus Area
Other

Financial Impact
No Financial Impact

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.

Hernando School District

School Board Regular Meeting

Agenda Item # 2. 26-3567 1/27/2026

Title and Board Action Requested
Student Representative, Jaserah Abdul-Rahim of F.W. Springstead High School, to Share an Update of School Related Activities and Events with the Board

Executive Summary
Student Representative, Jaserah Abdul-Rahim of F.W. Springstead High School, to Share an Update of School Related Activities and Events with the Board

My Contact
Jaserah Abdul-Rahim
Student Representative to the School Board

2023-28 Strategic Focus Area
Priority 1: Student Success

Financial Impact
No Financial Impact

Hernando School District

School Board Regular Meeting

Agenda Item # 3. 26-3478 1/27/2026

Title and Board Action Requested
Recognition of the January HCSD Veteran

Executive Summary
The Director of Communications, on behalf of the Superintendent of Schools, hereby wishes to recognize the January HCSD Veteran.

My Contact
Aaron Ellerman
Director of Communications
(352) 797-7009 ext. 70129

2023-28 Strategic Focus Area
Priority 4: Community Connection

Financial Impact
See attached budget sheet.

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.

Complete Section A **or** B; **and** C

MUST BE COMPLETED IN FULL FOR PLACEMENT CONSIDERATION.
(For Donations, use Section B)

A. Item Currently Budgeted -

Account Name: No Financial Impact

Account Number

Fund	Function	Object	Cost Center	Project	Sub Project

Original Approved Budget	+ -	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$		$		$		$		$		$

Account Name

Account Number

Fund	Function	Object	Cost Center	Project	Sub Project

Original Approved Budget	+ -	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$		$		$		$		$		$

B. Item Currently Not Budgeted -**

Funding Source

Account Name

Account Number

Fund	Function	Object	Cost Center	Project	Sub Project

Amount $

Funding Source

Account Name

Account Number

Fund	Function	Object	Cost Center	Project	Sub Project

Amount $

C. History

Check one:
Prior Year Budget: ○
New for Current Year: ○

Prior Year Approved Budget: $_____

Prior Year Actual Spent: $_____

**** WHEN ITEM NOT CURRENTLY BUDGETED IS APPROVED BY THE SCHOOL BOARD, THIS WILL SERVE AS THE BUDGET AMENDMENT****

Agenda Item # 4. 26-3543 1/27/2026

Title and Board Action Requested

Approve Proclamation P26-003 for National Counseling Week

Executive Summary

The Supervisor of School Counseling, on behalf of the Superintendent of Schools, hereby requests the Board to approve the proclamation declaring February 2-6, 2026, as National School Counseling Week in Hernando County Schools.

This annual observance recognizes the essential role that school counselors play in promoting academic achievement, career readiness, and social-emotional well-being for all students.

The proclamation affirms the district's commitment to:

- Highlighting the contributions of school counseling teams in fostering a safe and supportive learning environment.
- Promoting collaboration among educators, families, and community partners to ensure student success.
- Raising awareness of comprehensive counseling programs that prepare students for lifelong learning and achievement.

By adopting this proclamation, the Hernando County School Board demonstrates its appreciation for the dedication and impact of school counselors across the district. This recognition aligns with our strategic focus on student success and reinforces our mission to provide support for all learners.

My Contact

Carrie Wilson
Supervisor of School Counseling Services
(352) 797-7000 Ext # 70363
Wilson_c@hcsb.k12.fl.us

2023-28 Strategic Focus Area

Priority 1: Student Success

Financial Impact

See attached budget sheet.

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.

FEB. 2-6
2026

NATIONAL SCHOOL COUNSELING WEEK

School Counselors Amplify Student Success

PROCLAMATION

WHEREAS, school counselors are employed in public and private schools to help students reach their full potential; and

WHEREAS, school counselors are actively committed to helping students explore their abilities, strengths, interests and talents as these traits relate to career awareness and development; and

WHEREAS, school counselors help families focus on ways to further the academic, career and resiliency development of their children; and

WHEREAS, school counselors work with teachers and other educators to help students explore their potential and set realistic goals for themselves; and

WHEREAS, school counselors seek to identify and utilize community resources that can enhance and complement comprehensive school counseling programs and help students become productive members of society; and

WHEREAS, comprehensive school counseling programs are considered an integral part of the educational process that enables all students to achieve success in school;

Therefore, I, _____ do hereby proclaim February 2-6, 2026, as National School Counseling Week.

Proclamation No. P26-003

Declaring February 2–6, 2026
as National School Counseling Week in Hernando County Schools

WHEREAS, school counselors are employed in public and private schools to help students reach their full potential; and

WHEREAS, school counselors are actively committed to helping students explore their abilities, strengths, interests and talents as these traits relate to career awareness and development; and

WHEREAS, school counselors help families focus on ways to further the academic, career and resiliency development of their children; and

WHEREAS, school counselors work with teachers and other educators to help students explore their potential and set realistic goals for themselves; and

WHEREAS, school counselors seek to identify and utilize community resources that can enhance and complement comprehensive school counseling programs and help students become productive members of society; and

WHEREAS, comprehensive school counseling programs are considered an integral part of the educational process that enables all students to achieve success in school;

THEREFORE, BE IT RESOLVED that the Hernando County School Board is pleased to commemorate February 2-6, 2026, as School Counseling Week.

Adopted at the regular session of the School Board meeting held on this 27th day of January 2026.

Kayce Hawkins
Board Chair

Ray Pinder
Superintendent

Complete Section A **or** B; **and** C

MUST BE COMPLETED IN FULL FOR PLACEMENT CONSIDERATION.
(For Donations, use Section B)

A. Item Currently Budgeted -

Account Name: No Financial Impact

Account Number

Fund	Function	Object	Cost Center	Project	Sub Project

Original Approved Budget	+ -	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$		$		$		$		$		$

Account Name

Account Number

Fund	Function	Object	Cost Center	Project	Sub Project

Original Approved Budget	+ -	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$		$		$		$		$		$

B. Item Currently Not Budgeted -**

Funding Source

Account Name

Account Number

Fund	Function	Object	Cost Center	Project	Sub Project

Amount $

Funding Source

Account Name

Account Number

Fund	Function	Object	Cost Center	Project	Sub Project

Amount $

C. History

Check one:
Prior Year Budget: ○
New for Current Year: ○

Prior Year Approved Budget: $_____

Prior Year Actual Spent: $_____

**** WHEN ITEM NOT CURRENTLY BUDGETED IS APPROVED BY THE SCHOOL BOARD, THIS WILL SERVE AS THE BUDGET AMENDMENT****

Hernando School District

School Board Regular Meeting

Agenda Item # 5. 26-3565 1/27/2026

Title and Board Action Requested
Approval of the Minutes from the Student Expulsion Appeal Hearing, Employee Discipline Appeal Hearing for Thomas Kelly, Employee Discipline Appeal Hearing for Dulce Munoz-Nagel, Informal Meeting, Workshop and Regular School Board Meeting of 1/13/2026.

Executive Summary
The Superintendent of Schools, hereby requests the Board approve the minutes.

My Contact
Kelly A. Pogue
Executive Office Manager to the School Board and General Counsel
Pogue_k@hcsb.k12.fl.us

2023-28 Strategic Focus Area
Other

Financial Impact
No Financial Impact

Hernando School District

Student Expulsion Appeal Hearing

Minutes - Draft

Tuesday, January 13, 2026 **8:30 AM** **District Office-Board Room**
919 N. Broad Street
Brooksville, FL 34601

THIS HEARING IS CLOSED TO THE PUBLIC

CALL TO ORDER

Present Board Chair Kayce Hawkins
Vice Chair Shannon Rodriguez
Board Member Michelle Bonczek
Board Member Susan Duval
Board Member Mark Johnson

This meeting was called to order at 8:37 A.M. The following individuals were in attendance:
Kayce Hawkins, Board Chair
Shannon Rodriguez, Vice Chair
Michelle Bonczek, Board Member
Susan Duval, Board Member
Mark Johnson, Board Member
Ray Pinder, Superintendent
Robert Meyers, School Board Attorney (Telephonically)
Kelly Pogue, Executive Office Manager to the School Board and General Counsel
Kelly Padilla, Executive Office Manager to the Superintendent
Caroline Mockler, Stall Counsel
Ryan Wilson, Discipline Hearing Officer
Jill Kolasa, Director of Student Services
Brandon Wright, Assistant Principal of DSPMS
Lisa Cropley, Executive Director
Student in Case No. E2026-11-02
Mother of student in Case No. E2026-11-02

All parties were sworn in.

CLOSED SESSION - STUDENT EXPULSION APPEAL HEARING

1. **26-3519** Appeal Hearing - Student in Case No. E2026-11-02

Attachments: Budget Sheet NEW Nov-2021-ACC No Impact

RESULT: **ADOPTED AS AMENDED**
MOVER: Shannon Rodriguez
SECONDER: Michelle Bonczek
AYES Board Chair Hawkins Vice Chair Rodriguez Board Member Bonczek Board Member Duval Board Member Johnson

Motion to uphold the Superintendent's recommendation for the student in Case No. E2026-11-02 to be expelled from school for the remainder of the 2025-26 school year with educational services.

SCHOOL BOARD COMMENTS

ADJOURNMENT

The meeting was adjourned at 9:03 A.M.

Superintendent **Board Chair**

Hernando School District

Employee Disciplinary Appeal Hearing

Minutes - Draft

Tuesday, January 13, 2026 **9:30 AM** **District Office-Board Room**
919 N. Broad Street
Brooksville, FL 34601

CALL TO ORDER

Present
Board Chair Kayce Hawkins
Vice Chair Shannon Rodriguez
Board Member Michelle Bonczek
Board Member Susan Duval
Board Member Mark Johnson

This meeting was called to order at 9:35 A.M. The following individuals were in attendance:
Kayce Hawkins, Board Chair
Shannon Rodriguez, Vice Chair
Michelle Bonczek, Board Member
Susan Duval, Board Member
Mark Johnson, Board Member
Ray Pinder, Superintendent
Robert Meyers, School Board Attorney (Telephonically)
Kelly Pogue, Executive Office Manager to the School Board and General Counsel
Kelly Padilla, Executive Office Manager to the Superintendent
Matt Goldrick, Director of Labor Relations and Professional Standards
Caroline Mockler, Stall Counsel
Stephanie Sauvageot, Assistant Principal of PGES
Heather Baldwin, Confidential Secretary of PGES
Tony Durand, Attorney for Respondent
Thomas Kelly, Employee
Kim Hudson, Executive Director of FEA

All parties were sworn in.

EMPLOYEE DISCIPLINE APPEAL HEARING

1. **26-3535** Disciplinary Hearing Regarding Three Day Suspension Without Pay for Thomas Kelly Completed November 3-5, 2025

Attachments: Business Records Declaration signed
Budget Sheet Sept 2021 Revised NO Financial Impact ACC

RESULT: **ADOPTED**

MOVER: Michelle Bonczek

SECONDER: Mark Johnson

AYES: Board Chair Hawkins, Vice Chair Rodriguez, Board Member Bonczek, Board Member Duval, and Board Member Johnson

Both parties were heard. Motion to uphold the Superintendent's recommendation for the discipline of Thomas Kelly for misconduct for three (3) days suspension without pay.

ADJOURNMENT

This meeting was adjourned at 10:34 A.M.

Superintendent **Board Chair**

Hernando School District

Employee Disciplinary Appeal Hearing

Minutes - Draft

Tuesday, January 13, 2026 **10:30 AM** **District Office-Board Room**
919 N. Broad Street
Brooksville, FL 34601

CALL TO ORDER

Present
Board Chair Kayce Hawkins
Vice Chair Shannon Rodriguez
Board Member Michelle Bonczek
Board Member Susan Duval
Board Member Mark Johnson

This meeting was called to order at 10:49 A.M. The following individuals were in attendance:
Kayce Hawkins, Board Chair
Shannon Rodriguez, Vice Chair
Michelle Bonczek, Board Member
Susan Duval, Board Member
Mark Johnson, Board Member
Ray Pinder, Superintendent
Robert Meyers, School Board Attorney (Telephonically)
Kelly Pogue, Executive Office Manager to the School Board and General Counsel
Kelly Padilla, Executive Office Manager to the Superintendent
Matt Goldrick, Director of Labor Relations and Professional Standards
Shawn Franz, ESE Teacher at WWK8
Caroline Mockler, Stall Counsel
Kristin Tormey, Principal of WWK8
Celisse DiPalo, Assistant Principal of WWK8
Tony Durand, Attorney for Respondent
Dulce Munoz-Nagel, Employee

All parties were sworn in.

EMPLOYEE DISCIPLINE APPEAL HEARING

1. **26-3537** Disciplinary Hearing Regarding Three Day Suspension Without Pay for Dulce Munoz-Nagel Completed October 23, 24, and 27, 2025

Attachments: Business Records Declaration signed
Budget Sheet Sept 2021 Revised NO Financial Impact ACC

RESULT: **ADOPTED**

MOVER: Michelle Bonczek

SECONDER: Mark Johnson

AYES: Board Chair Hawkins, Vice Chair Rodriguez, Board Member Bonczek, Board Member Duval, and Board Member Johnson

Both parties were heard. At one point a translator was offered to Dulce Muñoz-Nagel at which she declined. Motion to uphold the Superintendent's recommendation for the discipline of Dulce Munoz-Nagel for misconduct for three (3) days suspension without pay.

ADJOURNMENT

The meeting was adjourned at 11:34 A.M.

Superintendent **Board Chair**

Hernando School District

School Board Informal Meeting

Minutes - Draft

Tuesday, January 13, 2026 **1:00 PM** **District Office-Board Room**
919 N. Broad Street
Brooksville, FL 34601

CALL TO ORDER

Present
Board Chair Kayce Hawkins
Vice Chair Shannon Rodriguez
Board Member Michelle Bonczek
Board Member Susan Duval
Board Member Mark Johnson

The meeting was called to order at 1:06 P.M. Ray Pinder, Superintendent was also present. Robert Meyers, School Board Attorney was present via telephone.

GENERAL DISCUSSION

An informal meeting of the School Board has been scheduled for general discussion among Board Members on Educational Matters

The following topics were discussed:

Johnson: Change training procedures for teachers/para's to be due by Jan. 1st. For those in ESE it should be done by the first week of school. Mr. Pinder to meet with Lisa Cropley, Anna Jensen and Paula Clark.

Hawkins: Mobile Safe Zone. Mr. Pinder to meet with TIS, Safe Schools, and Administrators after getting information from vendor and will bring it back to a workshop.

Hawkins: Addition of a dental program to schools. Beth Lastra to get back to Mrs. Hawkins with more information.

Bonczek: Fire & EMT programs in schools.

Hawkins: Legal Fees. Does the board want to look over legal fees? The consensus was no.

Rodriguez: Shout out to District Team and Administrators on District Walk-throughs.

Hawkins: Would like marketing around home-school avenue where we collect FTE.

Hawkins: Hybrid options in schools. Gina Michalicka to look into this.

Rodriguez: Shout out to Robert Pennel at HHS for gym cleanliness.

ADJOURNMENT

The meeting adjourned at 1:57 P.M.

Superintendent **Board Chair**

Hernando School District

School Board Workshop

Minutes - Draft

Tuesday, January 13, 2026 **2:00 PM** **District Office-Board Room**
919 N. Broad Street
Brooksville, FL 34601

CALL TO ORDER

Present: Board Chair Kayce Hawkins
Vice Chair Shannon Rodriguez
Board Member Michelle Bonczek
Board Member Susan Duval
Board Member Mark Johnson

The workshop was called to order at 2:06 P.M.. Ray Pinder, Superintendent, was also in attendance. Robert Meyers, School Board Attorney attended telephonically.

PRESENTATIONS

1. **26-3510** Review and Tentative Approval of Neola Policy Volume 25 No. 2 and Policies that Include Compliance Officers by Name. Original Agenda Item #26-3398 scheduled for December 9, 2025 Workshop moved to January 13, 2026 Workshop.

Attachments: Vol 25 N 2 Workshop January 13 2026 2
Budget Sheet Sept 2021 Revised NO Financial Impact ACC

Barbara Kidder, Assistant Superintendent of Business & Support Operations came forward to present this item.
Board members discussed the following changes on pages 56, 136, 151, 173, 228 and 246.

GENERAL COUNSEL

ADDENDUM ITEMS

GOOD OF THE ORDER/BOARD DISCUSSION

School Board Comments

ADJOURNMENT

The workshop adjourned at 2:19 P.M.

Superintendent **Board Chair**

Hernando School District

School Board Regular Meeting

Minutes - Draft

Tuesday, January 13, 2026 **6:00 PM** **District Office-Board Room**
919 N. Broad Street
Brooksville, FL 34601

CALL TO ORDER

Present: Board Chair Kayce Hawkins
Vice Chair Shannon Rodriguez
Board Member Michelle Bonczek
Board Member Susan Duval
Board Member Mark Johnson

The meeting was called to order at 6:02 P.M. Also present were Ray Pinder, Superintendent; and Caroline Mockler, Staff Attorney.

REFLECTION

by Mark Johnson, Board Member

PLEDGE OF ALLEGIANCE by Powell Middle School Students

SCHOOL SPOTLIGHT

Alex Rastatter, Principal of Powell Middle School came forward to present this item.

ADOPTION OF AGENDA

1. **26-3514** Approval to adopt the agenda dated 1/13/2026.

RESULT: **ADOPTED AS AMENDED**
MOVER: Mark Johnson
SECONDER: Michelle Bonczek
AYES: Hawkins, Rodriguez, Bonczek, Duval, Johnson

Board Chair Hawkins stated that she has reviewed the revisions to the agenda and find that there is good cause to permit the revisions to item #15. 26-3530: Approve an overnight field trip for a DS Parrott Middle School student to attend the All-State Honor Band at the Florida Music Educators Association Conference on January 15 - 17, 2026 in Tampa, Florida; and the deletion of item #11. 26-3494: Approve Field Trip for West Hernando Middle School Thespians Society's Troupe 12068 to Orlando, Florida to Compete at the 2026 Florida Junior State Thespians Festival from February 4 - 8, 2026.

ELECTED OFFICIALS

No one came forward to speak on this item.

STUDENT REPRESENTATIVE TO THE BOARD, Jaserah Abdul-Rahim

2. **26-3515** Student Representative, Jaserah Abdul-Rahim of F.W. Springstead High School, to Share an Update of School Related Activities and Events with the Board

APPROVAL OF THE MINUTES

3. **26-3516** Approval of the Minutes from the Informal, Workshop and Regular School Board Meeting of 12/9/2025.

Attachments: 12-09-25 Informal Minutes DRAFT
12-09-25 Workshop Minutes with links DRAFT
12-09-25 Regular Minutes with links DRAFT

RESULT: **ADOPTED**
MOVER: Mark Johnson
SECONDER: Michelle Bonczek
AYES: Hawkins, Rodriguez, Bonczek, Duval, Johnson

PUBLIC HEARING ITEMS (WHITE SPEAKER FORMS)

4. **26-3432** Public Hearing and Final Approval of the Hernando County Schools Volunteer Handbook. This item received tentative approval at the December 9, 2025 Workshop.

Attachments: ~Volunteer Handbook Strikethrough 26 342_26 3348
~Volunteer Handbook Clean Copy for 263432_263348
budget sheet no financial impact

RESULT: **ADOPTED**
MOVER: Michelle Bonczek
SECONDER: Mark Johnson
AYES: Hawkins, Rodriguez, Bonczek, Duval, Johnson

No one came forward to speak on this item.

EXPULSION RECOMMENDATIONS

5. **26-3499** Enter a Final Order Expelling the Student in Case No. E2026-12-01 for the remainder of the 2025-2026 school year with educational services.

Attachments: Budget Sheet Sept 2021 Revised NO Financial Impact ACC

RESULT: **ADOPTED**
MOVER: Michelle Bonczek
SECONDER: Susan Duval
AYES: Hawkins, Rodriguez, Bonczek, Duval, Johnson

6. **26-3500** Enter a Final Order Expelling the Student in Case No. E2026-12-02 for one (1) year with educational services.

Attachments: Budget Sheet Sept 2021 Revised NO Financial Impact ACC

RESULT: **ADOPTED**
MOVER: Michelle Bonczek
SECONDER: Susan Duval
AYES: Hawkins, Rodriguez, Bonczek, Duval, Johnson

7. **26-3520** Enter a Final Order Expelling the Student in Case No. E2026-12-03 for one (1) year with educational services.

Attachments: Budget Sheet Sept 2021 Revised NO Financial Impact ACC

RESULT: **ADOPTED**
MOVER: Susan Duval
SECONDER: Michelle Bonczek
AYES: Hawkins, Rodriguez, Bonczek, Duval, Johnson

CITIZEN INPUT ON AGENDA ITEMS (GREEN SPEAKER FORMS)

8. **26-3517** Citizen Input on agenda items (Green Form)

Attachments: Citizen Input Speaker Green Form 110917 ACC

Ms. Mockler read the instructions for this item. The following citizen came forward to speak:
Lisa Masserio - item #9. 26-3532 Approval of the Personnel Recommendations.

Ms. Duval asked if the current vacancies can be listed on the personnel recommendations on the last meeting of each month.

ADOPTION OF CONSENT AGENDA (Item # 9-28)

Item #16. 26-3536: Amend the approval for the Overnight Field Trip for F.W. Springstead High School Students to Attend the Florida Music Educator Association Conference in Tampa, Florida from January 15, 2026 through January 17, 2026, was pulled for discussion by Shannon Rodriguez.

RESULT: **APPROVED THE CONSENT AGENDA**
MOVER: Susan Duval
SECONDER: Mark Johnson
AYES: Hawkins, Rodriguez, Bonczek, Duval, Johnson

Personnel Recommendations

9. **26-3532** Approval of the Personnel Recommendations

Attachments: 25-26 BOARD AGENDA JAN 13
1-13-26 CORE OOF Board Agenda
2026 Inst. Supplements & Differentiated Pay for 1-13-2026
2026 Noninst., PTS & Adm. Supplements for 1-13-2026

All Other Teaching & Learning Agenda Items

10. **26-3470** Approve an overnight field trip for Nature Coast Technical High Schools' Digital Cinema Production class to attend the Student Television Network Convention on 2/28/26 - 3/3/26, in Tampa, Florida.

Attachments: wald budget strip

12. **26-3511** Approval of the Early College Program Contract Between the District Board of Trustees of Pasco-Hernando State College (PHSC) and the District School Board of Hernando County (HCSB)

Attachments: PHSC Early College Program 2026 Hernando County
Budget Sheet Sept 2021 Revised NO Financial Impact ACC

13. **26-3512** Approval of the Agreement Between Hernando County School Board (HCSB) and Suncoast Urgent Care Centers, LLC (Suncoast Urgent Care)

Attachments: Suncoast Urgent Care and HCSB Agreement
State of Florida Affidavit
PUR 1355
Budget Sheet Sept 2021 Revised NO Financial Impact ACC

14. **26-3526** Approve overnight field trip for the Central High School Band Director and one student to Tampa, Florida, for All State Honor Band at FMEA on January 15, 2026.

Attachments: CHS All State Honor Band 011526 - Budget Sheet - AMD

15. **26-3530** Approve an overnight field trip for a DS Parrott Middle School student to attend the All-State Honor Band at the Florida Music Educators Association Conference on January 15 - 17, 2026 in Tampa, Florida.

Attachments: Band Field Trip Budget Sheet

All Other Business Services Agenda Items

17. **26-3503** Approve the Affiliation Agreement with Walden University for interns.

Attachments: Walden-Hernando_County_School_District_Clean_102725
Walden
Affidavit_-_Foreign_Country_of_Concern_(PUR_1355)__updated
2
Walden-
Affidavit_Regarding_the_Use_of_Coercian_for_Labor_Services_u
pdated_1027252
Budget Sheet - NO Financial Impact

Job Descriptions

18. **26-3531** Approve the attached job description for Substitute ESE Therapy Provider.

Attachments: Substitute - ESE Therapy Provider - STRIKE
Substitute - ESE Therapy Provider - CLEAN
Substitue_Salary_Schedule_STRIKE
Substitue_Salary_Schedule_CLEAN
Budget Sheet Sept 2021 Revised NO Financial Impact ACC

All Other Support Operations Agenda Items

19. **26-3501** Approve Out of State Travel for Kelly Downey, Joseph Harrin, Beth Lastra, and Kelly Slusser, of the Fixtures, Furnishings & Equipment (FF&E) Committee, to Charlotte, North Carolina to attend the VS American Experience Days on February 2nd & 3rd, 2026.

Attachments: 26-3501 Feb2-3_Experience Days STD 2026
26-3501 Approved LOA
26-3501 Budget Sheet NO Financial Impact

All Other Purchase Order/Bid Agenda Items

20. **26-3460** Approve the Purchase of Equipment and Curriculum from zSpace for the Agritechnology Program at Hernando High School and Authorize the Issuance of Purchase Orders in an Estimated Amount of $250,000.00

Attachments: zSpace Quote Q38255 Attorney Approved
Standard Addendum to Agreements
State of Florida Affidavit
PUR 1355
Budget Sheet zSpace

21. **26-3461** Approve the Purchase of Certification Prep Curriculum from Knowledge Pillars Education Inc. for Career and Technical Education (CTE) Programs and Authorize the Issuance of Purchase Orders in an Estimated Amount of $85,000.00

Attachments: Knowledge Pillars Quote
Standard Addendum to Agreements
State of Florida Affidavit
PUR 1355
Budget Sheet Knowledge Pillars

22. **26-3509** Approve the renewal of the piggyback of Florida Buy State Cooperative Purchasing, Contract No. 24-135: Audio Visual Integration, awarded to Audio Enhancement and the purchase of audio enhancement, replacement parts and classroom amplification systems and installations for instructional use in classrooms and other areas for an estimated annual spending of up to $55,000.00.

Attachments: 26-3509 Tabulation
26-3509 Budget Sheet

23. **26-3522** Approve the piggyback of Volusia County Schools, Contract No. ITB CPT-24-003CE: Electronic Recycling and Disposal Services, awarded to Vantage Point ITAD as primary vendor and Tech Smart International, LLC as secondary vendor, for the disposal of obsolete electronic equipment.

Attachments: 26-962-31 PB Electronic Recycling (01-13-26)
Budget Sheet Sept 2021 Revised NO Financial Impact ACC

24. **26-3523** Approve the Purchase of Online Digital Curriculum, Practice Tests, and Certification Exams from Certiport, Inc. and Issuance of Purchase Orders in an Estimated Annual Amount of $90,000.00

Attachments: Hernando 121025 Additional Licenses Certiport
Standard Addendum to Agreements
State of Florida Affidavit
PUR 1355
Budget Sheet Certiport

25. **26-3527** Approve the amendment to the contract for Bid #24-725-27: Motorola Mobile/Portable Radios: Installation and Repair Services awarded to Bear Communications, Inc. and Tri-Co Communications, Inc. and authorize the increase in expenditures for an estimated annual spending of $250,000.00.

Attachments: 26-3527 AMEND Motorola Portable Radios 24-725-27
26-3527 Budget Sheet

26. **26-3533** Approve the 2025-2026 Dual Enrollment Agreement Between Saint Leo University (Saint Leo) and the Hernando County School Board and Issuance of a Purchase Order in an Estimated Annual Amount of $80,000.00

Attachments: Hernando County Public Schools Dual Enrollment St Leo
Budget Sheet St Leo

All Other Safe Schools Agenda Items

27. **26-3506** Approve out of state travel for Angel Pagan to attend the SAFE Customer Advisory Board Power User Summit scheduled for February 23-25, 2026, in Salt Lake City, Utah..

Attachments: SAFE AGENDA 26 3506_2026
Pagan leave for SAFE conference
budget sheet _pagan out of state travel SAFE

All Other School Board Agenda Items

28. **26-3528** Approval Requested for out of state travel for a School Board Member to attend the 2026 COSSBA National Conference & UBA Preconference Day from March 11-16, 2026 in Louisville, Kentucky that may exceed $500 per Board Member.

Attachments: COSSBA 2026 - Agenda
COSSBA 2026 Conf- Cost Breakdown
Budget Sheet COSSBA

ITEMS REMOVED FROM CONSENT AGENDA FOR ACTION

11. **26-3494** Approve Field Trip for West Hernando Middle School Thespians Society's Troupe 12068 to Orlando, Florida to Compete at the 2026 Florida Junior State Thespians Festival from February 4 - 8, 2026

Attachments: Budget Sheet 26-3494

This item was deleted from the agenda.

16. **26-3536** Amend the approval for the Overnight Field Trip for F.W. Springstead High School Students to Attend the Florida Music Educator Association Conference in Tampa, Florida from January 15, 2026 through January 17, 2026.

Attachments: SHS Budget Sheet - FMEA Conference 2026

This item was pulled from the agenda by Mrs. Rodriguez. Dana Pearce, Principal of Springstead High School came forward to answer questions addressed by the Board. Much discussion took place on the cost of the hotel room.

The board recessed at 6:48 P.M. and reconvened at 7:10 P.M. Mrs. Hawkins announced that they will move on to citizen's input and come back to item #16 at the end of the meeting.

ADDENDUM ITEMS

CITIZEN INPUT ON GENERAL TOPICS (PINK SPEAKER FORMS)

29. **26-3518** Citizen Input on Hernando County School issues on which the School Board customarily takes action (Pink Form - non-agenda items)

Attachments: Citizen Input Speaker Pink Form 031424 ACC

Ms. Mockler read the instructions for this item. The following citizen came forward to speak: Kimberly Mulrooney.

INFORMATIONAL AGENDA ITEMS

30. **26-3505** Deductive Change Order 002 to the contract with J.E. Dunn Construction Co. for the 30 Classroom Addition for Winding Waters K-8 and Weeki Wachee High School is provided for the Board's information. No board action is required.

Attachments: 26-3505 WWK8 30 Classroom Addition Change Oredr 002
26-3505 Budget Sheet NO Financial Impact

(Continued) ITEMS REMOVED FROM CONSENT AGENDA FOR ACTION

16. **26-3536** Amend the approval for the Overnight Field Trip for F.W. Springstead High School Students to Attend the Florida Music Educator Association Conference in Tampa, Florida from January 15, 2026 through January 17, 2026.

Attachments: SHS Budget Sheet - FMEA Conference 2026

RESULT: **ADOPTED AS AMENDED**
MOVER: Michelle Bonczek
SECONDER: Mark Johnson
AYES: Hawkins, Rodriguez, Bonczek, Duval, Johnson

Mrs. Rodriguez provided an update on this item. Mrs. Pearce came forward to explain the details of this trip after speaking with the band director.

Ms. Duval was able to find out that there is $3,600 in the principal's internal account and stated that this payment should not come out of the band booster fund. Mrs. Pearce stated that it seems like a fair way to handle this. Mr. Johnson made a motion to approve this item with payment coming out of the principal's internal account. Second by Michelle Bonczek. Motion passes 5-0.

GENERAL COUNSEL

SCHOOL BOARD COMMENTS

ADJOURNMENT

This meeting adjourned at 7:34 P.M.

Superintendent **Board Chair**

Mission Statement
The Hernando County School District Collaborates with students, parents and other community stakeholders to effectively prepare all students for a successful transition into a diverse and changing world.

Hernando School District

School Board Regular Meeting

Agenda Item # 6. 26-3541 1/27/2026

Title and Board Action Requested
Enter a Final Order Expelling the Student in Case No. E2026-01-01 for one (1) year.

Executive Summary
The Director of Student Services, on behalf of the Superintendent of Schools, hereby requests the Board expel one student from Endeavor and Discovery Academy for one (1) year for committing Level III violations of the Student Code of Conduct.

My Contact
Jill Kolasa, Director
Student Services
(352) 797-7008

2023-28 Strategic Focus Area
Priority 3: Safe and Healthy Learning Environment

Financial Impact
The cost of this agenda item is $ 0. See attached budget sheet.

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.

Complete Section A **or** B; **and** C

MUST BE COMPLETED IN FULL FOR PLACEMENT CONSIDERATION.
(For Donations, use Section B)

A. Item Currently Budgeted -

Account Name: No Financial Impact

Account Number: Fund | Function | Object | Cost Center | Project | Sub Project

Original Approved Budget	+ -	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$		$		$		$		$		$

Account Name

Account Number: Fund | Function | Object | Cost Center | Project | Sub Project

Original Approved Budget	+ -	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$		$		$		$		$		$

B. Item Currently Not Budgeted -**

Funding Source

Account Name

Account Number: Fund | Function | Object | Cost Center | Project | Sub Project

Amount $

Funding Source

Account Name

Account Number: Fund | Function | Object | Cost Center | Project | Sub Project

Amount $

C. History

Check one:
Prior Year Budget: ○
New for Current Year: ○

Prior Year Approved Budget: $_____

Prior Year Actual Spent: $_____

**** WHEN ITEM NOT CURRENTLY BUDGETED IS APPROVED BY THE SCHOOL BOARD, THIS WILL SERVE AS THE BUDGET AMENDMENT****

Hernando School District

School Board Regular Meeting

Agenda Item # 7. 26-3542 1/27/2026

Title and Board Action Requested
Enter a Final Order Expelling the Student in Case No. E2026-01-02 for one (1) year.

Executive Summary
The Director of Student Services, on behalf of the Superintendent of Schools, hereby requests the Board expel one student from Endeavor and Discovery Academy for one (1) year for committing Level III violations of the Student Code of Conduct.

My Contact
Jill Kolasa, Director
Student Services
(352) 797-7008

2023-28 Strategic Focus Area
Priority 3: Safe and Healthy Learning Environment

Financial Impact
The cost of this agenda item is $ 0. See attached budget sheet.

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.

Complete Section A **or** B; **and** C

MUST BE COMPLETED IN FULL FOR PLACEMENT CONSIDERATION.
(For Donations, use Section B)

A. Item Currently Budgeted -

Account Name: No Financial Impact

Account Number: _____ Fund _____ Function _____ Object _____ Cost Center _____ Project _____ Sub Project

Original Approved Budget	+ -	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$		$		$		$		$		$

Account Name: _____

Account Number: _____ Fund _____ Function _____ Object _____ Cost Center _____ Project _____ Sub Project

Original Approved Budget	+ -	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$		$		$		$		$		$

B. Item Currently Not Budgeted -**

Funding Source: _____

Account Name: _____

Account Number: _____ Fund _____ Function _____ Object _____ Cost Center _____ Project _____ Sub Project

Amount $ _____

Funding Source: _____

Account Name: _____

Account Number: _____ Fund _____ Function _____ Object _____ Cost Center _____ Project _____ Sub Project

Amount $ _____

C. History

Check one:
Prior Year Budget: ○
New for Current Year: ○

Prior Year Approved Budget: $_____

Prior Year Actual Spent: $_____

**** WHEN ITEM NOT CURRENTLY BUDGETED IS APPROVED BY THE SCHOOL BOARD, THIS WILL SERVE AS THE BUDGET AMENDMENT****

Agenda Item # 8. 26-3568 1/27/2026

Title and Board Action Requested
Citizen Input on agenda items (Green Form)

Executive Summary
Please see the attached form if you wish to make a presentation before the School Board for matters that pertain to an item for this meeting.

My Contact
Ray Pinder
Superintendent of Schools

2023-28 Strategic Focus Area
Priority 3: Community Connection

Financial Impact
There is no financial impact

AGENDA ITEM COMMENT FORM FOR SPEAKERS

Failure to complete this form or to sign below will prevent the Citizen Input form from being presented to the Board Chair.

LEGAL NAME/**PRINTED**: _____

LEGAL ADDRESS: _____

PHONE: (_____) _____

Identify agenda item to be addressed:

Ex.) Agenda item #: 10

Agenda item #: _____

Agenda item #: _____

Guidelines:

Limited agenda time and the need to conduct meetings in an orderly fashion require that you adhere to the following Citizen's Input guidelines:

- The speaker will adhere to a three (3) minute time limit per speaker.
- Time may not be yielded to other speakers.
- The Chairperson has the authority to limit discussion if the subject is outside of the authority of the School Board Members regarding an issue that is repetitive or is addressing a legally confidential issue.
- Materials or documents you wish to share with the School Board must be attached to this form.
- The Chairperson may deny all forms submitted after the School Board Meeting is called to order.
- The HCSD Code of Civility will be in effect at all times (see other side).
- The Board typically does not respond to remarks or questions made during Citizen Comments.

My signature is confirmation that I have read, understand, and agree to abide by all guidelines and HCSD Code of Civility:

Signature of speaker: _____

Chairperson's Approval of form: _____

FOR OFFICE USE ONLY:

Date Received: _____

Time Received: _____

Hernando County School Board
CODE OF CIVILITY

The education of our children depends on the ability of the community, parents and staff to share responsibilities, meaningful communication and welcomed participation. Civility reflects the ability of each person to affirm the collective worth of being respectful.

With that, all persons attending or speaking at a school board meeting shall:

- Listen carefully and respectfully
- Not use any offensive gestures, language or profanity
- Not use any threatening words or actions
- Not display any disruptive behaviors, temper or insulting/demeaning words
- Treat others as they would like to be treated
- Never bully, harass or abuse others

*Any lack of civility by any person will result in that person being directed by the Superintendent, or Chairperson, to leave the premises. Failure to follow a directive will result in law enforcement assistance.

Note: The Board typically does not respond to remarks or questions made during citizen input. While no immediate action will be taken by the Board, the Superintendent may follow up the inquiries/comments by directing staff to intervene.

Hernando School District

School Board Regular Meeting

Agenda Item # 9. 26-3555 1/27/2026

Title and Board Action Requested
Approval of the Personnel Recommendations

Executive Summary
The Director of Human Resources, on behalf of the Superintendent of Schools, hereby requests the Board approve the Personnel Recommendations as attached.

My Contact
Alexis Brown
Director of Human Resources
352-797-7070 Ext. 70445
brown_a1@hcsb.k12.fl.us

2023-28 Strategic Focus Area
Priority 2: Talent Management

Financial Impact
See attached budget sheet.

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.

I. CONSENT AGENDA

A. Approval of Personnel Recommendation

1. Instructional Leaves

First Name	Last Name	Position	Site	From	Through
Julie	Brady	Teacher	WWHS	12/08/25	03/24/26
Jack	Bond	School Psychologist	Student Services	12/08/25	2/2/2026
Kimberly	Congdon	Teacher	WWHS	12/04/25	12/19/25
Eve	Cotroneo	Media Specialist	WWK8	01/08/26	03/31/26
Heavenly	Ferreira	Teacher	PGES	03/02/26	06/02/26
Shelby	Gallagher	Teacher	MES	12/04/25	03/13/26
Sandra	Leone	Teacher	PMS	01/15/26	01/30/26
Kim	Moynihan	Teacher	CES	01/05/26	03/27/26
Kathryn	Puccio	Teacher	BES	10/31/25	02/17/26
Dana	Reidinger	Teacher	DES	12/01/25	03/06/26
Hanna	Rich	Teacher	EES	11/07/25	02/11/26
Michelle	Seeholzer	Teacher	BES	12/01/25	12/19/25
Victoria	Seifried	School Social Worker	EES	12/04/25	03/11/26
Lindsay	Weaver	Teacher	CK8	12/09/25	01/23/26

Extension of Previously Approved Leave

First Name	Last Name	Position	Site	From	Through
Rachel	Balfour	Speech/Language Pathologist	ESE	12/10/25	12/16/25

Intermittent Leave

First Name	Last Name	Position	Site	From	Through
Laura	Bartow	Teacher	JDFES	12/08/25	06/02/26
Carlos	Carrasquillo	Teacher	PMS	11/19/25	06/02/26
Jack	O'Grady	Teacher	NCTHS	10/15/25	06/02/26
Tara	Wright	Teacher	HHS	08/22/25	06/02/26

2. Instructional Appointments and Approval of Probationary Contract

First Name	Last Name	Position	Site	Date
Alicia	Bailey	Teacher	BES	12/19/25
Ashleigh	Brunelle	Teacher	WWK8	12/19/25
Nicole	DuBuque	Teacher	PGES	12/19/25
Sindy	Dunlap	Teacher	WWK8	12/19/25
Victor	Jimenez	Teacher	EK8	12/19/25
Kayla	Liggett	Teacher	SHES	12/19/25
Yvette	Novomestky	Teacher	JDFES	12/19/25
Kathleen	Pritchard	Teacher	JDFES	12/19/25
Crystal	Rhine	Teacher	SHES	12/19/25
Rebecca	Smith	Teacher	PGES	12/19/25
Jacqueline	Whitehurst	Teacher	WWK8	12/19/25

3. Approve Out-of-Field Teachers: (Core Subject) See Attached

4. Approve Out-of-Field Teachers: (ESOL) See Attached

5. Instructional Separations

First Name	Last Name	Position	Site	Date	Type
Don	Adams	Teacher	EES	01/23/26	Retirement
Dawn	Patella	Teacher	SHES	02/13/26	Resignation
Jo-Ette	Schau	Speech/language Pathologist	ESE	02/26/26	Retirement

6. Administrative Leaves

Return from Leave Early

First Name	Last Name	Position	Site	Return Date
Stephani	Halstead	Assistant Principal	SHES	01/05/26

7. Non-instructional and Professional/Technical/Supervisory Leaves

First Name	Last Name	Position	Site	From	Through
Jessyal	Acevedo	Pre-K Assistant	CES	01/08/26	03/27/26
Randi	Austin	Paraprofessional	BES	01/06/25	02/13/26
Libia	Bedoya	Environmental Services Tech I	EK8	12/22/25	03/13/26
Maria	Blouin	Secretary II	FWSHS	12/09/25	01/20/26
Olivia	Hallwas	Paraprofessional	DES	12/01/25	03/06/26

Wendy	Hansberry	Paraprofessional	PGES	12/10/25	03/31/26
Olga	Montero	Environmental Services Tech II	CHS	12/02/25	12/23/25
Egla	Rodriguez Cruz	Paraprofessional	DES	01/06/26	04/02/26
Ann	Royer	Bus Attendant	Transportation	12/02/25	05/29/26
Jenna	Thorne	Paraprofessional	BES	02/18/26	05/29/26
Jose	Valladares	Environmental Services Tech I	WHMS	12/02/25	01/30/26

Extension of Previously Approved Leave

First Name	Last Name	Position	Site	From	Through
Therese	Davis	Secretary II	HHS	12/15/25	01/26/26

Intermittent Leave

First Name	Last Name	Position	Site	From	Through
David	Cates	Application Support Specialist	TIS	12/16/25	6/30/2026
Charlotte	Diaz	School Social Worker	Student Services	11/20/25	06/02/26

8. Non-instructional and Professional/Technical/Supervisory Separations

First Name	Last Name	Position	Site	Date	Type
Eric	Bloch	Bus Operator	Transportation	01/09/26	Resignation
Renae	Carnegie	Bus Attendant	Transportation	01/30/26	Retirement
Camden	Coleman	Paraprofessional	BES	12/19/25	Resignation
Gracie	Cornell	Environmental Services Tech I	SHES	01/05/26	Probationary Release
Ayse	Goker	Environmental Services Tech I	FCMS	01/05/26	Resignation
Samantha	Lau	Secretary II	JDFES	01/22/26	Resignation
Maria	Oxemann	Bus Operator	Transportation	12/19/25	Retirement
Marlene	Serra	Environmental Services Tech I	CHS	01/05/26	Resignation
Alicia	Torres	Paraprofessional	HHS	01/16/26	Resignation
Alfredo	Villalobos	Environmental Services Tech I	SES	12/23/25	Resignation

9. Other

Additional Duty, and/or Additional Days/Hours

Name	Position - Site	Activity	Date	Total Hrs	Funding
Teresa Revennaugh	Paraprofessional, HHS	Edgenuity Boot Camp	12/08/25	75	SAC

Adult Education Part Time Teacher(s) for 2025-2026 Year

First Name	Last Name
Corey	Waterman

10. Drop Program Participant(s)

First Name	Last Name	Position	Site	Date
Sherry	Speigle	Teacher	Hernando Eschool	02/01/26
Sara	Toxen	Teacher	EK8	01/01/26

11. Supplements - see attached list(s)

Running Total (Per Attached List) 2025-2026 School Year

$	2,692,640.29	Instructional
$	132,631.29	Noninstructional
$	2,825,271.58	Sub-Total
$	646,422.14	Benefits (22.88%)
$	3,471,693.72	Total

BOARD APPROVED
25-26 CORE OUT OF FIELD

SCHOOL	EMPLOYEE LNAME	EMPLOYEE FNAME	OUT OF FIELD AREA	ASSIGMENT DATE	BOARD APPROVAL DATE
SHES	RHINE	CRYSTAL	ELEM ED	12/19/2025	1/27/2026
WWK8	WHITEHURST	JACQUELINE	ESE	12/19/2025	1/27/2026
PGES	SMITH	REBECCA	ELEM ED	12/19/2025	1/27/2026

2025 - 2026 ESOL: Out-of-Field Teachers

Agenda January 27, 2026

Site	Name		Assignment	Total Points Needed	Required Points This Year
NCTHS	Beeman	Ana	ELA	300	60
MES	Boutin	Brylee	Elem Ed	300	60
WES	Dieter	Emma	ESE	300	60
SHES	Jonas	Megan	Elem Ed	300	60
WWK8	Lynch	Chloe	Elem Ed	300	60
CES	Rosenzweig	Jennifer	Elem Ed	300	60
CK8	Karius	Hunter	Elem Ed	300	60

INSTRUCTIONAL SUPPLEMENTS/DIFFERENTIATED PAY FOR ADDITIONAL DUTIES 2025-2026									
		Board Action 1/27/2026							
Baxter, Honorine	DSPMS	Advanced Degree - MA (eff. 12/15/25)	$ 1,345.17						
Duncan, Donald	CHS	Coach - Wrestling Varsity	$ 2,735.25						
Macias Gonzalez, Steven	HHS	Coach - Softball Head	$ 2,735.25						
Macias Gonzalez, Sheree	HHS	Coach - Softball Asst.	$ 1,590.75						
Alexander, Wyndell	HHS	Coach - Weightlifting Boys Varsity	$ 1,590.75						
Ruppe, Chris	HHS	Coach - Basketball Girls JV (eff 11/24)	$ 1,060.48						
Saul-Fraser, Delonna	PMS	Advanced Degree - MA (eff. 12/12/25)	$ 1,357.86						
Sedlack, John	CHS	Coach - Basketball Boys True Flex	$ 1,590.75						
Carter, Heather	PMS	Lunch Duty - 30 minutes	$ 1,050.00						
Roberts, Tiffany	WWHS	Lunch Duty (split with S.Perkins 94 days)	$ 23.62						
Harris, Marvin	HHS	Coach - Basketball Boys JV Head (eff 12/11)	$ 927.92						
Fields, Lorenzo	HHS	Dept. Head - PE/ROTC/Fine Arts (8) eff 1/5/26	$ 747.40						
Whealton, Susan	DSPMS	Adv. Degree - MA (eff 12/8/25)	$ 1,408.62						
Skinner, Courtney	CHS	Coach - Soccer Boys Asst (eff 11/12/25)	$ 1,101.33						
Haynes, Sydney	CHS	Percussion Technician - Asst to Director	$ 1,590.00						
Fiore, Irene	PGES	Lunch Duty - 30 minutes (eff 10/6/25 50/50 split)	$ 411.02						
Wyckoff, Michelle	PGES	Lunch Duty - 30 minutes (eff 10/6/25 50/50 split)	$ 411.02						
McCaffery, Cerina	DES	Team Leader - 3rd Grade (eff 1/5/26)	$ 693.44						
Gerondidakis, Alexis	CHS	Coach - Volleyball Head (Temp covered for coach on leave)	$ 471.59						
Minnear, Kelly	CHS	Sophomore Class sponsor (was 50/50 - now 100% eff 1/5)	$ 373.80						
Sieber, William	NCTHS	Coach - Wrestling Varsity Girls (Equity)	$ 1,590.75						
Furterer, Zachary	EK8	Choral Director (ended 1/9/26)	$ (633.40)						
Furterer, Zachary	EK8	Band Director M.S. (ended 1/9/26)	$ (1,218.28)						
Patella, Dawn	SHES	Advanced Degree Ended 2/13/26	$ (901.02)						
Mraz, Lindsay	CHS	Sophomore Class sponsor (was 50/50 split - ended 12/19)	$ (373.80)						
Record, Alex	FCMS	Coach - Track Girls (cancelled prior to season)	$ (1,515.15)						
Karczewski, Lynda	DES	Team Leader - 3rd Grade (ended 12/19)	$ (693.44)						
Jones, Latressa	HHS	Dept. Head- PE/ROTC/Fine Arts (8) - ended 12/17/25	$ (762.40)						
Perkins, Stacy	WWHS	Lunch Duty (split w/Roberts - 86 days)	$ (23.62)						
Russell, Alicia	CES	Advanced Degree Ended 1/9/26	$ (1,218.28)						
		Total From Previous Agenda 1/13/26	$ 2,675,172.91						
		Total Instructional Supplement/Differentiated Pay	**$ 2,692,640.29**						

NONINSTRUCTIONAL, PROFESSIONAL/TECHNICAL & ADMINISTRATIVE SUPPLEMENTS 2025-2026			
		Board Action 1/27/2026	
		Total From Previous Agenda 1/13/26	$ 132,631.29
		Total Noninstructional/PTS/Adm. Supplements	$ 132,631.29

Agenda Item # 10. 26-3544 1/27/2026

Title and Board Action Requested
Approve an out of state field trip for Central High School's NJROTC Cadet to Columbia, Missouri, to compete in Navy Nationals Air Rifle competition, on February 11 - 16, 2026.

Executive Summary
The Principal, on behalf of the Superintendent of Schools, hereby requests the Board approval for an out of state field trip for Central High School's NJROTC Cadet to Columbia, Missouri, to compete in Navy Nationals Air Rifle competition, on February 11 - 16, 2026.

My Contact
Kelly Slusser, Principal
Central High School
352-797-7020 xt 20405

Senior Chief Franco Colamarco
Central High School
352-797-7020

2023-28 Strategic Focus Area
Priority 1: Student Success

Financial Impact
See attached budget sheet.

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.

Complete Section A **or** B; **and** C

MUST BE COMPLETED IN FULL FOR PLACEMENT CONSIDERATION.
(For Donations, use Section B)

A. Item Currently Budgeted -

Account Name _____

Account Number

Fund	Function	Object	Cost Center	Project	Sub Project

Original Approved Budget	+ -	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$		$		$		$		$		$

Account Name _____

Account Number

Fund	Function	Object	Cost Center	Project	Sub Project

Original Approved Budget	+ -	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$		$		$		$		$		$

B. Item Currently Not Budgeted -**

Funding Source NJROTC Booster Club

Account Name NJROTC Booster Club

Account Number

Fund	Function	Object	Cost Center	Project	Sub Project
8010E	9800	3330	0251	90800	22810

Amount $ 5,700.00

Funding Source _____

Account Name _____

Account Number

Fund	Function	Object	Cost Center	Project	Sub Project

Amount $ _____

C. History

Check one:
Prior Year Budget: ☐
New for Current Year: ☑

Prior Year Approved Budget: $_____

Prior Year Actual Spent: $ 0.00

**** WHEN ITEM NOT CURRENTLY BUDGETED IS APPROVED BY THE SCHOOL BOARD, THIS WILL SERVE AS THE BUDGET AMENDMENT****

Agenda Item # 11. 26-3553 1/27/2026

Title and Board Action Requested

Approve Overnight Field Trip for West Hernando Middle School Thespians Society's Troupe 12068 to Compete at the 2026 Florida Junior State Thespians Festival from February 4 - 8, 2026 in Orlando, Florida.

Executive Summary

The West Hernando Middle School Principal, Chris Healy, on behalf of the Superintendent of Schools, hereby requests the Board to approve a field trip for West Hernando Middle School Thespians Society's Troupe 12068 to Orlando, Florida to compete at the 2026 Florida Junior State Thespians Festival from February 4 - 8, 2026. Registration and hotel fees, food, and souvenirs will be paid by the students' families.

My Contact

Chris Healy, Principal
West Hernando Middle School
352-797-7035

2023-28 Strategic Focus Area

Priority 1: Student Success

Financial Impact

See attached budget sheet.

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.

Complete Section A or B; and C

MUST BE COMPLETED IN FULL FOR PLACEMENT CONSIDERATION.
(For Donations, use Section B)

A. Item Currently Budgeted -

Account Name: Junior Thespians

Account Number: 8020 (Fund) | 9800 (Function) | 9130 (Object) | 0253 (Cost Center) | 9210 (Project) | 00113 (Sub Project)

Original Approved Budget	+	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$ 3000		$ 3120		$		$ 6120		$ 4620		$ 1500

Account Name: _____

Account Number: _____ (Fund) | _____ (Function) | _____ (Object) | _____ (Cost Center) | _____ (Project) | _____ (Sub Project)

Original Approved Budget	+	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$		$		$		$		$		$

B. Item Currently Not Budgeted -**

Funding Source: _____

Account Name: _____

Account Number: _____ (Fund) | _____ (Function) | _____ (Object) | _____ (Cost Center) | _____ (Project) | _____ (Sub Project)

Amount $ _____

Funding Source: _____

Account Name: _____

Account Number: _____ (Fund) | _____ (Function) | _____ (Object) | _____ (Cost Center) | _____ (Project) | _____ (Sub Project)

Amount $ _____

C. History

Check one:
Prior Year Budget: ☐
New for Current Year: ☐

Prior Year Approved Budget: $_____

Prior Year Actual Spent: $_____

**** WHEN ITEM NOT CURRENTLY BUDGETED IS APPROVED BY THE SCHOOL BOARD, THIS WILL SERVE AS THE BUDGET AMENDMENT****

Agenda Item # 12. 26-3557 1/27/2026

Title and Board Action Requested

Approve the Overnight Athletic Event for F.W. Springstead High School Boys Wrestling Team to Attend the Ippolitto Memorial Wrestling Tournament in Brandon, Florida from February 6, 2026 through February 7, 2026.

Executive Summary

The Principal, Dana Pearce of F.W. Springstead High School, on behalf of the Superintendent of Schools, hereby requests the Board to approve the overnight athletic event for the F.W. Springstead High School boys wrestling team to the Ippolitto Memorial Wrestling Tournament in Brandon, Florida from February 6, 2026 through February 7, 2026.

My Contact

Dana Pearce, Principal of F.W. Springstead High School
352-797-7010 ext. 405
pearce_d@hcsb.k12.fl.us

2023-28 Strategic Focus Area

Priority 1: Student Success

Financial Impact

See attached budget sheet.

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.

4129

HERNANDO COUNTY SCHOOL DISTRICT

Leave of Absence Form

Each Leave of Absence request must be approved by Site Administrator/Supervisor and submitted with the regular payroll.

LAST NAME (Print or Type)	FIRST	INITIAL	EMPLOYEE I.D. NUMBER
Hynes	frank		
POSITION			SCHOOL/COST CENTER
PE Teacher			SHS / 0181

Except in the case of an emergency, all leave, other than sick leave, must be approved in advance. If the request for sick leave is pre-planned (i.e. doctor's appointment), it must be pre-approved. For sick leave absences that are not pre-planned, this form must be completed upon return within five (5) working days.

TO BE COMPLETED BY APPLICANT:

I hereby apply for:

- ☐ Sick Leave
- ☐ Personal Leave (charged to Sick Lv.)
- ☐ Personal Leave (Without Pay)
- ☐ Professional Leave
- ☐ Other _____
- ☐ Worker's Comp
- ☐ Military Leave
- ☐ Vacation Leave
- ☒ Temporary Duty (Attach documentation)
- ☐ Compensatory Time (non-exempt employees only)

This leave is requested: ☐ With Pay ☐ Without Pay ☐ Substitute Needed

*Note: This leave does not constitute any salary in addition to that which the individual would normally receive for the dates indicated herein.

- ☐ Per Diem
- ☐ Registration
- ☐ Mileage
- ☐ Meals
- ☐ Hotel Expense (Single Room Rate)

Number of Hours Requested 30 Hours

Purpose/Benefit (DO NOT use acronyms) Coach - Wrestling

Destination _____

BEGINNING	ENDING
Day of Week _____ Time 7 AM _____ PM Date 2/6/26	Day of Week Sat Time _____ AM 11 PM Date 2/7/26

SOURCE OF FUNDS

SUBSTITUTE CHARGED TO:					TRAVEL EXPENSE CHARGED TO:				
FUND	FUNCTION	OBJECT	CENTER	PROJECT	FUND	FUNCTION	OBJECT	CENTER	PROJECT

✗ Signature of Applicant _____ Date 12/11/25

FOR OFFICE USE ONLY:

Site Administrator/Supervisor Dana Pearce ☒ APPROVED ☐ NOT APPROVED Date 12/12/25

Project Director (if applicable) _____ Date _____

TO BE COMPLETED BY PRINCIPAL OR SUPERVISOR AND SUBMITTED WITH THE REGULAR PAYROLL.

This leave constitutes _____ hour(s) for the regular employee listed above.

Name of substitute(s) (if any):

Amount of Time substituting:

_____ _____ hours: _____ days.

_____ _____ hours: _____ days.

DISTRIBUTION:
White : Payroll
Yellow : Applicant (Attach to Travel Reimbursement form)

IN State Overnight

HERNANDO COUNTY SCHOOL DISTRICT

Leave of Absence Form

Each Leave of Absence request must be approved by Site Administrator/Supervisor and submitted with the regular payroll.

LAST NAME (Print or Type)	FIRST	INITIAL	EMPLOYEE I.D. NUMBER
LAROCCA	Michael		
POSITION			SCHOOL/COST CENTER
Wrestling Coach			SHS 10181

Except in the case of an emergency, all leave, other than sick leave, must be approved in advance. If the request for sick leave is pre-planned (i.e. doctor's appointment), it must be pre-approved. For sick leave absences that are not pre-planned, this form must be completed upon return within five (5) working days.

TO BE COMPLETED BY APPLICANT:

I hereby apply for:

This leave is requested: ☐ With Pay ☐ Without Pay ☐ Substitute Needed

- ☐ Sick Leave
- ☐ Personal Leave (charged to Sick Lv.)
- ☐ Personal Leave (Without Pay)
- ☐ Professional Leave
- ☐ Other _____
- ☐ Worker's Comp
- ☐ Military Leave
- ☐ Vacation Leave
- ☒ Temporary Duty (Attach documentation)
- ☐ Compensatory Time (non-exempt employees only)

*Note: This leave does not constitute any salary in addition to that which the individual would normally receive for the dates indicated herein.

- ☐ Per Diem
- ☐ Registration
- ☐ Mileage
- ☐ Meals
- ☐ Hotel Expense (Single Room Rate)

Number of Hours Requested 36

Purpose/Benefit (DO NOT use acronyms) Wrestling Tournament

Destination Ippolito Memorial

BEGINNING	ENDING
Time 6 AM ____ PM	Time ____ AM 8 PM
Day of Week Friday Date 2/6/26	Day of Week Sat. Date 2/7/26

SOURCE OF FUNDS

SUBSTITUTE CHARGED TO:					TRAVEL EXPENSE CHARGED TO:				
FUND	FUNCTION	OBJECT	CENTER	PROJECT	FUND	FUNCTION	OBJECT	CENTER	PROJECT

Signature of Applicant _____ Date 1/12/26

FOR OFFICE USE ONLY: ☐ APPROVED ☐ NOT APPROVED

Site Administrator/Supervisor Dana Pearce Date 1/12/26

Project Director (if applicable) _____ Date _____

TO BE COMPLETED BY PRINCIPAL OR SUPERVISOR AND SUBMITTED WITH THE REGULAR PAYROLL.

This leave constitutes _____ hour(s) for the regular employee listed above.

Name of substitute(s) (if any): Amount of Time substituting:

_____ _____ hours: _____ days.

_____ _____ hours: _____ days.

SO-Per-025
November 2020
Reorder from Printing

DISTRIBUTION:
White : Payroll
Yellow : Applicant (Attach to Travel Reimbursement form)
Pink : Applicant
Gold : Site Administrator

Complete Section A **or** B; **and** C

MUST BE COMPLETED IN FULL FOR PLACEMENT CONSIDERATION.
(For Donations, use Section B)

A. Item Currently Budgeted -

Account Name: Wrestling

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project
	8020	9800	3320	0181	92000	03320

Original Approved Budget	+ - Budget Amendments	- Expenditures / Encumbrances To Date	= Current Available Budget	- Present Request	= Remaining Balance Available
$ 10,761.54	$	$	$ 10,761.54	$ 2,200.00	$ 8,561.54

Account Name: _____

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project

Original Approved Budget	+ - Budget Amendments	- Expenditures / Encumbrances To Date	= Current Available Budget	- Present Request	= Remaining Balance Available
$	$	$	$	$	$

B. Item Currently Not Budgeted -**

Funding Source: _____

Account Name: _____

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project

Amount $ _____

Funding Source: _____

Account Name: _____

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project

Amount $ _____

C. History

Check one:
Prior Year Budget: ○
New for Current Year: ◉

Prior Year Approved Budget: $_____

Prior Year Actual Spent: $_____

**** WHEN ITEM NOT CURRENTLY BUDGETED IS APPROVED BY THE SCHOOL BOARD, THIS WILL SERVE AS THE BUDGET AMENDMENT****

Agenda Item # 13. 26-3559 1/27/2026

Title and Board Action Requested

Approve the Overnight Athletic Event for F.W. Springstead High School Boys Wrestling Team to Attend the Colby Memorial Wrestling Tournament in Estero, Florida from January 30, 2026 through January 31, 2026.

Executive Summary

The Principal, Dana Pearce of F.W. Springstead High School, on behalf of the Superintendent of Schools, hereby requests the Board to approve the overnight athletic event for the F.W. Springstead High School boys wrestling team to the Colby Memorial Wrestling Tournament in Estero, Florida from January 30, 2026 through January 31, 2026.

My Contact

Dana Pearce, Principal of F.W. Springstead High School
352-797-7010 ext. 405
pearce_d@hcsb.k12.fl.us

2023-28 Strategic Focus Area

Priority 1: Student Success

Financial Impact

See attached budget sheet.

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.

4/2

HERNANDO COUNTY SCHOOL DISTRICT

Leave of Absence Form

Each Leave of Absence request must be approved by Site Administrator/Supervisor and submitted with the regular payroll.

LAST NAME (Print or Type)	FIRST	INITIAL	EMPLOYEE I.D. NUMBER
Hynes	frank		
POSITION			SCHOOL/COST CENTER
PE Teacher			SHS / 0181

Except in the case of an emergency, all leave, other than sick leave, must be approved in advance. If the request for sick leave is pre-planned (i.e. doctor's appointment), it must be pre-approved. For sick leave absences that are not pre-planned, this form must be completed upon return within five (5) working days.

TO BE COMPLETED BY APPLICANT:

I hereby apply for:

- ☐ Sick Leave
- ☐ Personal Leave (charged to Sick Lv.)
- ☐ Personal Leave (Without Pay)
- ☐ Professional Leave
- ☐ Other _____
- ☐ Worker's Comp
- ☐ Military Leave
- ☐ Vacation Leave
- ☒ Temporary Duty (Attach documentation)
- ☐ Compensatory Time (non-exempt employees only)

This leave is requested: ☐ With Pay ☐ Without Pay ☐ Substitute Needed

*Note: This leave does not constitute any salary in addition to that which the individual would normally receive for the dates indicated herein.

- ☐ Per Diem
- ☐ Mileage
- ☐ Meals
- ☐ Registration
- ☐ Hotel Expense (Single Room Rate)

Number of Hours Requested 24 Hours

Purpose/Benefit (DO NOT use acronyms) Coach - Box V. Wrestling

Destination _____

BEGINNING	ENDING
Time 6 AM _____ PM	Time 12 AM _____ PM
Day of Week FRI Date 1/30/26	Day of Week Sat Date 1/31/26

SOURCE OF FUNDS

SUBSTITUTE CHARGED TO:

FUND	FUNCTION	OBJECT	CENTER	PROJECT

TRAVEL EXPENSE CHARGED TO:

FUND	FUNCTION	OBJECT	CENTER	PROJECT

✗ Signature of Applicant Frank Hynes Date 12/11/25

FOR OFFICE USE ONLY: ☒ APPROVED ☐ NOT APPROVED

Site Administrator/Supervisor Darren Rivera Date 12/12/25

Project Director (if applicable) _____ Date _____

TO BE COMPLETED BY PRINCIPAL OR SUPERVISOR AND SUBMITTED WITH THE REGULAR PAYROLL.

This leave constitutes _____ hour(s) for the regular employee listed above.

Name of substitute(s) (if any): Amount of Time substituting:

_____ _____ hours: _____ days.

_____ _____ hours: _____ days.

DISTRIBUTION:
White : Payroll
Yellow : Applicant (Attach to Travel Reimbursement form)

Regular Season Athletic IN State overn.

HERNANDO COUNTY SCHOOL DISTRICT

Leave of Absence Form

Each Leave of Absence request must be approved by Site Administrator/Supervisor and submitted with the regular payroll.

LAST NAME (Print or Type)	FIRST	INITIAL	EMPLOYEE I.D. NUMBER
LAROCCA	Michael		
POSITION			**SCHOOL/COST CENTER**
Wrestling Coach			SHS 1015

Except in the case of an emergency, all leave, other than sick leave, must be approved in advance. If the request for sick leave is pre-planned (i.e. doctor's appointment), it must be pre-approved. For sick leave absences that are not pre-planned, this form must be completed upon return within five (5) working days.

TO BE COMPLETED BY APPLICANT:

I hereby apply for:

This leave is requested: ☐ With Pay ☐ Without Pay ☐ Substitute Needed

- ☐ Sick Leave
- ☐ Personal Leave (charged to Sick Lv.)
- ☐ Personal Leave (Without Pay)
- ☐ Professional Leave
- ☐ Other _____
- ☐ Worker's Comp
- ☐ Military Leave
- ☐ Vacation Leave
- ☒ Temporary Duty (Attach documentation)
- ☐ Compensatory Time (non-exempt employees only)

*Note: This leave does not constitute any salary in addition to that which the individual would normally receive for the dates indicated herein.

- ☐ Per Diem
- ☐ Registration
- ☐ Mileage
- ☐ Hotel Expense (Single Room Rate)
- ☐ Meals

Number of Hours Requested 36

Purpose/Benefit (DO NOT use acronyms) Wrestling Tournament

Destination Colby Memorial

BEGINNING	ENDING
Time 6 AM ____ PM	Time ____ AM 8:00 PM
Day of Week Friday Date 1/30/26	Day of Week Sat. Date 1/31/26

SOURCE OF FUNDS

SUBSTITUTE CHARGED TO:					TRAVEL EXPENSE CHARGED TO:				
FUND	FUNCTION	OBJECT	CENTER	PROJECT	FUND	FUNCTION	OBJECT	CENTER	PROJECT

✗ Signature of Applicant _____ Date _____

FOR OFFICE USE ONLY: ☒ APPROVED ☐ NOT APPROVED

Site Administrator/Supervisor Dana Pearce Date _____

Project Director (if applicable) _____ Date _____

TO BE COMPLETED BY PRINCIPAL OR SUPERVISOR AND SUBMITTED WITH THE REGULAR PAYROLL.

This leave constitutes _____ hour(s) for the regular employee listed above.

Name of substitute(s) (if any): Amount of Time substituting:

_____ _____ hours: _____ days.

_____ _____ hours: _____ days.

SO-Per-025
November 2020
Reorder from Printing

DISTRIBUTION:
White : Payroll
Yellow : Applicant (Attach to Travel Reimbursement form)
Pink : Applicant
Gold : Site Administrator

Complete Section A or B; and C

MUST BE COMPLETED IN FULL FOR PLACEMENT CONSIDERATION.
(For Donations, use Section B)

A. Item Currently Budgeted -

Account Name: Wrestling

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project
	8020	9800	3320	0181	92000	03320

Original Approved Budget	+ - Budget Amendments	- Expenditures / Encumbrances To Date	= Current Available Budget	- Present Request	= Remaining Balance Available
$ 12,406.54	$	$	$ 12,406.54	$ 2129.08	$ 10,277.46

Account Name: _____

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project

Original Approved Budget	+ - Budget Amendments	- Expenditures / Encumbrances To Date	= Current Available Budget	- Present Request	= Remaining Balance Available
$	$	$	$	$	$

B. Item Currently Not Budgeted -**

Funding Source: _____

Account Name: _____

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project

Amount $ _____

Funding Source: _____

Account Name: _____

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project

Amount $ _____

C. History

Check one:
Prior Year Budget: ○
New for Current Year: ◉

Prior Year Approved Budget: $_____

Prior Year Actual Spent: $_____

**** WHEN ITEM NOT CURRENTLY BUDGETED IS APPROVED BY THE SCHOOL BOARD, THIS WILL SERVE AS THE BUDGET AMENDMENT****

Agenda Item # 14. 26-3429 1/27/2026

Title and Board Action Requested
Approval to Accept the 2024-2025 Annual Comprehensive Financial Report

Executive Summary
The Chief Financial Officer, on behalf of the Superintendent of Schools, hereby requests the Board Annual Comprehensive Financial Report.

The Governmental Accounting Standards Board (GASB) has stated that governmental entities should publish an Annual Comprehensive Financial Report.

The Annual Comprehensive Financial Report serves as the School District's official annual report which includes an introductory section, a financial section, statistical section, and compliance section. This report provides useful information for taxpayers, bondholders, and rating agencies, as to the financial condition of the School District.

The Annual Comprehensive Financial Report also includes the audit report for the fiscal year ended June 30, 2025.

My Contact
Dionne Makinson
Coordinator of Finance
(352) 797-7070 ext. 70417

Joyce McIntyre
Chief Financial Officer
(352) 797-7070 ext. 70437

2023-28 Strategic Focus Area
Priority 5: Fiscal Transparency and Capital Planning

Financial Impact
The cost for the GFOA Certificate of Achievement for Excellence in Financial Reporting Award Program is $910.

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.

THE DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025



ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF

THE DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA

FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

HERNANDO SCHOOL DISTRICT
Learn it. Love it. Live it.

PREPARED BY:
FINANCE DEPARTMENT


HERNANDO
SCHOOL DISTRICT
Learn it. Love it. Live it.

District School Board of Hernando County, Florida
Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2025

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INTRODUCTORY SECTION




HERNANDO
SCHOOL DISTRICT
Learn it. Love it. Live it.

The School District of Hernando County, Florida
Finance Department
919 N. Broad Street
Brooksville, FL 34601
Phone: (352) 797-7004
Fax: (352) 797-7104

Superintendent: *Ray Pinder*
Board Chairperson: *Kayce Hawkins*
Vice Chairperson: *Shannon Rodriguez*
Board Members:
Michelle Bonczek
Susan Duval
Mark Johnson

HERNANDO SCHOOL DISTRICT

Learn it. Love it. Live it.

December 19,2025

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

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

The Annual Comprehensive Financial Report of the District School Board of Hernando County, Florida (District) for the fiscal year ended June 30, 2025, is submitted herewith. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to set forth fairly the financial position and the changes in financial position of the District as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the District's financial affairs have been included. The responsibility for the preparation of the accompanying financial statements and other information contained in this report, based on the above standards, rests with the District's management.

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

The Florida Auditor have independently audited the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ending June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.
The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion on the District's financial statements for the fiscal year ended June 30, 2025. The independent auditor's report on financial statements is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District is part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grant agencies. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The standards of governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. Information related to this single audit, including the Schedule of Expenditures of Federal Awards (SEFA), schedule of findings and questioned costs, summary schedule of prior audit findings, and the independent auditor's reports on the system of internal control and on compliance with applicable requirements, is included in the compliance section.

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

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

PROFILE OF THE DISTRICT

The District and its governing Board were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by the District school officials in accordance with Chapter 1001.30, Florida Statutes. The Board consists of five elected officials responsible for the adoption of policies, which govern the operation of public schools in Hernando County. The Superintendent of Schools is responsible for the administration and management of the schools within the applicable parameters of Florida Statutes, State Board of Education Rules, and District policies. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts in the District by State Board of Education Rule 6A-1.001, Florida Administrative Code.

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

Accordingly, included in the reporting entity are the Hernando County Education Direct Support Organization, Inc., (Foundation) a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, and the three charter schools, Brooksville Engineering, Science & Technology, Inc., Gulf Coast Elementary School, Inc., and Gulf Coast Academy of Science and Technology, Inc. The charter schools are not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The Charter Schools are funded through the District with FEFP funds. Both the Foundation and the charter schools are included as discretely presented component units in the accompanying financial statements. Additional information regarding these component units can be found in the notes to the financial statements.

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

During the 2024-2025 fiscal year, the District had 26 schools, including 10 elementary schools, 4 middle schools, 5 high schools, 3 K-8 schools (Challenger K-8, Explorer K-8, and Winding Waters K-8), 1 alternative school, and 3 charter schools, and served approximately 23,925 prekindergarten through adult students. The projected prekindergarten through grade 12 student enrollment for fiscal year 2025-2026 is 26,356 unweighted full-time equivalent students. The average age of the school buildings within the District is approximately 37.5 years.

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

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Economic Conditions

Hernando County has experienced limited population growth, increasing 14.3 percent or 28,475 since the 2020 census. The County's current population as of April 1, 2020, is 194,515 with anticipated growth estimated to be 229,118 in the year 2030 and 251,320 in the year 2040. The median age is 47.4 years.

The local area economy continues to be affected by the national and State economic downturn. Unemployment rate increased during 2024-2025 to 4.0 percent for Hernando County and 2.9 percent for the State as of January 2025. The County's rate is lower than the national average of 4.1 percent during the same period.

The final property tax roll for Hernando County increased approximately $1.30 million or 7.26 percent, bringing the tax roll to $19.24 billion for the 2024-2025 fiscal year.

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

The District recognizes that the continued enhancement of the local economy is of mutual benefit to both the District and the County and that an excellent system of public education is a significant factor in attracting new business and industry to the County. The District remains Hernando County's largest employer, employing 3,127 full-time employees, including 1,505 instructional personnel.

Long-Term Financial Planning

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

Relevant Financial Policies

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

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

ACADEMIC ACCOMPLISHMENTS

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

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

Student achievement is measure by the District's graduation and drop-out rates. Graduation Rates are released by the State in late fall each year. According to the annual report of graduation rates, the 2025 graduation rate for Hernando School District is 88.1%, a decrease of 0.9 percentage points over last year's rate and increase of 2.40 percentage points about the state's average.

More than 49 percent of Hernando County School District teachers have earned master's degrees or higher. Additionally, the District has 31 teachers who have successfully completed the rigorous and time-intensive program of the National Board of Professional Teaching Standards. To achieve the highly esteemed National Certification, teachers are required to provide a portfolio of information regarding teaching styles, examples of work performed by students, and successfully pass an examination.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District School Board of Hernando County for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. This was the twenty-second consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

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

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

Respectfully submitted,

Ray Pinder
Superintendent of Schools

Joyce McIntyre
Chief Financial Officer

Dionne Makinson
Coordinator of Finance

District School Board of Hernando County, Florida

List of Principal Officials

School Board Members and Superintendent

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



Mark Johnson
District 1
Member Since Nov. 2022



Kacie Hawkins
District 2
Member Since Nov 2024



Shannon Rodriguez
District 3
Member Since Nov. 2022



Michelle Bonczek
District 4
Member Since Nov 2024



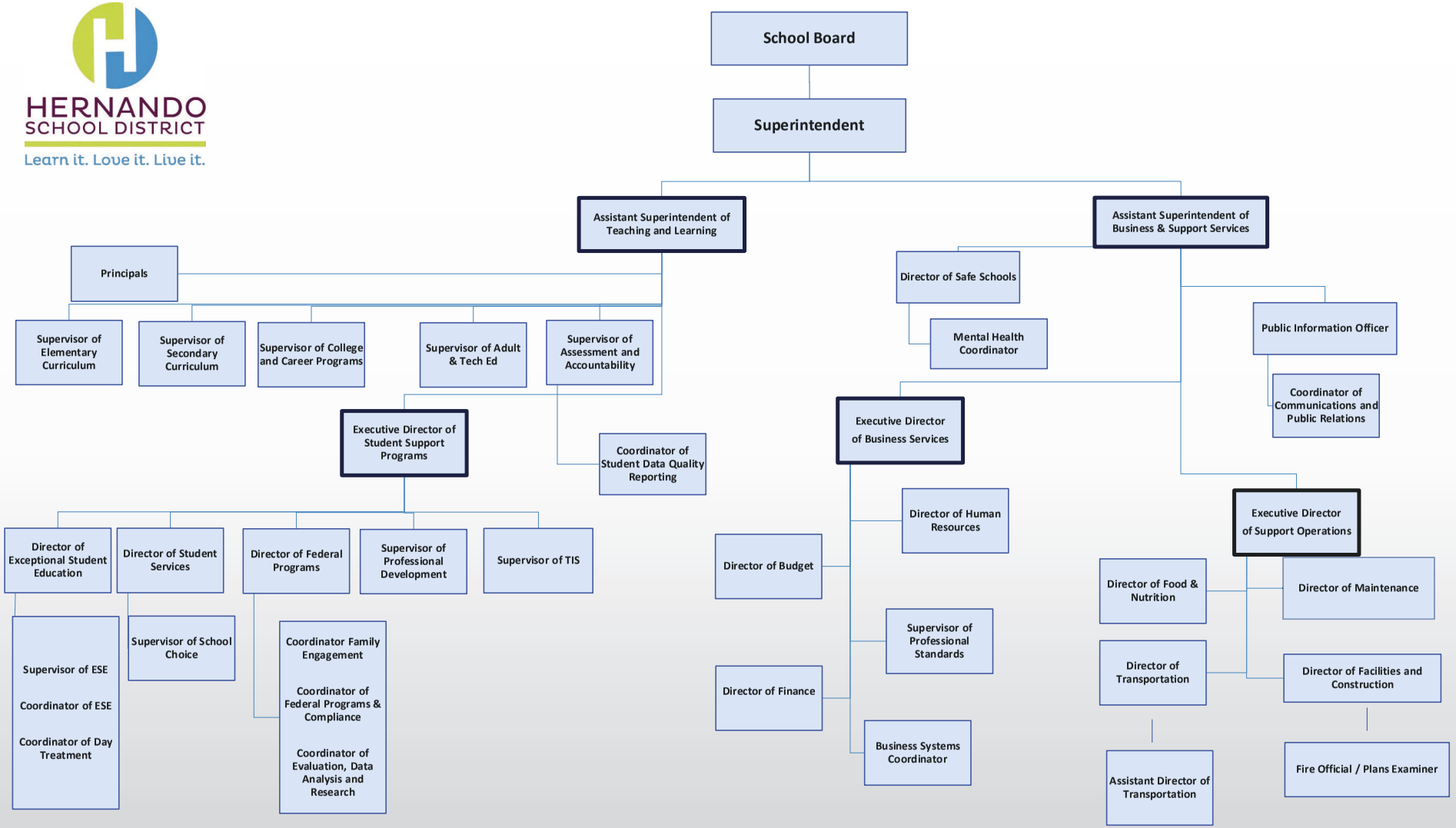
Susan Duval
District 5
Member Since Nov. 2014



Ray Pinder
Superintendent

HERNANDO SCHOOL DISTRICT

Learn it. Love it. Live it.



Current Structure (represents Coordinator level and above)

Bold outer line indicates Cabinet member

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

District School Board of Hernando County Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO


HERNANDO
SCHOOL DISTRICT
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FINANCIAL SECTION


HERNANDO
SCHOOL DISTRICT
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PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Hernando County District School Board (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the three charter schools, which represent 52.19%, 28.40%, and 61.00%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2025, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the three charter schools, are based solely on the report of the other auditors.

Basis for Opinions

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. 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 District 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.

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

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities 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 generally accepted auditing standards 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 generally accepted auditing standards 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

INDEPENDENT AUDITOR'S REPORT

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, required pension and other postemployment benefits related schedules, and major fund budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements.

Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual non-major fund financial statements, combining non-major component units, other budgetary comparison schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 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 expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

INDEPENDENT AUDITOR'S REPORT

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control over financial reporting and compliance.

Purvis Gray

December 19, 2025
Ocala, Florida

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2025

The management of the Hernando County District School Board (the District) has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2025. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, and should be considered in conjunction with the District's financial statements and notes to financial statements found immediately following the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2024-2025 fiscal year are as follows:

- Total Net Position is $404,868,273 which represents an 9.38 percent increase from the 2023-2024 fiscal year.

- General revenues totaled $325,168,295 or 94.3 percent, of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital gains and contributions total $19,756,086 or 5.7 percent, of all revenues.

- Expenses total $310,673,736 only $19,756,086 of these expenses were offset by program revenues, with the remainder paid from general revenues.

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $404,868,273.

- The total combined assigned and unassigned fund balance of the General Fund representing the net fund balance that is spendable and not restricted, totals $23,357,022, or 9.9 percent, of total General Fund revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The statement of activities presents information about the change in the District's net position, and the results of operations during the fiscal year. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

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

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

The government-wide financial statements can be found on pages 15-16 of this report.

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

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

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

  The District maintains 12 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue – Other Federal Program, Special Revenue – Federal Education Stabilization Fund, Capital Projects – Local Capital Improvement Fund, and Capital Projects – Other Capital Projects Fund, all of which are considered to be major funds.

Data from the other seven governmental funds are combined into a single, aggregated presentation.

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

The basic governmental fund financial statements and the major budgetary comparison schedules presented as required supplementary information can be found on pages 18-23 and 57-66.

Notes to Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 24-55 of this report.

Required Supplementary Information. In addition to this management's discussion and analysis, this report also presents certain required supplementary information concerning the District's progress in funding its obligations to provide postemployment benefits other than pensions to its employees. The schedule of funding progress, other postemployment benefits plan, and required supplementary information can be found on pages 56-71 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary Information. Combining and individual fund statements and other schedules can be found on pages 72-86 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the District's net position as of June 30, 2025, compared to net position as of June 30, 2024.

Net Position, End of Year

	Governmental Activities	
	June 30, 2025	June 30, 2024
Current and Other Assets	$ 171,603,224	$ 169,025,563
Capital Assets	475,233,703	448,753,260
Total Assets	646,836,927	617,778,823
Deferred Outflows of Resources	48,802,369	47,492,956
Long-Term Liabilities	258,346,682	276,442,480
Other Liabilities	6,905,745	2,476,489
Total Liabilities	265,252,427	278,918,969
Deferred Inflows of Resources	25,518,596	16,207,289
Net Position:		
Net Investment in Capital Assets	385,528,478	357,131,382
Restricted	138,780,203	118,128,420
Unrestricted	(119,440,408)	(105,114,281)
Total Net Position	$ 404,868,273	$ 370,145,521

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

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2025 and June 30, 2024, are as follows:

Changes in Net Position from Operating Results

	Governmental Activities	
	June 30, 2025	June 30, 2024
Revenues:		
Program Revenues:		
Charges for Services	$ 693,727	$ 1,093,530
Operating Grants and Contributions	17,954,440	17,655,934
Capital Grants and Contributions	1,107,919	3,045,661
General Revenues:		
Property Taxes	116,882,466	109,860,553
Local Sales Tax	19,208,526	18,599,588
Grants and Contributions Not Restricted to Specific Programs	160,244,360	176,632,470
Unrestricted Investment Earnings	6,871,424	7,187,827
Miscellaneous	21,961,519	17,172,115
Total Revenues	344,924,381	351,247,678
Functions/Program Expenses:		
Instruction	$ 163,524,838	$ 169,682,034
Student Personnel Services	14,768,656	14,750,491
Instructional Media Services	2,296,647	2,251,330
Instruction and Curriculum Development Services	9,704,317	9,497,832
Instructional Staff Training Services	2,446,147	2,364,542
Instruction Related Technology	1,330,679	1,169,597
Board	806,484	1,077,590
General Administration	3,383,610	4,500,329
School Administration	16,820,790	17,835,073
Facility Services - Non-Capitalized	4,109,965	4,699,925
Fiscal Services	937,821	1,163,280
Food Services	17,925,985	18,419,936
Central Services	4,880,671	4,626,260
Student Transportation Services	11,847,836	11,728,762
Operation of Plant	21,212,589	25,920,175
Maintenance of Plant	7,294,407	8,450,007
Administrative Technology Services	4,910,339	3,987,751
Community Services	179,356	20,245
Unallocated Interest on Long-Term Debt	2,661,456	2,955,043
Unallocated Depreciation Expense	19,631,143	18,245,254
Total Functions/Program Expenses	310,673,736	323,345,456
Change in Net Position	34,250,645	27,902,222
Net Position, Beginning	370,617,628	342,715,406
Net Position, Ending	$ 404,868,273	$ 370,617,628

The total governmental net position increased by $34,250,645 during the current year, as compared to a net increase of $27,902,222 in the previous year. Total revenues decreased by $6,323,297 compared to the prior year. The decrease in revenue was mainly due to decrease in grants and contributions not restricted to specific programs totaled $16,388,110. District expenses decreased by $12,671,720. Direct instructional expenses, including school administration, decreased $6,157,196. Expenses for interest and unallocated depreciation decreased by $1,385,889.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $163,752,670, an increase of $3,659,768 in comparison with the prior year. The following schedule indicates the fund balances and changes in fund balances by major fund and other governmental (non-major) funds as reported in the basic financial statements for the fiscal years ended June 30, 2025 and June 30, 2024.

Fund Balance	June 30, 2025	June 30, 2024	Increase (Decrease)	Percentage Change
Major Governmental Funds:				
General Fund	$ 35,177,806	$ 48,032,822	$ (12,855,016)	-26.76%
Other Federal Programs				
Capital Projects Funds:				
Local Capital Improvement Fund	44,117,140	29,391,987	14,725,153	50.10%
Public Education Capital Outlay	0	2,965,421	(2,965,421)	-100.00%
Other Capital Projects	56,836,916	52,736,166	4,100,750	7.78%
Other Governmental Funds (nonmajor)	27,620,808	26,966,506	654,302	2.43%
Total Fund Balance	$ 163,752,670	$ 160,092,902	$ 3,659,768	2.29%

General Fund. The General Fund is the primary operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $13,453,936 while total fund balance was $35,177,806. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total revenues. Unassigned fund balance represents 6 percent of General Fund revenues, while total assigned and unassigned fund balance represents 9.9 percent of that same amount.

During the current fiscal year, the total fund balance of the General Fund decreased by 12,855,016. The Districts' property revenues increase 7% due to higher property values.

Capital Projects – Local Capital Improvements Fund. The fund balance of the Capital Projects – Non-Voted Capital Improvements Fund increased by $14,725,153 to $44,117,140. This increase was primarily due to a decrease in transfers out for the payment of maintenance and site improvements.

Capital Projects – Other Fund. The fund balance of the Capital Projects – Other Fund increased by $4,100,750 to $56,836,916. This fund is restricted for educational capital outlay needs, including new construction, renovations and remodeling projects, and debt service payments.

The following schedule shows the changes in General Fund revenues and transfers in for fiscal years ended June 30, 2025 and June 30, 2024:

General Fund Revenues and Other Financing Sources Sources	June 30, 2025	June 30, 2024	Increase (Decrease)	Percentage Change
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	$ 228,846	$ 225,017	$ 3,829	1.70%
Miscellaneous Federal Direct	809	-	809	100.00%
Federal through State Sources:	-	-		
Medicaid	897,360	1,350,375	(453,015)	-33.55%
Other Federal through State Sources	145,882	282,577	(136,695)	-48.37%
State Sources:	-			
Florida Education Finance Program (FEFP)	114,322,427	112,135,945	2,186,482	1.95%
Categorical Programs	24,364,683	24,387,481	(22,798)	-0.09%
Other State Sources	152,626	554,480	(401,854)	-72.47%
Local Sources:	-	-		
Ad Valorem Taxes	88,900,136	83,826,470	5,073,666	6.05%
Interest Income	2,548,165	3,778,943	(1,230,778)	-32.57%
Other Local Sources	4,126,342	5,441,132	(1,314,790)	-24.16%
Total Revenues	$ 235,687,276	$ 231,982,420	$ 3,704,856	1.60%
Other Financing Sources:				
Transfers In	2,351,310	4,596,268	(2,244,958)	-48.84%
Other Financing Sources	195,341	292,601	(97,260)	-33.24%
Total Revenues and Other Financing Sources	$ 238,233,927	$ 236,871,289	$ 1,362,638	0.58%

During the 2024-2025 fiscal year, Revenues and Other Financing Sources (Uses) increased by $1,362,638, or .58 percent. The major impacts to funding were the State Legislature increase in Base Student Allocation and the increase in the number of unweighted full-time equivalent students.

The following schedule shows the changes in General Fund expenditures (by major object) for fiscal years ended June 30, 2025 and June 30, 2024:

General Fund Expenditures by Major Object	June 30, 2025	June 30, 2024	Increase (Decrease)	Percentage Change
Salaries	$ 151,362,482	$ 141,083,535	$ 10,278,947	7.29%
Employee Benefits	50,492,977	46,391,740	4,101,237	8.84%
Purchased Services	24,671,619	22,819,282	1,852,337	8.12%
Energy Services	6,982,968	7,126,633	(143,665)	-2.02%
Materials and Supplies	9,899,675	3,602,999	6,296,676	174.76%
Capital Outlay	4,631,727	9,214,800	(4,583,073)	-49.74%
Other Expenditures	2,239,082	4,793,170	(2,554,088)	-53.29%
Total Expenditures by Major Object	$ 250,280,530	$ 235,032,159	$ 15,248,371	6.49%

General Fund expenditures increased by $15,248,371 or 6.49 percent. The largest portions of General Fund expenditures are for salaries and employee benefits with $201,855,459 expended, or 80.65 percent, of total expenditures in the 2024-2025 fiscal year compared to $187,475,275 or 79.77 percent, in the 2023-2024 fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following schedule shows the changes in General Fund revenues and other financing sources between the original and final budgets for the fiscal year ended June 30, 2025:

General Fund Revenues and Other Financing Sources	Original Budget	Final Budget	Increase (Decrease)	Percentage Change
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	$ 222,836	$ 228,846	$ 6,010	2.70%
Miscellaneous Federal Direct		809	809	100.00%
Federal through State Sources:				
Medicaid	1,265,000	897,360	(367,640)	-29.06%
Other Federal through State Sources		145,882	145,882	100.00%
State Sources:				
Florida Education Finance Program (FEFP)	112,294,022	114,322,427	2,028,405	1.81%
Categorical Programs	23,163,952	24,364,683	1,200,731	5.18%
Other State Sources	19,000	152,626	133,626	703.29%
Local Sources:				
Ad Valorem Taxes	88,155,658	88,900,136	744,478	0.84%
Interest Income	3,300,000	2,548,165	(751,835)	-22.78%
Other Local Sources	2,162,501	4,126,342	1,963,841	90.81%
Other Financing Sources:				
Transfers In	2,338,416	2,351,310	12,894	0.55%
Other Financing Sources		195,341	195,341	100.00%
Total Revenues and Other Financing Sources	$ 232,921,385	$ 238,233,927	$ 5,312,542	2.28%

Final budgeted revenues and other financing sources for the General Fund, when compared to the initial budget, were $5,312,542 or 2.28 percent higher. Categorical Programs increased $1,200,731 than anticipated during budget planning. In addition, actual collections from Other Local Sources resulted in an increase of $1,963,841 in actual revenues due in part to receipt of funds related to insurance refunds and profit share revenues.

General Fund Expenditures By Function	Original Budget	Final Budget	Increase (Decrease)	Percentage Change
Current:				
Instruction	$ 147,515,836	148,567,267	$ 1,051,431	0.71%
Pupil Personnel Services	13,455,842	12,186,470	(1,269,372)	-9.43%
Instructional Media Services	1,659,559	2,316,187	656,628	39.57%
Instruction and Curriculum Development	3,255,363	5,866,270	2,610,907	80.20%
Instructional Staff Training	745,899	872,066	126,167	16.91%
Instruction Related Technology	462,157	1,044,032	581,875	125.90%
School Board	671,694	813,345	141,651	21.09%
General Administration	2,324,241	2,647,043	322,802	13.89%
School Administration	14,916,280	16,942,514	2,026,234	13.58%
Facility Services - Non Capitalized	897,519	1,192,985	295,466	32.92%
Fiscal Services	1,292,205	945,801	(346,404)	-26.81%
Food Services	-	526,719	526,719	0.00%
Central Services	3,989,595	4,920,883	931,288	23.34%
Pupil Transportation Services	9,480,257	11,810,829	2,330,572	24.58%
Operation of Plant	22,374,598	26,127,943	3,753,345	16.78%
Maintenance of Plant	6,896,235	7,204,419	308,184	4.47%
Administrative Related Technology Services	5,064,334	4,950,170	(114,164)	-2.25%
Community Services	21,375	180,885	159,510	746.25%
Fixed Capital Outlay:				
Facilities Acquisition and Construction		1,164,702	1,164,702	100.00%
Total Expenditures by Function	$ 235,022,990	$ 250,280,530	$ 15,257,540	6.49%

The final budgeted expenditures and other financing uses were higher than the original budget by $15,257,540 or 6.49 percent.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets. The District's investment in capital assets for governmental activities as of June 30, 2025, amounts to $791,261,950 (net of accumulated depreciation). This investment in capital assets includes land; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; and construction in progress. The total increase of 40,468,333 in the District's investment in capital assets (net of accumulated depreciation) for the current fiscal year was 5.39 percent.

	Activities		
	June 30, 2025	June 30, 2024	Increase (Decrease)
Land	$ 10,874,776	$ 10,874,776	$ -
Improvements Other Than Buildings	46,368,515	44,567,978	1,800,537
Buildings and Fixed Equipment	612,661,083	567,184,226	45,476,857
Furniture, Fixtures, and Equipment	66,450,856	61,733,387	4,717,469
Motor Vehicles	25,967,813	23,536,170	2,431,643
Construction in Progress	28,938,907	42,897,080	(13,958,173)
Total Capital Assets	$ 791,261,950	$ 750,793,617	$ 40,468,333

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

Long-Term Debt. At the end of the current fiscal year, the District has total long-term debt outstanding of $74,772,000 (less premiums). This amount is comprised of $71,310,000 in Certificates of Participation (COPs); and Bonds Payable of $3,462,000 which is backed by full faith and credit of the State of Florida.

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

During the current fiscal year, the District paid $6,967,881 of principal payments on long-term debt as follows:

State School Bonds	$ 107,000
Other Debt Service:	
District Revenue Bonds	95,000
District Bonds	1,190,881
Certificates of Participation	5,575,000
Total Principal Payments	$ 6,967,881

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

ECONOMIC FACTORS AND FORECAST

As of June 2025, the unemployment rate for Hernando County is currently 4.7 percent, which is an increase from the rate of 3.7 percent a year ago. This compares to the State's average unemployment rate of 3.8 percent. These factors were considered in preparing the District budget for the 2024-2025 fiscal year.

During the current fiscal year, the fund balance in the General Fund decreased by $12,855,016 to $35,177,806. Included in this total, the District has inventories and prepaid of $1,376,280 that are classified as non-spendable, $10,200,005 in State categorical funds reported as restricted, and $244,499 in Workforce Development. Assigned fund balance includes $23,357,022, and $2,435,045 for health insurance rebates and profit sharing, which will be held in fund balance until appropriated. It is anticipated that this use of unassigned fund balance will be replenished at year-end through unspent appropriations and operating fund property tax revenues in excess of the budget. It is anticipated that the fund balance at June 30, 2025, will be in excess of 6 percent of General Fund revenues.

REQUESTS FOR INFORMATION

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

BASIC
FINANCIAL STATEMENTS




HERNANDO
SCHOOL DISTRICT
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DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government	Discretely Presented
	Governmental Activities	Component Units
Assets		
Cash and Cash Equivalents	$ 42,816,630	$ 1,798,380
Investments	119,838,463	-
Accounts Receivable	168,404	26,766
Due from Other Agencies	6,892,933	224,876
Inventories	1,615,443	295,688
Prepaid Items	-	22,732
Bond Insurance	271,351	-
Take Stock in Children Contract Value	-	7,660
Capital Credits Receivable	5,674,196	-
Capital Assets:		
Non-Depreciable Capital Assets	39,813,683	-
Depreciable Capital Assets, Net	429,745,824	3,961,416
Total Assets	646,836,927	6,337,518
Deferred Outflows of Resources		
OPEB Related	1,938,560	-
Pensions Related	46,863,809	-
Total Deferred Outflows of Resources	48,802,369	-
Liabilities		
Due to Other Agencies	480	28,445
Accounts Payable	6,905,265	62,737
Long-Term Liabilities:		
Due Within One Year	12,588,853	180,932
Due in More Than One Year	245,757,829	1,838,117
Total Liabilities	265,252,427	2,110,231
Deferred Inflows of Resources		
Deferred Revenue	673,458	2,620
Gain on Refunding	425,558	-
OPEB Related	7,295,010	-
Pensions Related	17,124,570	-
Total Deferred Inflows of Resources	25,518,596	2,620
Net Position		
Net Investment in Capital Assets	385,528,478	248,467
Restricted for:		
State Required Carryover Programs	10,444,503	-
Food Service	11,536,305	-
Debt Service	7,874,506	-
Capital Projects	106,229,615	-
Internal Accounts	2,695,274	2,838,714
Unrestricted	(119,440,408)	1,137,486
Total Net Position	$ 404,868,273	$ 4,224,667

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
Instruction	$ 163,524,838	$ 46,776	$ -
Student Personnel Services	14,768,656	-	-
Instructional Media Services	2,296,647	-	-
Instruction and Curriculum Development Services	9,704,317	-	-
Instructional Staff Training Services	2,446,147	-	-
Instruction Related Technology	1,330,679	-	-
Board Related	806,484	-	-
General Administration	3,383,610	-	-
School Administration	16,820,790	-	-
Facility Services - Non-Capitalized	4,109,965	-	-
Fiscal Services	937,821	-	-
Food Services	17,925,985	522,105	17,954,440
Central Services	4,880,671	-	-
Student Transportation Services	11,847,836	124,846	-
Operation of Plant	21,212,589	-	-
Maintenance of Plant	7,294,407	-	-
Administrative Technology Services	4,910,339	-	-
Community Services	179,356	-	-
Interest on Long-Term Debt	2,661,456	-	-
Unallocated Depreciation Expense *	19,631,143	-	-
Total Primary Government	310,673,736	693,727	17,954,440
Component Units			
Educational Foundation/Charter Schools	6,494,898	455,504	2,250,533

General Revenues:
Taxes:
Property Taxes, Levied for Operational Purposes
Property Taxes, Levied for Capital Projects
Local Sales Taxes
Grants and Contributions Not Restricted to Specific Programs
Unrestricted Investment Earnings
Miscellaneous Revenues
Total General Revenues
Change in Net Position

Net Position, July 1, 2024

Net Position, June 30, 2025

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

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets Primary Government Governmental Activities	Component Units
$ -	$ (163,478,062)	$ -
-	(14,768,656)	-
-	(2,296,647)	-
-	(9,704,317)	-
-	(2,446,147)	-
-	(1,330,679)	-
-	(806,484)	-
-	(3,383,610)	-
-	(16,820,790)	-
977,836	(3,132,129)	-
-	(937,821)	-
-	550,560	-
-	(4,880,671)	-
-	(11,722,990)	-
-	(21,212,589)	-
-	(7,294,407)	-
-	(4,910,339)	-
-	(179,356)	-
-	(2,661,456)	-
130,083	(19,501,060)	-
1,107,919	(290,917,650)	-
109,091	-	(3,679,770)
	88,900,136	-
	27,982,330	-
	19,208,526	-
	160,244,360	4,944,687
	6,871,424	-
	21,961,519	-
	325,168,295	4,944,687
	34,250,645	1,264,917
	370,617,628	2,959,750
	$ 404,868,273	$ 4,224,667

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Other Special Revenue Service Fund	Special Revenue - Federal Education Stabilization Fund	Capital Projects-Public Education Capital Outlay Fund
Assets				
Cash and Cash Equivalents	$ 8,846,079		$ -	$ -
Investments	25,835,788		-	-
Accounts Receivable	168,404		-	-
Due from Other Funds	880,965	-	-	-
Due from Other Agencies	1,483,480	894,747		-
Prepaid Items				
Inventories	1,376,280		-	-
Total Assets	38,590,996	894,747	-	-
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts and Retainage Payable	3,412,710	13,782		-
Salary and Benefits Payable				-
Due to Other Agencies	480			-
Deferred Revenue				-
Due to Other Funds		880,965		-
Total Liabilities	3,413,190	894,747	-	-
Deferred Inflows of Resources:				
Unavailable Revenue - Capital Outlay	-		-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Non-Spendable	1,376,280		-	-
Spendable:				-
Restricted	10,444,504		-	
Assigned	9,903,086	-	-	-
Unassigned	13,453,936	-	-	-
Total Fund Balances	35,177,806	-	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 38,590,996	$ 894,747	$ -	$ -

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

Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
$ 7,132,857	$ 10,874,623	$ 15,963,071	$ 42,816,630
36,832,722	46,837,686	10,332,267	119,838,463
-		-	168,404
-		-	880,965
151,561	3,187,386	1,175,759	6,892,933
			-
-	-	239,163	1,615,443
44,117,140	60,899,695	27,710,260	172,212,838
	3,454,565	24,208	6,905,265
			-
			480
	608,214	65,244	673,458
		-	880,965
-	4,062,779	89,452	8,460,168
		-	-
-			-
-	-	-	-
		239,164	1,615,444
44,117,140	56,836,916	27,381,644	138,780,204
-	-	-	9,903,086
-	-	-	13,453,936
44,117,140	56,836,916	27,620,808	163,752,670
$ 44,117,140	$ 60,899,695	$ 27,710,260	$ 172,212,838

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balances - Governmental Funds		$ 163,752,670
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds:		
Non-Depreciable Capital Assets	$ 39,813,683	
Depreciable Capital Assets, Net	429,745,824	469,559,507
Capital credits to be received in future years are not available to liquidate liabilities in governmental funds, but are accrued in the government-wide statements.		5,674,196
Deferred outflows/inflows of resources for pensions are not available in the current period and, therefore, are not reported in the governmental funds. At fiscal year-end, these are the deferred outflows/inflows of resources for pensions:		
Deferred Outflows of Resources	46,863,809	
Deferred Inflows of Resources	(17,124,570)	29,739,239
Deferred outflows/inflows of resources for OPEB are not available in the current period and, therefore, are not reported in the governmental funds. At fiscal year-end, these are the deferred outflows/inflows of resources for OPEB:		
Deferred Outflows of Resources	1,938,560	
Deferred Inflows of Resources	(7,295,010)	(5,356,450)
Bond Insurance for 2016 COPS Refunding Debt		271,351
Gain on Refunding of the 2005 COPS		(425,558)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:		
Bonds Payable	(3,759,783)	
Certificates of Participation Payable	(77,664,478)	
Installment-Purchase Payable	(2,452,561)	
Other Postemployment Benefits Payable	(5,587,661)	
Net Pension Liability	(149,873,894)	
Compensated Absences Payable	(19,008,305)	(258,346,682)
Total Net Position - Governmental Activities		$ 404,868,273

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



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DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue - Federal Programs	Special Revenue - Federal Education Stabilization Fund
Revenues			
Intergovernmental:			
Federal Direct	$ 229,654	$ -	$ -
Federal Through State and Local	1,043,242	16,042,233	4,684,325
State	138,926,882	-	
Local:		-	
Property Taxes Levied for Operational Purposes	88,900,136	-	
Property Taxes Levied for Capital Projects	-	-	
Local Sales Taxes		-	
Impact Fees		-	
Charges for Service - Food Services		-	
Other	6,587,362	-	
Total Revenues	**235,687,276**	**16,042,233**	**4,684,325**
Expenditures			
Current:			
Instruction	148,567,267	7,500,909	1,519,231
Student Personnel Services	12,186,470	2,667,697	40,138
Instructional Media Services	2,316,187	-	
Instruction and Curriculum Development Services	5,866,270	3,372,353	548,256
Instructional Staff Training Services	872,066	1,415,653	179,239
Instruction Related Technology	1,044,032	297,969	
Board	813,345	-	
General Administration	2,647,043	745,226	6,315
School Administration	16,942,514	-	21,384
Facility Services - Non-Capitalized	1,192,985		23,615
Fiscal Services	945,801		
Food Services	526,719		
Central Services	4,920,883		
Student Transportation Services	11,810,829	40,602	93,382
Operation of Plant	26,127,943		65,475
Maintenance of Plant	7,204,419	1,824	139,558
Administrative Technology Services	4,950,170		
Community Services	180,885		
Debt Service:			
Principal		-	
Interest and Fiscal Charges		-	
Dues and Fees		-	
Capital Outlay:			
Facilities Acquisition and Construction	1,164,702	-	2,047,732
Total Expenditures	**250,280,530**	**16,042,233**	**4,684,325**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,593,254)	-	-
Other Financing Sources (Uses)			
Transfers In	2,351,310	-	-
Insurance Loss Recoveries	195,341	-	-
Transfers (Out)	(1,280,520)	-	-
Total Other Financing Sources (Uses)	1,266,131	-	-
Net Change in Fund Balances	(13,327,123)	-	-
Fund Balances, July 1, 2024	48,504,929	-	-
Change within Financial Reporting Entity (Major to Non-Major)	-	-	-
Fund Balances, June 30, 2025	$ 35,177,806	$ -	$ -

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

Capital Projects-Public Education Capital Outlay Fund	Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
	$ -	$ -	$ -	$ 229,654
			17,772,927	39,542,727
		175,387	1,824,628	140,926,897
				88,900,136
	27,982,330			27,982,330
		19,208,526		19,208,526
		9,013,193		9,013,193
			522,105	522,105
	1,660,128	2,337,789	7,645,963	18,231,242
-	29,642,458	30,734,895	27,765,623	344,556,810
			7,328,672	164,916,079
				14,894,305
				2,316,187
				9,786,879
				2,466,958
				1,342,001
				813,345
				3,398,584
				16,963,898
	2,928,140			4,144,740
			-	945,801
			17,543,516	18,070,235
				4,920,883
				11,944,813
				26,193,418
				7,345,801
				4,950,170
				180,885
			6,967,882	6,967,882
			3,284,424	3,284,424
			13,696	13,696
	1,240,973	26,634,145	4,615,954	35,703,506
-	**4,169,113**	**26,634,145**	**39,754,144**	341,564,490
-	25,473,345	4,100,750	(11,988,521)	2,992,320
-	-	-	9,930,296	12,281,606
-	-	-	-	195,341
-	(10,748,192)	-	(252,894)	(12,281,606)
-	(10,748,192)	-	9,677,402	195,341
-	14,725,153	4,100,750	(2,311,119)	3,187,661
2,965,421	29,391,987	52,736,166	26,966,506	160,565,009
(2,965,421)	-	-	2,965,421	-
$ -	$ 44,117,140	$ 56,836,916	$ 27,620,808	$ 163,752,670

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Net Change in Fund Balances - Governmental Funds		$	3,187,661
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation expense in excess of capital outlays in the current period:			
Capital Outlay - Facilities and Construction - Governmental Funds	33,319,221		
Capital Outlay - Other Capital Outlay - Governmental Funds	7,149,112		
(Less Depreciation Expense)	(19,662,086)		20,806,247
Long-term debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceeded proceeds in the current period:			
Debt Repayments			6,967,881
Premiums are reported in the governmental funds in the year debt is issued, but are capitalized and amortized over the life of the debt in the statement of activities.			
Unamortized Premium:			
Prior Year	7,261,210		
(Less Current Year)	(6,652,261)		608,949
Bond Insurance for the 2016 COPS Refunding Debt Amortization:			
Prior Year	(296,020)		
(Less Current Year)	271,351		(24,669)
Gain on Refunding of the 2005 COPS - Amortization:			
Prior Year	464,246		
(Less Current Year)	(425,558)		38,688
The net decrease in net pension liability and deferred outflows and inflows is reported in the statement of activities but not in the fund statements.			239,646
Capital credits to be received in future years are accrued in the government-wide statements, but the credits do not provide current financial resources and are not recognized in the governmental funds:			
Current Year Accruals	5,674,196		
(Less Prior Year Accruals)	(5,501,966)		
Net Increase in Capital Credits Receivable			172,230
In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences used in excess of the amount earned in the current period.			(554,264)
Other postemployment benefits costs are recorded in the governmental funds under the pay-as-you-go method, but under the full accrual method in the government-wide statements. This is the net increase in the other postemployment benefits liability, deferred inflows and outflows for the current period.			2,808,276
Change in Net Position - Governmental Activities		$	34,250,645

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

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

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

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

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

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

- **Discretely Presented Component Units**
  The component unit columns in the government-wide financial statements include the financial data of The Hernando County Education Direct Support Organization, Inc., (the Foundation), and the following charter schools: Brooksville Engineering, Science & Technology, Inc., Gulf Coast Academy of Science and Technology, Inc., and Gulf Coast Elementary School, Inc.

  The Foundation is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the District. The Foundation is considered to be a component unit of the District because of the nature and significance of its relationship. The charter schools are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the *Florida Not for Profit Corporation Act*, and Section 1002.33, Florida Statutes.

  The charter schools operate under a charter of the sponsoring District. The charter schools are considered to be component units of the District because the District is financially accountable for the charter schools as the District established the charter schools by approval Of the charter, which is tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to impose specific financial burdens on the District.

In addition, pursuant to the Florida Constitution, the charter schools are public schools, and the District is responsible for the operation, control, and supervision of public schools within the District.

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

Basis of Presentation

- **Government-Wide Financial Statements**

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

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

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

  The effects of inter-fund activity have been eliminated from the government-wide financial statements.

- **Fund Financial Statements**

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

  The District reports the following major governmental funds:

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

  Special Revenue – Other Federal Programs – to account for certain Federal grant program revenue sources that are legally restricted for specified purposes. This special revenue fund tracks federal grants that are received by the District from various federal and state agencies.

Special Revenue – Federal Education Stabilization Fund – to account for *Federal Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) funding provided as emergency relief to address the impact of COVID-19 on elementary and secondary schools.

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

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

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

Basis of Accounting

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

The government-wide financial statements are prepared using the economic resources measurement focus and accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

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

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

Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, pensions, and other postemployment benefits, and compensated absences, which

are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

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

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

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

Cash and Cash Equivalents
The District's cash and cash equivalents are considered to be demand deposits. On June 30, 2025, the carrying amount of the District's bank deposit accounts was $44,615,010.

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

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

- **Fair Value Measurement**
  The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

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

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

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

minimizes the use of unobservable inputs.

Investments consist of amounts placed in the State Board of Administration (SBA) Debt Service accounts for investment of debt service moneys and amounts placed with the SBA for participation in Florida PRIME (formerly known as the Local Government Surplus Funds Trust Fund Investment Pool) investment pool created by Section 218.405, Florida Statutes, and those made locally. The investment pool operates under investment guidelines established by Section 215.47, Florida Statutes. Under the fair value hierarchy, SBA Debt Service moneys are considered to be Level 1.

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

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

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

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

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

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

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

Pensions
In the government-wide statement of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS's and the HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

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

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

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

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

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

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

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

The District has financial items that qualify for reporting in this category related to unearned revenue, gain on refunding of bonds, OPEB, and pensions that are reported only in the government-wide statement of net position. In both the statement of net position and balance sheet a financial item related to unearned revenue is included. For purposes of measuring the net

pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the FRS defined benefit plan and the HIS defined benefit plan and additions to/deductions from the FRS and the HIS fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. Other items are unearned revenue from Hernando County impact fees and the State of Florida for Capital Outlay and Debt Service. The gain on refunding is related to premium on debt refunded in a prior period. This amount is recognized as a reduction of interest expense over the life of the new debt.

State Revenue Sources

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

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

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

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

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

District Property Taxes

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

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

The Board adopted the 2025 tax levy on September 9, 2025. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

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

Local Sales Tax
On September 8, 2015, the voters of Hernando County approved a one-half cent sales tax for ten years, commencing on January 1, 2016, to finance capital improvements to school facilities and related costs in accordance with Section 212.055(6), Florida Statutes.

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

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

Note 2 - Investments

Cash and Cash Equivalents and Investment Portfolio
On February 15, 2000, the District formally adopted a comprehensive investment policy, as revised on June 13, 2017, pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation and issuer limits, credit rating requirements, and maturity limits to protect the District's cash and investment assets. The District maintains a common cash and investment pool for the use of all funds. In addition, cash and investments are separately held by the District's special revenue, debt service, and capital projects funds.

Investment Portfolio
Investment holdings, totaling $119,838,463 (Statement of Net Position) consist of amounts placed in a Local Government Surplus Funds Trust Fund, Registered Investment Companies (Money Market Mutual Funds), and Intergovernmental Investment Pool.

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

As of June 30, 2025, the District has the following investments and maturities:

Investments	Value	Weighted Average Duration
External Investment Pools:		
State Board of Administration:		
Florida PRIME	$ 66,009,899	47 days
Debt Service Accounts	11,077	0 months
Florida Palm	53,817,487	44 days
Total	$ 119,838,463	.125 days

The Florida PRIME (the SBA) June 30, 2025, report was the source for the weighted average maturity and credit rating for Florida PRIME. https://prime.sbafla.com/.

The Fund Fact Sheet as of June 30, 2025, was the source for the Florida PALM (formerly Florida Education Investment Trust Fund (FEIT)) credit rating and weighted average maturity. https://www.fl-palm.com/.

Interest Rate Risk
Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than 24 months. Investments of bond reserves, construction funds, and other non-operating funds (core funds) shall have a term appropriate to the need for funds and in accordance with debt covenants. The maturities of investments of core funds shall not exceed 5.5 years. Florida Palm (formerly the Florida Investment Trust Fund (FEIT)) and Florida PRIME use a weighted-average days to maturity (WAM).

The District also uses WAM as a measurement of interest rate risk and as of June 30, 2025, the investment portfolio had a weighted average duration of 0.125 years. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

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

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

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

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

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

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

Investment pools shall be rated "AAAm" by Standard & Poor's or the equivalent by another rating agency.

As of June 30, 2025, $119,841,149 of the District's investment securities were individually rated "AAAm" by Standard & Poor's, and Moody's Investors Services.

The District's bank balance of $44,615,010 was deposited in a qualified public depository, as required by Chapter 280, Florida Statutes.

As of June 30, 2025, the District had the following credit quality:

Investments	Credit Rating	Professional Asset Allocation
State Board of Administration:		
Florida PRIME	AAAm	55.08%
Florida PRIME - Debt Service Accounts	N/A	0.01%
External Investment Pool:		
Florida Palm	AAAm	44.91%
Total		**100.00%**

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District's investment policy pursuant

to Section 218.415(18), Florida Statutes, requires securities, with the exception of certificates of deposits, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and is doing business in the State of Florida. Certificates of Deposit will be placed in the provider's safekeeping department for the term of the deposit.

As of June 30, 2025, the District's investment portfolio was held with a third-party custodian as required by the District's investment policy.

Concentration of Credit Risk
The District's investment policy has established asset allocation and issuer limits on the following investments which are designed to reduce concentration of credit risk of the District's investment portfolio.

A maximum of 100% of available funds may be invested in the United States Government Securities, 50% of available funds may be invested in United States Government agencies with a 25% limit on individual issuers, 75% of available funds may be invested in Federal Instrumentalities with a 25% limit on individual issuers, 75% of available funds may be invested in non-negotiable interest bearing time certificates of deposit with a 25% limit on individual issuers, 30% of available funds may be invested in negotiable certificates of deposit (CDs) with a 10% limit on individual issuers, 50% of available funds may be invested in repurchase agreements with a 25% limit on individual issuers, 25% of available funds may be invested in commercial paper with a 10% limit on individual issuers, 25% of available funds may be invested in banker acceptances with a 10% limit on individual issuers, 25% of available funds may be invested in corporate notes with a 5% limit on individual issuers, 25% of available funds may be invested in State and/or Local Government Taxable and/or Tax-Exempt Debt with a 10% limit on individual issuers, 50% of available funds may be invested in Registered Investment Companies (Money Market Mutual Funds) with a 40% limit of individual issuers, 50% of available funds may be invested in Intergovernmental Investment Pools, and 50% of available funds may be invested in Florida PRIME.

As of June 30, 2025, the District had the following issuer concentration based on fair value:

Investments	Value	Portfolio Asset Allocation
External Investment Pool:		
State Board of Administration:		
Florida PRIME	$ 66,009,899	55.08%
Florida PRIME - Debt Service Accounts	11,077	0.01%
Florida Palm	53,817,487	44.91%
Total	$ 119,838,463	100.00%

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

Note 3 - Changes in Capital Assets

Changes in capital assets are presented in the table below:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land (660)	$ 10,874,776	$ -	$ -	$ 10,874,776
Construction in Process	42,897,080	33,241,888	(47,200,061)	$ 28,938,907
Total Capital Assets Not Being Depreciated	53,771,856	33,241,888	(47,200,061)	$ 39,813,683
Capital Assets Being Depreciated:				
Improvements Other Than Buildings (670)	44,567,978	73,843	1,726,694	46,368,515
Buildings and Fixed Equipment (680)	567,184,226	3,490	45,473,367	612,661,083
Furniture, Fixtures, and Equipment (641/643/64	61,733,387	4,717,469	-	66,450,856
Motor Vehicles (652 Vehicles) (651 Buses)	23,536,170	2,431,643	-	25,967,813
Total Capital Assets Being Depreciated	697,021,761	7,226,445	47,200,061	751,448,267
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	(28,121,482)	(1,854,741)	-	(29,976,223)
Buildings and Fixed Equipment	(214,016,688)	(12,253,222)	-	(226,269,910)
Furniture, Fixtures, and Equipment	(45,979,831)	(3,947,795)	-	(49,927,626)
Motor Vehicles	(13,922,356)	(1,606,328)	-	(15,528,684)
Total Accumulated Depreciation	(302,040,357)	(19,662,086)	-	(321,702,443)
Total Capital Assets Being Depreciated, Net	394,981,404	(12,435,641)	47,200,061	429,745,824
Governmental Activities Capital Assets, Net	448,753,260	20,806,247	-	469,559,507

Depreciation expense was charged to functions as follows:

Function	Amount
Governmental Activities:	
Facilities Acquisition and Construction	190
Food Services	8,192
Central Services	1,300
Operation of Plant	4,967
Maintenance of Plant	10,574
Transportation	3,791
Administrative Related Technology	1,929
Unallocated	19,631,143
Total Depreciation Expense – Governmental Activities	$19,662,086

Note 4 - Certificates of Participation

The District entered into various financing arrangements each of which was characterized as a financed-purchase agreement, with the Florida School Boards Association, Inc., whereby the District secured financing of various educational facilities in the total amount of $106,670,000 for the Certificates of Participation, Series 2005; and $90,645,000 for the Certificates of Participation, Series 2016A. The Certificates of Participation, Series 2016A were used to advance refund the outstanding Certificates of Participation, Series 2005A. The financings were accomplished through the issuance of Certificates of Participation to be repaid from the proceeds of the District.

On August 10, 2011, the Florida School Boards Association, Inc., irrevocably assigned to the Leasing Corporation all of its rights, title, and interest under the Master Trust Agreement and the Ground Lease Agreements, no amounts are paid between the blended entities.

As a condition of the financing arrangement, the District has provided the agreement for District property to the Leasing Corporation, with terms ranging from 20 to 30 years.

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

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

Series 2016A Certificates
Explorer K-8 School
Winding Waters K-8 School
Grade Specific Additions to Pine Grove Elementary School, West Hernando Middle School, and Central High School
Improvements and Additions to Hernando High School
Improvements and Additions to Springstead High School
Improvements and Additions to Spring Hill Elementary School

The payments for the 2016A Series are payable by the District, semiannually, on July 1 and January 1, at interest rates ranging from 3% to 5%. The payment of principal and interest on the bonds underlying the agreements are due on July 1 and January 1 of each year. The July 1 payment is typically made on or around June 15 and is considered to be reduction of bond principal a so June 30.

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

Fiscal Year Ending June 30,	Total	Principal	Interest
2026	$ 8,655,200	$ 5,850,000	$ 2,805,200
2027	8,654,700	6,025,000	2,629,700
2028	8,653,450	6,325,000	2,328,450
2029	8,657,200	6,645,000	2,012,200
2030	8,654,950	6,975,000	1,679,950
2031-2035	43,269,050	39,490,000	3,779,050
Total Minimum Payments	86,544,550	71,310,000	15,234,550
Unamortized COP Premiums	6,354,478	6,354,478	-
Total	$ 92,899,028	$ 77,664,478	$ 15,234,550

Note 5 - Bonds Payable

Bonds payable at June 30, 2025, are as follows:

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

Bond Type	Original Debt Issue Amount	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:				
Series 2014A, Refunding	$ 523,000	$ -	3.0 - 5.0	2025
Series 2020A, Refunding	758,000	422,000	5.0	2030
Subtotal	1,281,000	422,000		
Unamortized Premium	281,191	74,115		
State School Bonds	1,562,191	496,115		
District Revenue Bonds:				
Series 2020, Refunding	3,500,000	3,040,000	3.0 - 4.0	2051
Unamortized Premium	268,403	223,668		
Revenue Bonds	3,768,403	3,263,668		
Total Bonds Payable	$ 5,330,594	$ 3,759,783		

State School Bonds

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

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

District Revenue Bonds

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

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

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

  The Series 2020 bonds, totaling $3.3 million, were issued to provide funds, together with other available funds of the Board, sufficient to refund the District's outstanding Refunding Revenue Bonds, Series 1990, and finance the costs of acquisition, construction, and installation of, and renovation to, certain capital improvements and educational facilities within the District, and pay costs associated with the issuance of the bonds. The Series 2001 bonds were refunded with the 2020 issuance with a present value savings of $288,508.

District Bonds

- **District Bonds, Financing Arrangement**
  These bonds were issued April 2022 for the purchase of school buses in the amount of $5,960,850.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2025, are as follows

Fiscal Year Ending June 30,	Total	Principal	Interest
State School Bonds			
2026	$ 95,200	$ 76,000	$ 19,200
2027	95,300	80,000	15,300
2028	95,200	84,000	11,200
2029	95,875	89,000	6,875
2030	95,325	93,000	2,325
	476,900	422,000	54,900
Unamortized Bond Premium	74,115	74,115	-
Total State School Bonds	551,015	496,115	54,900
District Revenue Bonds			
2026	200,350	95,000	105,350
2027	206,350	105,000	101,350
2028	202,150	105,000	97,150
2029	202,850	110,000	92,850
2030	203,350	115,000	88,350
2031-2035	900,150	525,000	375,150
2036-2040	822,250	550,000	272,250
2041-2045	826,800	660,000	166,800
2046-2050	834,625	775,000	59,625
	4,398,875	3,040,000	1,358,875
Unamortized Bond Premium	223,668	223,668	-
Total Revenue Bonds	$ 4,622,543	$ 3,263,668	$ 1,358,875

Note 6 - Defeased Debt

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

On June 30, 2025, bonds considered defeased in substance are as follows:

Bond Issues	Amount Outstanding
State School Bonds, Series 2004A	35,000
State School Bonds, Series 2005A	80,000
State School Bonds, Series 2010A	675,000
District Revenue Bonds, Series 2001	1,335,000
Total Defeased Debt	$ 2,125,000

Note 7 – Installment-Purchase Payable

School buses with asset balances of $3,643,442 are being acquired under an installment-purchase agreement. Future minimum installment-purchase payments and the present value of the minimum installment-purchase payments as of June 30 are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2026	$ 1,256,457	$ 1,214,327	$ 42,130
2027	1,256,457	1,238,234	18,224
	$ 2,512,914	$ 2,452,561	$ 60,354

The stated interest rate is 1.9591 percent.

Note 8 – Changes in Long-Term Liabilities

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

Description	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Due in One Year
Governmental Activities					
Bonds Payable	$ 3,664,000	$ -	$ 202,000	$ 3,462,000	$ 171,000
Unamortized Premium	329,052	-	31,269	297,783	23,770
Total Bonds Payable	3,993,052	-	233,269	3,759,783	194,770
Financed-Purchase Agreements Payable	76,885,000	-	5,575,000	71,310,000	5,850,000
Unamortized Premium	6,932,158	-	577,680	6,354,478	577,680
Total Certificates of Participation Payable	83,817,158	-	6,152,680	77,664,478	6,427,680
Installment-Purchase Payable	3,643,442		1,190,881	2,452,561	1,214,327
Other Postemployment Benefits	8,797,572	-	3,209,911	5,587,661	-
Net Pension Liability (1)	157,737,215	-	7,863,321	149,873,894	-
Compensated Absences Payable (2)	18,454,041	554,264	-	19,008,305	4,752,076
Total Governmental Activities	$ 276,442,480	$ 554,264	$ 18,650,062	$ 258,346,682	$ 12,588,853

(1) The amount due within one year relates to the HIS portion of the Net Pension Liability wherein the HIS's fiduciary net position is less than the amount of benefit payments expected to be paid within one year.
(2) GASB 101 was implemented during the fiscal year.
For the governmental activities, compensated absences, pensions, and OPEB are generally liquidated with resources of the General Fund.

Note 9 - Fund Balance Reporting

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

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

Spendable fund balances are classified based on a hierarchy of spending constraints. The District has classified the spendable fund balances as Restricted, Committed, Assigned, and Unassigned and considers each to have been spent when expenditures are incurred. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use in governmental fund financial statements, it is the District's policy to use committed resources first, followed by assigned resources, and then unassigned resources as they are needed.

Restricted—The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations or other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraints on the use of fund balance. The District classifies most of its fund balances other than General Fund as restricted, as well as, unspent State categorical and earmarked education funding that are legally or otherwise restricted. State Categorical funds represent amounts provided the State of Florida to qualifying schools or districts for specific children with special needs, certain programs, or special purposes such as transportation. Unspent State Categorical funds are restricted until utilized for those express purposes. The District's restricted fund balance total is $138,780,204, which represents $10,200,005 in State Categorical programs, $244,499 for workforce development programs, $11,536,305 for food services, $7,874,506 for debt service, $106,229,615 for capital projects, and $2,695,274 for Internal Accounts.

Committed—The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority (i.e., resolution that is approved by a majority vote of the Board at a public meeting). These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same action it employed to previously commit the amounts. At the end of the fiscal year, there were no commitments.

Assigned—The portion of fund balance that is intended to be used for specific purposes, but is neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed. At fiscal year-end, the assigned fund balance is $9,903,086 which consists of $7,468,041 assigned for District project carryforwards, and $2,435,045 for health insurance rebates received to be used for premium increases.

Unassigned—The portion of fund balance that is the residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned for specific purposes. Fund balance of the General Fund that is not constrained for any particular purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund. The unassigned fund balance for the General Fund is $13,507,559.

The following is a schedule of Fund Balances by category at June 30, 2025:

	Major Funds						
	General	Special Revenue Other Federal Prgm	Special Revenue Federal Education Stabilization	Capital Projects Local Capital Improvement	Capital Projects Other Capital Projects	Non-Major Funds	Total Governmental Funds
Fund Balances:							
Non-Spendable:							
Inventory and Prepaids	$ 1,376,280	$ -	$ -	$ -	$ -	$ 239,164	$ 1,615,444
Restricted:	-						-
State Categoricals	10,200,005			-	-	-	10,200,005
Workforce Development	244,499			-	-	-	244,499
Debt Service	-			-	-	7,874,506	7,874,506
Capital Projects	-			-	44,117,140	56,836,916	5,275,559	106,229,615
Food Services	-			-	-	-	11,536,305	11,536,305
Internal Accounts	-			-	-	-	2,695,274	2,695,274
Assigned:	-							-
School Operations:	-							-
Other	7,468,041			-	-	-	-	7,468,041
Health Insurance Rebates/ Profit Sharing	2,435,045			-	-	-	-	2,435,045
Unassigned	13,453,936			-	-	-	-	13,453,936
Total Fund Balances	$ 35,177,806	$ -	$ -	$ 44,117,140	$ 56,836,916	$ 27,620,808	$ 163,752,670

At the end of the fiscal year, the assigned/unassigned General Fund balance was $23,357,022 or 9.9%, of General Fund revenues.

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

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

	Interfund	
Funds	Receivables	Payables
Major:		
General	$ 880,965	$ -
Special Revenue:		
Federal Education Stabilization		(880,965)
Total Governmental Funds	$ 880,965	$ (880,965)

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

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

	Interfund	
Funds	Transfers In	Transfers Out
Major:		
General	$ 2,351,310	$ 1,280,520
Captial Projects:		
Local Capital Improvement	-	10,748,192
Other	-	-
Nonmajor Governmental:	9,930,296	252,894
Total Governmental Funds	$ 12,281,606	$ 12,281,606

Inter-fund transfers represent permanent transfers of moneys between funds. In general, funds are transferred from the General Fund and Capital Projects Funds to the Debt Service Funds for annual debt payments and from the Capital Projects Funds to the General Fund to assist in

financing maintenance operations of the District and payment of property-casualty insurance premiums.

Note 10 - Schedule of State Revenue Sources

The following is a schedule of the District's State revenue for the 2024-2025 fiscal year:

Source	Amount
Florida Education Finance Program:	
Transportation	$ 6,388,927
Safe School	2,308,904
Mental Health	1,526,023
Other	105,359,271
Categorical Educational Program - Class Size Reduction	22,688,712
Motor Vehicle License Tax (Capital Outlay and Debt Service)	961,842
Workforce Development Program	657,252
Charter School Capital Outlay	252,894
Food Service Supplement	181,513
Interest on Investment of Bond Reserves	339,833
Miscellaneous	261,726
Total	$ 140,926,897

Note 11 - Property Taxes

The following is a summary of millages and taxes levied on the 2024 tax roll for 2024-2025 fiscal year; taxes budgeted are stated at 96 percent of the actual tax roll levy to allow for early payments discounts and uncollectable amounts:

General Fund	Millages	Taxes Levied
Non-Voted School Tax:		
Required Local Effort	3.017	$ 60,532,542
Basic Discretionary Local Effort	0.748	15,007,737
Additional Millage (Voted Levy)	1.000	20,063,819
Capital Projects Fund		
Non-Voted Tax:		
Local Capital Improvements	1.500	30,095,729
Total	6.265	$ 125,699,827

Note 12 - Retirement Plans

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

General Information about the FRS

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS)

Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

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

The District's FRS and HIS pension expense totaled $22,386,819 for the fiscal year ended June 30, 2025.

FRS Pension Plan

- **Plan Description**

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

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

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

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

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

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

■ **Benefits Provided**

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

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
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 or more 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 or more years of service	1.68
Elected County Officers	3.00
Senior Management Service Class	2.00

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

■ **Contributions**

The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2024-2025 fiscal year were as follows:

Class	Percent of Gross Salary	
	Employee	Employer (1)
FRS, Regular	3.00	13.63
FRS, Elected County Officers	3.00	58.68
FRS, Senior Management Service	3.00	34.52
DROP – Applicable to Members from All of the Above Classes	0.00	21.13
FRS, Reemployed Retiree	(2)	(2)

Notes:

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

The District's contributions to the Plan totaled $15,604,964 for the fiscal year ended June 30, 2025.

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

At June 30, 2024, the District reported a liability of $96,694,656 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of July 1, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's 2024-25 fiscal year contributions relative to the total 2024-25 fiscal year contributions of all participating members. At June 30, 2025, the District's proportionate share was 0.249955793 percent, which was a decrease of 0.005395044 percent from its proportionate share measured as of June 30, 2024.

For the fiscal year ended June 30, 2025, the District recognized the Plan pension expense of $15,604,964. In addition, the District 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
Differences Between Expected and Actual Experience	$ 9,768,756	
Changes in Assumptions	13,252,887	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	-	6,426,830
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	3,379,913	3,640,187
District FRS Contributions Subsequent to the Measurement Date	14,684,390	
	$ 41,085,946	$ 10,067,017

The deferred outflows of resources related to pensions, totaling $14,684,390 resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Amount
2026	(764,475)
2027	16,351,217
2028	436,505
2029	(468,081)
2030	779,373
Total	16,334,539

Actuarial Assumptions

The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment Rate of Return	6.70 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table projected generationally with Scale MP-2018.

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

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

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

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

- **Discount Rate**

The discount rate used to measure the total pension liability was 6.70 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

- **Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate**
  The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.7 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.70 percent) or 1 percentage-point higher (7.70 percent) than the current rate:

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
District's Proportionate Share of the Net Pension Liability	$ 170,082,514	$ 96,694,656	$ 35,216,759

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

HIS Pension Plan

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

- **Benefits Provided**
  For the fiscal year ended June 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Federal 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 fiscal year ended June 30, 2025, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

  The District's contributions to the HIS Plan totaled $2,730,092 for the fiscal year ended June 30, 2025.

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

  At June 30, 2025, the District reported a net pension liability of $53,179,238 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the pension plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, and update procedures were used to determine the net pension liability as of June 30, 2025. The District's proportionate share of the net pension liability was based on the District's 2024-2025 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2025, the District's proportionate share was 0.354505170 percent, which was a decrease of 0.001965586596 percent from its proportionate share measured as of June 30, 2025.

  For the fiscal year ended June 30, 2025, the District recognized the HIS pension expense of $312,099 related to the HIS Plan. In addition, the District reported deferred outflows of resources relate and deferred inflows of resources relate to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 513,482	$ 102,112
Changes in Assumptions	941,148	6,295,740
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	-	19,233
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	1,135,875	640,468
District HIS Contributions Subsequent to the Measurement Date	3,187,358	-
	$ 5,777,863	$ 7,057,553

The deferred outflows of resources totaling $3,187,358 resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Amount
2026	(642,978)
2027	(812,618)
2028	(1,322,275)
2029	(1,012,636)
2030	(522,593)
Thereafter	(153,948)
Total	(4,467,048)

- **Actuarial Assumptions**

The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.50 percent, average, including inflation
Municipal Bond Rate	3.93 percent

Mortality rates were based on PUB-2010 base table projected generationally with Scale MP-2018.

While an experience study had not been completed for the Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

- **Discount Rate**

The discount rate used to measure the total pension liability was 3.93 percent. 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. The discount rate changed from 3.54 percent to 3.93 percent.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.93 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current rate:

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
District's Proportionate Share of the Net Pension Liability	$ 60,537,728	$ 53,179,238	$ 47,070,503

- **Pension Plan Fiduciary Net Position**

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

B. FRS – Defined Contribution Pension Plan

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

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

The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2024-2025 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	13.63
FRS, Elected County Officers	58.68
FRS, Senior Management Service	34.52

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled $6,781,855 for the fiscal year ended June 30, 2025.

Note 13 - OPEB Payable

Plan Description

The Other Postemployment Benefits Plan (OPEB Plan) is a single employer defined benefit plan administered by the District. Pursuant to Section 112.0801, Florida Statutes, former employees

who retire from the District and eligible dependents may continue to participate in the District's fully insured group health plan. Retirees and their eligible dependents shall be offered the same health plan as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report and is not included in the report of a Public Employee Retirement System or another entity. OPEB Plan members receiving benefits contributed from $628 to $672 per month for retiree-only coverage and from $1,202 to $1,279 for retiree and spouse coverage, depending on the health plan selected.

Benefits Provided. The OPEB Plan provides healthcare insurance benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

Employees Covered by Benefit Terms. At June 30, 2025, the following employees were covered by the benefit terms:

Inactive Members or Beneficiaries Currently Receiving Benefits	51
Inactive Members Entitle to but Not Yet Receiving Benefits	0
Active Employees	3,008
Total Membership	3,059

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

Total OPEB Liability. The District's total OPEB liability of $12,913,965 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024, and update procedures were used to determine the total OPEB liability as of June 30, 2025.

Actuarial Assumptions and Other Inputs. The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40 percent
Salary Increases	3.65 – 6.35 percent, average, including inflation
Discount Rate	3.93 percent
Healthcare Cost Trend Rates	
Pre-Medicare	6.75 percent for 2024, decreasing to an ultimate Rate of 4.40 percent for 2034.

(1) There is one retiree who is not covered under Medicare and will be permitted to remain on medical insurance. As they are not covered under Medicare, their medical trend rates are the same as the Pre-Medical trend rates.

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index published the last week of June by The Bond Buyer. Mortality rates were based on the PUB-2010 mortality tables, with adjustments for FRS experience and generational mortality improvements using Scale MP-2021.

The demographic actuarial assumptions for mortality, retirement, disability incidence, and withdrawal used in the June 30, 2025, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018, adopted by the FRS. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2022, valuation were based on a review of recent plan experience done concurrently with the June 30, 2022, valuation.

Changes in Total OPEB Liability

Description	Amount
Total OPEB Liability, Beginning of Year	$ 8,797,572
Changes for the Year	
Service Cost	631,093
Interest on Net OPEB Liability	318,791
Difference Between Expected and Actual Experience	(3,905,700)
Changes of Assumptions or Other Inputs	(125,818)
Benefit Payments and Implicit Subsidy Credit	(128,277)
Increase in Total OPEB Liability	(3,209,911)
Total OPEB Liability, End of Year	$ 5,587,661

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54 percent in 2024 to 3.93 percent in 2025.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93 percent) or 1 percentage point higher (4.93 percent) that the current rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	$ 5,789,463	$ 5,587,661	$ 5,354,343

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	$ 4,931,896	$ 5,587,661	$ 6,349,613

The District's annual OPEB expense totaled $1,649,900 for the fiscal year ended June 30, 2025. At June 30, 2025, the District reported deferred outflows and inflows of resources related to the OPEB Plan liability from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$	$ 3,547,711
Changes of Assumptions	288,660	3,747,299
District Contributions Subsequent to the Measurement Date	1,649,900	
	$ 1,938,560	$ 7,295,010

The deferred outflows of resources related to pensions, totaling $619,801 resulting from District contributions to the OPEB Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Amount
2025	(2,625,731)
2026	(2,474,892)
2027	(1,461,405)
2028	(444,322)
2029	(0)
Total	$ (7,006,350)

Note 14 – Construction and Other Significant Commitments

Construction Contracts. The following is a schedule of major construction contract commitments at June 30, 2025:

Project	Contract Amount	Completed to Date	Balance Committed
Eastside Elementary School - Revonations	$ 3,307,651.69	301,014.02	$ 3,006,637.67
Springstead High School - Renovations	4,113,623.20	1,698,324.61	2,415,298.59
Spring Hill Elementary - Roof Repair/Replacement	662,248.79	534,170.07	128,078.72
D.S. Parrott Middle School - Roof Replacement	2,186,000.29	5,025.00	2,180,975.29
Central High School - Construction Project	9,059,148.31	2,052,601.54	7,006,546.77
Nature Coast High School - Roof Repair/Replacement	1,942,207.70	20,917.29	1,921,290.41
Explorer K8 - Roof Repair/Replacement	2,686,685.95	93,361.30	2,593,324.65
Winding Waters K8 - Renovations/Additions	8,968,800.73	2,660,327.66	6,308,473.07
Safe Schools - Campus Wide Access (Various sites)	780,777.11	594,652.02	186,125.09
Miscellaneous Facility/Maintenance Projects	11,123,042.09	10,806,362.57	316,679.52
	$44,830,185.86	**$ 18,766,756.08**	**$ 26,063,429.78**

Encumbrances – Appropriations in governmental funds are encumbered upon issuance of purchase order commitments for goods and services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next fiscal year's appropriations are likewise encumbered. At June 30, 2025, encumbrances totaled $0 within governmental funds.

Note 15 - Membership in Non-Profit Corporation

The District participated in a non-profit electric cooperative, the Withlacoochee River Electric Cooperative, Inc. (the Cooperative), established under the provisions of Chapter 425, Florida Statutes. In accordance with this Statute, revenues in excess of operating expenses, unless determined by a vote of the membership, are distributed by the Cooperative on a pro rata basis to its members. The policy of the Cooperative is to credit the excess revenues to members' accounts. Capital credits are distributed only after the Cooperative attains a certain margin of profit required by the Rural Electrification Administration. At June 30, 2025, the accumulated credits to the District's account are $5,674,196. During the 2024-2025 fiscal year, the District received $186,939 in capital credits.

Note 16 - Risk Management Programs

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a participating district of the North East Florida Educational Consortium (the Consortium) under which several district school boards have established a combined limited self-insurance program for property protection, general liability, automobile liability, workers' compensation, money and securities, employee fidelity and faithful performance, boiler and machinery, and other coverage deemed necessary by the members and participants of the Consortium. Section 1001.42(12) (k), Florida Statutes, provides the authority for the District to enter into such a risk management program. The Consortium is self-sustaining through member and participant assessments (premiums), and purchases coverage through commercial companies for claims in excess of specified amounts. Reinsurance from commercial companies provided excess property coverage of up to $50 million during the 2024-2025 fiscal year. The Board of Directors for the Consortium is composed of superintendents of all member districts. The Putnam County District School Board serves as fiscal agent for the Consortium. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Health and hospitalization coverage is being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

Note 17 - Litigation and Contingencies

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

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

Note 18 – Change in Reporting Entity During fiscal year 2025, change in classification from major to non-major resulted in adjustments to the beginning fund balance, as follows:

	Reporting Units Affected by Restatements of Beginning Balances	
	Funds	
	Capital Projects - PECO	Nonmajor Governmental
Beginning Balances, as previous reported	$ 2,965,421	$ 26,966,506
Change from nonmajor to major fund	(2,965,421)	2,965,421
Beginning Balances, as restated	$ -	$ 29,931,927

REQUIRED SUPPLEMENTARY INFORMATION

HERNANDO SCHOOL DISTRICT

Learn it. Love it. Live it.


HERNANDO
SCHOOL DISTRICT
Learn it. Love it. Live it.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Direct	$ 222,836	$ 229,654	$ 229,654	$ -
Federal Through State and Local	1,265,000	1,043,242	1,043,242	-
State	139,682,523	138,926,882	138,926,882	-
Local:	-	-		
Property Taxes Levied for	-	-		
Operational Purposes	88,155,658	88,900,136	88,900,136	-
Miscellaneous	5,462,501	6,587,362	6,587,362	-
Total Revenues	234,788,518	235,687,276	235,687,276	-
Expenditures				
Current:				
Instruction:				
Salaries	97,799,947	96,257,907	96,257,907	-
Employee Benefits	33,152,011	31,552,441	31,552,441	-
Purchased Services	6,243,548	10,920,954	10,920,954	-
Energy Services	-	1,720	1,720	-
Materials and Supplies	9,391,995	7,351,896	7,351,896	-
Capital Outlay	17,592	426,478	426,478	-
Other Expenses	910,740	2,055,871	2,055,871	-
Total Instruction	147,515,833	148,567,267	148,567,267	-
Student Personnel Services:				
Salaries	6,237,932	9,030,476	9,030,476	-
Employee Benefits	2,222,912	2,935,675	2,935,675	-
Purchased Services	53,840	166,458	166,458	-
Energy Services			-	-
Materials and Supplies	4,931,462	32,629	32,629	-
Capital Outlay	-	4,672	4,672	-
Other Expenses	9,695	16,560	16,560	-
Total Student Personnel Services	13,455,841	12,186,470	12,186,470	-
Instructional Media Services:				
Salaries	1,007,196	1,505,221	1,505,221	-
Employee Benefits	396,731	520,725	520,725	-
Purchased Services	236,081	233,125	233,125	-
Materials and Supplies	11,350	14,565	14,565	-
Capital Outlay	1,700	36,286	36,286	-
Other Expenses	6,500	6,265	6,265	-
Total Instructional Media Services	$ 1,659,558	$ 2,316,187	$ 2,316,187	$ -

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Expenditures				
Current *(Continued)*:				
Instruction and Curriculum Development Services:				
Salaries	$ 2,189,833	$ 4,242,428	$ 4,242,428	$ -
Employee Benefits	753,979	1,320,343	1,320,343	-
Purchased Services	215,950	225,457	225,457	-
Materials and Supplies	67,100	51,522	51,522	-
Capital Outlay	24,500	4,524	4,524	-
Other Expenses	4,000	21,996	21,996	-
Total Instruction and Curriculum Development Services	3,255,362	5,866,270	5,866,270	-
Instructional Staff Training Services:				
Salaries	515,945	608,058	608,058	-
Employee Benefits	179,803	218,470	218,470	-
Purchased Services	38,750	31,465	31,465	-
Materials and Supplies	8,400	5,070	5,070	-
Capital Outlay	-	267	267	-
Other Expenses	3,000	8,736	8,736	-
Total Instructional Staff Training Services	745,898	872,066	872,066	-
Instruction Related Technology:				
Salaries	304,920	680,856	680,856	-
Employee Benefits	157,236	270,087	270,087	-
Purchased Services	-	92,078	92,078	-
Materials and Supplies	-	66	66	-
Capital Outlay	-	945	945	-
Total Instruction Related Technology	462,156	1,044,032	1,044,032	-
Board of Education:				
Salaries	286,294	236,218	236,218	-
Employee Benefits	197,021	175,828	175,828	-
Purchased Services	145,063	372,696	372,696	-
Materials and Supplies	2,190	1,979	1,979	-
Capital Outlay		-	-	-
Other Expenses	41,126	26,624	26,624	-
Total Board of Education	671,694	813,345	813,345	-
General Administration:				
Salaries	1,569,801	1,772,337	1,772,337	-
Employee Benefits	478,104	544,722	544,722	-
Purchased Services	192,010	217,741	217,741	-
Materials and Supplies	25,600	19,024	19,024	-
Capital Outlay	-	27,558	27,558	-
Other Expenses	58,725	65,661	65,661	-
Total General Administration	$ 2,324,240	$ 2,647,043	$ 2,647,043	$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Expenditures				
Current *(Continued)*:				
School Administration:				
Salaries	$ 10,920,733	$ 12,533,757	$ 12,533,757	$ -
Employee Benefits	3,912,790	4,097,199	4,097,199	-
Purchased Services	3,776	157,461	157,461	-
Materials and Supplies	5,800	58,320	58,320	-
Capital Outlay	1,500	79,569	79,569	-
Other Expenses	71,680	16,208	16,208	-
Total School Administration	14,916,279	16,942,514	16,942,514	-
Facility Services - Non-Capitalized:				
Salaries	497,054	649,804	649,804	-
Employee Benefits	147,464	215,957	215,957	-
Purchased Services	10,000	74,212	74,212	-
Materials and Supplies	-	-	-	-
Capital Outlay	3,000	-	-	-
Other Expenses	240,000	253,012	253,012	-
Total Facility Services - Non-Capitalized	897,518	1,192,985	1,192,985	-
Fiscal Services:				
Salaries	697,610	566,289	566,289	-
Employee Benefits	227,862	177,659	177,659	-
Purchased Services	116,931	92,384	92,384	-
Materials and Supplies	210,230	2,432	2,432	-
Capital Outlay	-	369	369	-
Other Expenses	39,570	106,668	106,668	-
Total Fiscal Services	1,292,203	945,801	945,801	-
Food Services				
Salaries	-	435,703	435,703	-
Employee Benefits	-	91,016	91,016	-
Capital Outlay	-	-	-	-
Total Food Services	-	526,719	526,719	-
Central Services:				
Salaries	1,880,324	2,204,749	2,204,749	-
Employee Benefits	695,372	1,251,332	1,251,332	-
Purchased Services	1,198,232	1,183,511	1,183,511	-
Materials and Supplies	132,050	99,407	99,407	-
Capital Outlay	10,100	128,316	128,316	-
Other Expenses	73,515	53,568	53,568	-
Total Central Services	3,989,593	4,920,883	4,920,883	-
Student Transportation Services:				
Salaries	4,586,124	6,632,091	6,632,091	-
Employee Benefits	2,170,915	2,259,167	2,259,167	-
Purchased Services	466,158	429,547	429,547	-
Energy Services	1,206,000	960,843	960,843	-
Materials and Supplies	808,700	709,899	709,899	-
Capital Outlay	242,000	485,709	485,709	-
Other Expenses	360	333,573	333,573	-
Total Student Transportation Services	$ 9,480,257	$ 11,810,829	$ 11,810,829	$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Expenditures				
Current *(Concluded)*:				
Operation of Plant:				
Salaries	$ 6,760,956	$ 8,700,559	$ 8,700,559	$ -
Employee Benefits	2,686,052	2,977,297	2,977,297	-
Purchased Services	5,826,750	7,547,186	7,547,186	-
Energy Services	6,019,000	5,870,776	5,870,776	-
Materials and Supplies	593,338	638,632	638,632	-
Capital Outlay	228,300	365,401	365,401	-
Other Expenses	260,200	28,092	28,092	-
Total Operation of Plant	22,374,596	26,127,943	26,127,943	-
Maintenance of Plant:				
Salaries	3,142,063	3,504,531	3,504,531	-
Employee Benefits	1,218,000	1,258,729	1,258,729	-
Purchased Services	1,524,896	1,405,279	1,405,279	-
Energy Services	212,000	149,628	149,628	-
Materials and Supplies	775,050	772,367	772,367	-
Capital Outlay	20,000	110,302	110,302	-
Other Expenses	4,225	3,583	3,583	-
Total Maintenance of Plant	6,896,234	7,204,419	7,204,419	-
Administrative Technology Services:				
Salaries	1,341,093	1,848,643	1,848,643	-
Employee Benefits	484,724	626,323	626,323	-
Purchased Services	524,750	1,441,833	1,441,833	-
Materials and Supplies	45,000	32,578	32,578	-
Capital Outlay	2,667,715	999,566	999,566	-
Other Expenses	1,050	1,227	1,227	-
Total Administrative Technology Services	5,064,332	4,950,170	4,950,170	-
Community Services:				
Purchased Services	19,600	17,983	17,983	-
Materials and Supplies	1,775	162,902	162,902	-
Total Community Services	21,375	180,885	180,885	-
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-		-	-
Total Fixed Capital Outlay	-	1,164,702	1,164,702	-
Total Expenditures	$ 235,022,969	$ 250,280,530	$ 250,280,530	$ -
Excess (Deficiency) of Revenues Over (Under) Expenditures	(234,451)	(14,593,254)	(14,593,254)	-

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Concluded)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Other Financing Sources (Uses)				
Transfers In	2,338,416	2,351,310	2,351,310	$ -
Insurance Loss Recoveries	-	195,341	195,341	-
Transfers (Out)	(1,261,457)	(1,280,520)	(1,280,520)	-
Total Other Financing Sources (Uses)	1,076,959	1,266,131	1,266,131	-
Net Change in Fund Balances	1,076,959	(13,327,123)	(13,327,123)	-
Fund Balances, July 1, 2024	48,504,929	48,504,929	48,504,929	-
Fund Balances, June 30, 2025	$ 49,581,888	$ 35,177,806	$ 35,177,806	$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAM FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue Fund - Other Federal Program Funds			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Through State and Local	$ 22,051,290	$ 16,042,233	$ 16,042,233	$ -
Total Revenues	22,051,290	16,042,233	16,042,233	-
Expenditures				
Current:				
Instruction:				
Salaries	5,097,536	3,747,652	3,747,652	-
Employee Benefits	2,684,345	1,490,176	1,490,176	-
Purchased Services	1,661,981	904,241	904,241	-
Materials and Supplies	928,262	606,782	606,782	-
Capital Outlay	950,293	633,865	633,865	-
Other Expenses	83,843	118,193	118,193	-
Total Instruction	11,406,259	7,500,909	7,500,909	-
Student Support Services:				
Salaries	2,089,770	1,828,837	1,828,837	-
Employee Benefits	861,345	656,120	656,120	-
Purchased Services	131,290	26,245	26,245	-
Materials and Supplies	141,428	112,211	112,211	-
Capital Outlay	26,485	10,025	10,025	-
Other Expenses	31,695	34,259	34,259	-
Total Student Personnel Services	3,282,013	2,667,697	2,667,697	-
Instruction and Curriculum Development Services:				
Salaries	2,741,062	2,442,514	2,442,514	-
Employee Benefits	1,270,181	808,888	808,888	-
Purchased Services	100,390	66,821	66,821	-
Materials and Supplies	48,870	44,977	44,977	-
Capital Outlay	4,500	6,529	6,529	-
Other Expenses	16,000	2,624	2,624	-
Total Instruction and Curriculum Development Services	4,181,004	3,372,353	3,372,353	-
Instructional Staff Training Services:				
Salaries	653,998	556,936	556,936	-
Employee Benefits	203,930	143,264	143,264	-
Purchased Services	537,445	604,981	604,981	-
Materials and Supplies	83,040	43,482	43,482	-
Capital Outlay	2,000	1,685	1,685	-
Other Expenses	241,969	65,305	65,305	-
Total Instructional Staff Training Services	$ 1,722,383	$ 1,415,653	$ 1,415,653	$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAM FUNDS
(Concluded)

	Special Revenue Fund - Other Federal Program Funds			
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget - Positive (Negative)**
Expenditures				
Current *(Concluded)*:				
Instruction Related Technology:				
Salaries	$ 224,504	$ 208,152	$ 208,152	$ -
Employee Benefits	150,325	89,817	89,817	-
Total Instruction Related Technology	374,829	297,969	297,969	-
General Administration:				
Other Expenses	1,009,184	745,226	745,226	-
Total General Administration	1,009,184	745,226	745,226	-
Student Transportation Services:				
Salaries	20,625	11,260	11,260	-
Employee Benefits	4,866	2,395	2,395	-
Purchased Services	23,000	19,250	19,250	-
Energy Services	17,655	7,697	7,697	-
Capital Outlay	-	-	-	-
Other Expenses	500	-	-	-
Total Student Transportation Services	66,646	40,602	40,602	-
Operation of Plant:				
Salaries	3,500	-	-	-
Employee Benefits	789	-	-	-
Energy Services	1,000	-	-	-
Total Operation of Plant	5,289	-	-	-
Maintenance of Plant				
Materials and Supplies	3,683	1,824	1,824	-
Total Maintenance of Plant	3,683	1,824	1,824	-
Total Expenditures	22,051,290	16,042,233	16,042,233	-
Net Change in Fund Balances	-	-	-	-
Fund Balances, July 1, 2024	-	-	-	-
Fund Balances, June 30, 2025	$ -	$ -	$ -	$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - FEDERAL EDUCATION STABILIZATION FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue Fund - Federal Education Stabilization Funds			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Through State and Local	$ -	$ 4,684,325	$ 4,684,325	$ -
Total Revenues	-	4,684,325	4,684,325	-
Expenditures				
Current:				
Instruction:				
Salaries	-	201,443	201,443	-
Employee Benefits	-	57,058	57,058	-
Purchased Services	-	531,181	531,181	-
Materials and Supplies	-	506,855	506,855	-
Capital Outlay	-	131,378	131,378	-
Other Expenses	-	91,316	91,316	-
Total Instruction	-	1,519,231	1,519,231	-
Student Support Services:				
Salaries	-	7,851	7,851	-
Employee Benefits	-	2,710	2,710	-
Purchased Services	-	29,577	29,577	-
Total Student Personnel Services	-	40,138	40,138	-
Instruction and Curriculum Development Services:				
Salaries	-	403,510	403,510	-
Employee Benefits	-	137,230	137,230	-
Purchased Services	-	7,516	7,516	-
Total Instruction and Curriculum Development Services	-	548,256	548,256	-
Instructional Staff Training Services:				
Salaries	-	13,457	13,457	-
Employee Benefits	-	1,316	1,316	-
Purchased Services	-	123,400	123,400	-
Materials and Supplies	-	41,066	41,066	-
Total Instructional Staff Training Services	-	179,239	179,239	-
General Administration:				
Other Expenses	-	6,315	6,315	-
Total General Administration	-	6,315	6,315	-
School Administration:				
Purchased Services	-	21,384	21,384	-
Total School Administration	$ -	$ 21,384	$ 21,384	$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - FEDERAL EDUCATION STABILIZATION FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Concluded)

	Special Revenue Fund - Federal Education Stabilization Funds			
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget - Positive (Negative)**
Fixed Capital Outlay:				
Purchased Services	$ -	$ 23,615	$ 23,615	
Other Capital Outlay	-	1,983,807	1,983,807	-
Total Fixed Capital Outlay	-	2,007,422	2,007,422	-
Student Transportation Services:				
Salaries	-	36,790	36,790	-
Employee Benefits	-	5,700	5,700	-
Purchased Services	-	49,187	49,187	-
Energy Services	-	1,705	1,705	-
Total Student Transportation Services	-	93,382	93,382	-
Operation of Plant:				
Salaries	-	53,790	53,790	-
Employee Benefits	-	11,685	11,685	-
Total Operation of Plant	-	65,475	65,475	-
Maintenance of Plant:				
Purchased Services	-	139,558	139,558	-
Energy Services	-	63,925	63,925	
Total Maintenance of Plant	-	203,483	203,483	-
Total Expenditures	-	4,684,325	4,684,325	-
Net Change in Fund Balances	-	-	-	-
Fund Balances, July 1, 2024	-	-	-	-
Fund Balances, June 30, 2025	$ -	$ -	$ -	$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND - LOCAL CAPITAL IMPROVEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Capital Projects Fund - Local Capital Improvement			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Local:				
Property Taxes Levied for Capital Projects	$ -	$ -	$ -	$ -
Other Local Revenue	28,367,952	29,642,458	29,642,458	-
Total Revenues	28,367,952	29,642,458	29,642,458	-
Expenditures				
Current:				
Fixed Capital Outlay:				
Facilities Acquisition & Construction	2,059,620	4,169,113	4,169,113	-
Other Capital Outlay	-	-	-	-
Total Fixed Capital Outlay	2,059,620	4,169,113	4,169,113	-
Total Expenditures	2,059,620	4,169,113	4,169,113	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,308,332	25,473,345	25,473,345	-
Other Financing Sources (Uses)				
Transfers (Out)	10,763,366	10,748,192	10,748,192	-
Total Other Financing Sources (Uses)	10,763,366	10,748,192	10,748,192	-
Net Change in Fund Balances	15,544,966	14,725,153	14,725,153	-
Fund Balances, July 1, 2024	29,391,987	29,391,987	29,391,987	-
Fund Balances, June 30, 2025	$ 44,936,953	$ 44,117,140	$ 44,117,140	$ -

CAPITAL PROJECTS FUND - OTHER CAPITAL PROJECTS
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND - OTHER CAPITAL PROJECTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Capital Projects Fund - Other Capital Projects			
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget - Positive (Negative)**
Revenues				
Intergovernmental:				
State	$ -	$ -	$ -	$ -
Local:				
Other Local Revenue	25,620,104	30,734,895	30,734,895	-
Total Revenues	25,620,104	30,734,895	30,734,895	-
Expenditures				
Current:				
Fixed Capital Outlay:				
Facilities Acquisition & Construction	26,789,604	26,634,145	26,634,145	-
Other Capital Outlay	-	-	-	-
Total Fixed Capital Outlay	26,789,604	26,634,145	26,634,145	-
Total Expenditures	26,789,604	26,634,145	26,634,145	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,169,500)	4,100,750	4,100,750	-
Net Change in Fund Balances	(1,169,500)	4,100,750	4,100,750	-
Fund Balances, July 1, 2024	52,736,166	52,736,166	52,736,166	-
Fund Balances, June 30, 2025	$ 51,566,666	$ 56,836,916	$ 56,836,916	$ -

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

	2025	2024	2023	2022	2021	2020	2019	2018
Service Cost	$ 631,093	$ 619,801	$ 898,978	$ 1,065,964	$ 1,033,551	$ 945,389	$ 1,029,637	$ 1,062,870
Interest on the Total OPEB Plan Liability	318,791	286,353	268,917	344,238	498,844	494,953	500,632	403,753
Difference Between Expected and Actual Experience	(3,905,700)	(84,126)	(345,243)	(60,297)	(1,637,673)	(55,582)	(2,975,368)	(60,978)
Changes of Assumptions	(125,818)	(38,726)	(5,010,374)	(4,262,709)	1,663,956	324,301	443,230	(456,379)
Benefits Payments	(128,277)	(148,289)	(198,090)	(229,121)	(240,058)	(251,350)	(291,175)	(309,654)
Net Change in Total OPEB Plan Liability	(3,209,911)	$ 635,013	(4,385,812)	(3,141,925)	1,318,620	1,457,711	(1,293,044)	639,612
Total OPEB Plan Liability, Beginning of the Year	8,797,572	$ 8,162,559	12,548,371	15,690,296	14,371,676	12,913,965	14,207,009	13,567,397
Total OPEB Plan Liability, End of Year	5,587,661	8,797,572	8,162,559	12,548,371	15,690,296	14,371,676	12,913,965	14,207,009
Covered-Employee Payroll	$ 122,713,622	$ 117,873,547	$ 117,873,547	$ 100,869,474	$ 123,454,630	$ 105,631,388	$ 105,631,388	$ 109,705,009
Total OPEB Plan Liability as a Percentage of Covered-Employee Payroll	4.55%	7.46%	6.92%	12.44%	12.71%	13.61%	12.23%	12.95%

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the FRS Net Pension Liability	0.2499557931391%	0.25535083700000%	0.267728760900000%	0.257313620728500%	0.235169321710000%	0.234747419260000%	0.239307727258600%	0.236737893439716%	0.243941041000827%	0.2754413737813 94%
District's Proportionate Share of the FRS Net Pension Liability	$ 96,694,656	$ 101,749,227	$ 99,616,614	$ 19,437,120	$ 101,925,850	$ 80,843,743	$ 72,080,728	$ 70,025,480	$ 61,595,303	$ 35,576,948
District's Covered Payroll	$ 150,053,467	$ 139,777,660	$ 131,101,857	$ 123,545,630	$ 121,544,716	$ 115,040,283	$ 113,049,763	$ 109,437,312	$ 109,705,301	$ 97,642,573
District's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	64.44%	72.79%	75.98%	15.73%	83.86%	70.27%	63.76%	63.99%	56.15%	36.44%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.70%	82.38%	89.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

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

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required FRS Contribution	$ 12,874,872	$ 14,154,080	$ 10,260,406	$ 9,154,546	$ 6,355,456	$ 7,813,634	$ 7,278,864	$ 6,213,024	$ 5,740,861	$ 5,588,867
FRS Contributions in Relation to the Contractually Required Contribution	(12,874,872)	(14,154,080)	(10,260,406)	(9,154,546)	(6,355,456)	(7,813,634)	(7,278,864)	(6,213,024)	(5,740,861)	(5,588,867)
FRS Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
District's Covered Payroll	$ 110,049,962	$ 150,053,467	$ 139,777,660	$ 131,101,857	$ 123,545,630	$ 121,544,716	$ 115,040,283	$ 113,049,763	$ 109,508,812	$ 109,705,301
FRS Contributions as a Percentage of Covered Payroll	11.70%	9.43%	7.34%	6.98%	5.14%	6.43%	6.33%	5.50%	5.24%	5.09%

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

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the HIS Net Pension Liability	0.354505169970%	0.352539584000%	0.359729470200%	0.348976780090%	0.350072433960%	0.343815279200%	0.346088818041%	0.343544358509%	0.355329704330%	0.373508027713%
District's Proportionate Share of the HIS Net Pension Liability	$ 53,179,238	$ 55,987,988	$ 38,101,097	$ 42,807,248	$ 42,743,274	$ 38,473,545	$ 36,630,429	$ 36,733,348	$ 41,412,206	$ 38,091,943
District's Covered Payroll	$ 150,053,467	$ 139,777,660	$ 131,101,857	$ 123,545,630	$ 121,544,716	$ 115,040,283	$ 113,049,763	$ 113,049,763	$ 109,705,301	$ 113,452,195
District's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	35.44%	40.06%	29.06%	34.65%	35.17%	33.44%	32.40%	32.49%	37.75%	33.58%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

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

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required HIS Contribution	$ 2,730,092	$ 3,001,345	$ 2,649,004	$ 2,363,496	$ 1,640,835	$ 2,017,303	$ 1,909,374	$ 1,663,487	$ 1,626,251	$ 1,583,194
HIS Contributions in Relation to the Contractually Required Contribution	(2,730,092)	(3,001,345)	(2,649,004)	(2,363,496)	(1,640,835)	(2,017,303)	(1,909,374)	(1,663,487)	(1,626,251)	(1,583,194)
HIS Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 110,049,962	$ 150,053,467	$ 139,777,660	$ 131,101,857	$ 123,545,630	$ 121,544,716	$ 115,040,283	$ 113,049,763	$ 109,508,812	$ 109,705,301
HIS Contributions as a Percentage of Covered Payroll	2.48%	2.00%	1.90%	1.80%	1.33%	1.66%	1.66%	1.47%	1.49%	1.44%

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

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

1. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

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

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by State law and SBE rules.

- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student transportation services, and school administration) and may be amended by resolution at any school Board meeting prior to the due date for the annual financial report.

- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds except that no budget appropriation is made for capital leases in the year of inception.

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

2. SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75 to pay related benefits.

Changes of Assumptions. The discount rate was changed from 3.65 percent to 3.93 percent.

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

Changes of Assumptions. In 2024, the municipal bond rate used to determine total pension Liability was increased from 3.65 percent to 3.93 percent.



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OTHER SUPPLEMENTARY INFORMATION

HERNANDO
SCHOOL DISTRICT
Learn it. Love it. Live it.


HERNANDO
SCHOOL DISTRICT
Learn it. Love it. Live it.

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to be expended for particular purposes.

Food Service Fund – To account for and report on activities of the food service program in serving breakfast and lunch at the schools. These activities are primarily funded through local charges and Federal awards.

Miscellaneous Special Revenue Fund – To account for and report activities related to School Internal Funds which are used administer moneys collected at the schools in connection with school, student athletic, class and club activities.

Debt Service Funds

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

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

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

Debt Service Fund – **Other Fund -** To account for and report on payment of principal, interest and related costs on the District's Certificates of Participation issued in 2013A and 2016A.

Capital Projects Funds

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

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

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Speical Revenue Fund		Debt Service Funds		
	Food Service 410	Other Misc.Federal 490	SBE/COBI Bonds 210	Special Act Bonds 220	Other Debt Service Bonds 290
Assets					
Cash and Cash Equivalents	$ 3,305,846	$ 2,695,274	$ -	$ 259,990	$ 5,388,577
Investments	8,124,549	-	11,077	75,804	2,116,773
Accounts Receivable	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Inventory	239,163	-	-	-	-
Due from Other Agencies	195,363		-	-	22,285
Total Assets	11,864,921	2,695,274	11,077	335,794	7,527,635
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	24,208	-	-	-	-
Deferred Revenue	65,244	-	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	89,452	-	-	-	-
Fund Balances					
Non-Spendable:					
Inventory	239,164	-	-	-	-
Total Non-Spendable Fund Balance	239,164	-	-	-	-
Restricted for:					
Debt Service	-	-	11,077	335,794	7,527,635
Capital Projects	-	-	-	-	-
Food Service	11,536,305	-	-	-	-
Internal Accounts	-	2,695,274	-	-	-
Total Restricted Fund Balance	11,536,305	2,695,274	11,077	335,794	7,527,635
Total Fund Balances	11,775,469	2,695,274	11,077	335,794	7,527,635
Total Liabilities and Fund Balances	$ 11,864,921	$ 2,695,274	$ 11,077	$ 335,794	$ 7,527,635

Capital Projects Funds		
Capital Projects-Public Education Capital Outlay Fund	Capital Outlay and Debt Service 360	Total Non-Major Governmental Funds
$ -	$ 4,313,384	$ 15,963,071
-	4,064	10,332,267
-	-	-
-	-	-
-	-	239,163
-	958,111	1,175,759
	5,275,559	27,710,260
-	-	24,208
-	-	65,244
-	-	-
-	-	89,452
-	-	239,164
-	-	239,164
-	-	7,874,506
-	5,275,559	5,275,559
-	-	11,536,305
-	-	2,695,274
-	5,275,559	27,381,644
-	5,275,559	27,620,808
$ -	$ 5,275,559	$ 27,710,260

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue		Debt Service Funds		
	Food Service 410	Misc Special Revenue 490	SBE/COBI Bonds 210	Special Act Bonds 220	Other Debt Service Bonds 290
Revenues					
Intergovernmental:					
Federal Through State and Local	$ 17,772,927	$ -	$ -	$ -	
State	181,513	-	130,083	209,750	-
Local:					
Charges for Service - Food Service	522,105	-	-	-	
Other Local Revenue	-	7,396,142	-	2,923	246,898
Total Revenues	18,476,545	7,396,142	130,083	212,673	246,898
Expenditures					
Current:					
Instruction		7,328,672	-	-	-
Facility Services - Non-Capitalized		-	-	-	-
Fiscal Services			-	-	-
Food Services	17,543,516	-	-	-	-
Fixed Capital Outlay:					
Facilities Acquisition and Construction	1,650,533				
Debt Service:					
Principal		-	107,000	95,000	6,765,882
Interest and Fiscal Charges		-	25,750	109,150	3,149,524
Dues and Fees		-	19	3,500	3,851
Total Expenditures	19,194,049	7,328,672	132,769	207,650	9,919,257
Excess (Deficiency) of Revenues Over (Under) Expenditures	(717,504)	67,470	(2,686)	5,023	(9,672,359)
Other Financing Sources (Uses)					
Transfers In	24,064	-	-	-	9,906,232
Transfers (Out)	-	-	-	-	-
Total Other Financing Sources (Uses)	24,064	-	-	-	9,906,232
Net Change in Fund Balances	(693,440)	67,470	(2,686)	5,023	233,873
Fund Balances, July 1, 2024	12,468,909	2,627,804	13,763	330,771	7,293,762
Change within Financial Reporting Entity (Major to Non-Major)	-	-	-	-	-
Fund Balances, June 30, 2025	$ 11,775,469	$ 2,695,274	$ 11,077	$ 335,794	$ 7,527,635

Capital Projects Funds		
Capital Projects-Public Education Capital Outlay Fund	Capital Outlay and Debt Service 360	Total Non-Major Governmental Funds
	$ -	$ 17,772,927
252,894	1,050,388	1,824,628
	-	522,105
	-	7,645,963
252,894	1,050,388	27,765,623
	-	7,328,672
-	-	-
	-	-
	-	17,543,516
		-
2,965,421		4,615,954
	-	-
		6,967,882
	-	3,284,424
	6,326	13,696
2,965,421	6,326	39,754,144
(2,712,527)	1,044,062	(11,988,521)
	-	9,930,296
(252,894)	-	(252,894)
(252,894)	-	9,677,402
(2,965,421)	1,044,062	(2,311,119)
-	4,231,497	26,966,506
2,965,421	-	$ 2,965,421
$ -	$ 5,275,559	$ 27,620,808

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - FOOD SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue Fund - Food Service			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Through State	$ 18,185,756	$ 17,772,927	$ 17,772,927	$ -
State	193,500	181,513	181,513	-
Local	420,500	522,105	522,105	-
Total Revenues	18,799,756	18,476,545	18,476,545	-
Expenditures				
Salaries	4,646,887	5,012,037	5,012,037	-
Employee Benefits	1,961,288	2,067,417	2,067,417	-
Purchased Services	613,300	423,084	423,084	-
Energy Services	314,500	500,758	500,758	-
Materials and Supplies	10,523,500	9,016,130	9,016,130	-
Capital Outlay	330,000	1,701,832	1,701,832	-
Other	255,000	472,791	472,791	-
Total Expenditures	18,644,475	19,194,049	19,194,049	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	155,281	(717,504)	(717,504)	-
Other Financing Sources (Uses)				
Transfers In	-	24,064	24,064	-
Total Other Financing Sources (Uses)	-	24,064	24,064	-
Net Change in Fund Balances	155,281	(693,440)	(693,440)	-
Fund Balances, July 1, 2024	12,468,909	12,468,909	12,468,909	-
Fund Balances, June 30, 2025	$ 12,624,190	$ 11,775,469	$ 11,775,469	$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - INTERNAL ACCOUNTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue Fund - Internal Accounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Local	$ 6,767,073	$ 7,396,142	$ 7,396,142	$ -
Total Revenues	6,767,073	7,396,142	7,396,142	-
Expenditures				
Current:				
Fiscal Services:				
Supplies	6,750,365	7,328,672	7,328,672	-
Total Fiscal Services	6,750,365	7,328,672	7,328,672	-
Total Expenditures	6,750,365	7,328,672	7,328,672	-
Net Change in Fund Balances	16,708	67,470	67,470	-
Fund Balances, July 1, 2024	2,627,804	2,627,804	2,627,804	-
Fund Balances, June 30, 2025	$ 2,644,512	$ 2,695,274	$ 2,695,274	$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUNDS - SBE/COBI BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Debt Service Funds - SBE/COBI Bonds			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
State	$ 131,450	$ 130,083	$ 130,083	$ -
Total Revenues	131,450	130,083	130,083	-
Expenditures				
Debt Service:				
Principal	107,000	107,000	107,000	-
Interest and Fiscal Charges	23,950	25,750	25,750	-
Dues and Fees	500	19	19	-
Total Expenditures	131,450	132,769	132,769	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(2,686)	(2,686)	-
Other Financing Sources (Uses)				
Refunding Bonds Issued	-	-	-	-
Premium on Refunding Bonds	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	(2,686)	(2,686)	-
Fund Balances, July 1, 2024	13,763	13,763	13,763	-
Fund Balances, June 30, 2025	$ 13,763	$ 11,077	$ 11,077	$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUNDS - SPECIAL ACT BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Debt Service Funds - Special Act Bonds			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
State	$ 207,650	$ 209,750	$ 209,750	$ -
Local	-	2,923	2,923	
Total Revenues	207,650	212,673	212,673	-
Expenditures				
Debt Service:				
Principal	95,000	95,000	95,000	-
Interest and Fiscal Charges	109,150	109,150	109,150	-
Dues and Fees	3,500	3,500	3,500	-
Total Expenditures	207,650	207,650	207,650	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	5,023	5,023	-
Other Financing Sources (Uses)				
Refunding Bonds Issued	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	5,023	5,023	-
Fund Balances, July 1, 2024	330,771	330,771	330,771	-
Fund Balances, June 30, 2025	$ 330,771	$ 335,794	$ 335,794	$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND - OTHER DEBT SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Debt Service Fund - Other Debt Service			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Local:				
Other Local Revenue	$ -	$ 246,898	$ 246,898	$ -
Total Revenues	$ -	$ 246,898	$ 246,898	$ -
Expenditures				
Debt Service:				
Principal	6,765,882	6,765,882	6,765,882	$ -
Interest and Fiscal Charges	3,149,525	3,149,524	3,149,524	$ -
Dues and Fees	11,000	3,851	3,851	$ -
Total Expenditures	9,926,407	9,919,257	9,919,257	$ -
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,926,407)	(9,672,359)	(9,672,359)	$ -
Other Financing Sources (Uses)				
Proceeds From Bond Issuance	-	-	-	$ -
Transfers In	9,926,407	9,906,232	9,906,232	$ -
Transfers Out	-	-	-	
Total Other Financing Sources (Uses)	9,926,407	9,906,232	9,906,232	$ -
Net Change in Fund Balances	-	233,873	233,873	$ -
Fund Balances, July 1, 2024	7,293,762	7,293,762	7,293,762	$ -
Fund Balances, June 30, 2025	$ 7,293,762	$ 7,527,635	$ 7,527,635	$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUNDS - PUBLIC EDUCATION CAPITAL OUTLAY (PECO)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Capital Projects Funds - Public Education Capital Outlay (PECO)			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Through State	$ 240,000	$ 252,894	$ 252,894	$ -
Total Revenues	240,000	252,894	252,894	-
Expenditures				
Current:				
Facility Services - Non-Capitalized:				
Remodeling and Renovations	-	2,965,421	2,965,421	-
Total Expenditures	-	2,965,421	2,965,421	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	240,000	(2,712,527)	(2,712,527)	-
Other Financing Sources (Uses)				
Transfers (Out)		(252,894)	(252,894)	-
Total Other Financing Sources (Uses)	-	(252,894)	(252,894)	-
Net Change in Fund Balances	240,000	(2,965,421)	(2,965,421)	-
Fund Balances, July 1, 2024	2,965,421	2,965,421	2,965,421	-
Fund Balances, June 30, 2025	$ 3,205,421	$ (0)	$ (0)	$ -

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUNDS - CAPITAL OUTLAY AND DEBT SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Capital Projects Funds - Capital Outlay and Debt Service			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
State	$ -	$ 961,842	$ 961,842	$ -
Local:				
Other Local Revenue	-	88,546	88,546	-
Total Revenues	-	1,050,388	1,050,388	-
Expenditures				
Current:				
Debt Service:				
Dues and Fees	-	6,326	6,326	-
Total Expenditures	-	6,326	6,326	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,044,062	1,044,062	-
Net Change in Fund Balances	-	1,044,062	1,044,062	-
Fund Balances, July 1, 2024	4,231,497	4,231,497	4,231,497	-
Fund Balances, June 30, 2025	$ 4,231,497	$ 5,275,559	$ 5,275,559	$ -

Nonmajor Component Units

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

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

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

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

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

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
COMBINING SCHEDULE OF NET POSITION - DISCRETELY PRESENETED COMPONENT UNITS
JUNE 30, 2025

	BEST Academy (Charter School)	Gulf Coast Elementary (Charter School)	Gulf Coast Academy Science and Technology, Inc. (Charter School)
Assets			
Cash and Cash Equivalents	$ 134,773	$ 355,916	$ 418,106
Accounts Receivable	-	-	
Due From Other Agencies	-	74,952	64,483
Inventory	-	-	-
Prepaid Items	-	16,800	-
Take Stock in Children Contract Value	-	-	-
Asset Held for Sale	-	-	-
Capital Assets:			-
Leased Assets, Net	138,058	750,857	1,125,918
Improvements Other than Buildings	-	28,393	-
Furniture, Fixtures, and Equipment, Net	19,518	42,173	55,075
Motor Vehicles, Net	-	74,389	7,994
Accumulated Depreciation			
CIP - Air Gun Range commitment	-		
Other Assets			
Total Assets	292,349	1,343,480	1,671,576
Liabilities			
Salaries and Benefits Payable		14,317	8,901
Accounts Payable	5,981	11,771	44,985
Due to other agencies			-
Long-Term Liabilities:			-
Due Within One Year:			-
Note Payable	-	-	4,215
Obligations Under Leases	-	-	-
Lease Purchase Agreements Payable	43,294	48,673	84,750
Due in More than One Year:			
Note Payable	-	-	-
Obligations Under Leases	-	-	-
Lease Purchase Agreements Payable	94,765	702,185	1,041,167
Total Liabilities	144,040	776,946	1,184,018
Deferred Revenue	2,620	-	-
Net Position			
Net Investment in Capital Assets	19,517	144,954	58,855
Restricted for:			
Other Purposes	-	-	-
Unrestricted	126,172	421,580	428,703
Total Net Position	$ 145,689	$ 566,534	$ 487,558

Hernando County Education Direct Support Organization, Inc. (the Foundation)	Totals 2025
$ 889,585	$ 1,798,380
26,766	26,766
85,441	224,876
295,688	295,688
5,932	22,732
7,660	7,660
-	-
-	
-	2,014,833
-	28,393
-	116,766
35,660	118,043
(10,519)	(10,519)
1,246,590	1,246,590
447,310	447,310
3,030,113	6,337,518
5,227	28,445
-	62,737
	-
-	4,215
-	-
-	176,717
-	-
-	-
-	1,838,117
5,227	2,110,231
-	2,620
25,141	248,467
2,838,714	2,838,714
161,031	1,137,486
$ 3,024,886	$ 4,224,667

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
COMBINING SCHEDULE OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Charter Schools				
Governmental Activities:				
Instruction	$ 2,735,801	$ 407,190	$ 30,262	$ -
Instructional Staff Training Services	560	-	-	-
Instructional Media	1,038	-	-	-
Board	120,091	-	-	-
General Administration	112,853	-	-	-
School Administration	1,126,227	-	-	-
Facilities Acquistion & Construction	2,870	-	-	65,691
Fiscal Services	15,203	-	-	-
Food Services	-	-	-	-
Student Transportation Services	107,524	-	-	-
Operation of Plant	140,228	-	10,628	-
Community Services	50,759	48,314	-	-
Interest on Long-Term Debt	156,350	-	-	-
Unallocated Depreciation	262,288	-	-	-
Total Charter Schools	4,831,792	455,504	40,890	65,691
Hernando Education Foundation	1,663,106	-	2,209,643	43,400
Total Component Units	$ 6,494,898	$ 455,504	$ 2,250,533	$ 109,091
		General Revenues:		
		Grants and Contributions Not Restricted to Specific Programs		
		Other		
		Total General Revenues		
		Change in Net Position		
		Net Position, July 1, 2024		
		Net Position, June 30, 2025		

Total Charter Schools	Hernando Education Foundation	Total Component Units
$ (2,298,349)	$ -	$ (2,298,349)
(560)	-	(560)
(1,038)	-	(1,038)
(120,091)	-	(120,091)
(112,853)	-	(112,853)
(1,126,227)	-	(1,126,227)
62,821	-	62,821
(15,203)	-	(15,203)
-	-	-
(107,524)	-	(107,524)
(129,600)	-	(129,600)
(2,445)	-	(2,445)
(156,350)	-	(156,350)
(262,288)	-	(262,288)
(4,269,707)	-	(4,269,707)
-	589,937	589,937
(4,269,707)	589,937	(3,679,770)
4,171,571	773,116	4,944,687
-	-	-
4,171,571	773,116	4,944,687
(98,136)	1,363,053	1,264,917
1,297,917	1,661,833	2,959,750
$ 1,199,781	$ 3,024,886	$ 4,224,667



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STATISTICAL SECTION

HERNANDO
SCHOOL DISTRICT
Learn it. Love it. Live it.


HERNANDO
SCHOOL DISTRICT
Learn it. Love it. Live it.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
STATISTICAL SECTION

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

Contents **Page**

Financial Trend Information 88
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over-time.

Revenue Capacity Information 98
These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax.

Debt Capacity Information 104
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information 111
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information 113
These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

TABLE 1

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

	June 30, 2016	June 30, 2017	June 30, 2018
Primary Government:			
Governmental Activities:			
Net Investment in Capital Assets	$ 243,008,106	$ 249,506,834	$ 255,798,875
Restricted	36,222,596	41,168,493	32,481,524
Unrestricted	(78,168,863)	(79,918,029)	(75,064,735)
Total Governmental Activities Net Position	201,061,839	210,757,298	213,215,664
Total Primary Government Net Position	$ 201,061,839	$ 210,757,298	$ 213,215,664

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

Source: District records

Table 1 (Continued)

Fiscal Year Ending						
June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
$ 268,410,915	$ 277,874,189	$ 281,484,392	$ 286,623,238	$ 319,451,372	$ 357,131,382	$ 385,528,478
35,433,091	38,946,428	56,297,775	38,946,428	104,400,855	118,128,420	138,780,203
(77,641,488)	(90,465,475)	(101,836,853)	(39,510,225)	(81,136,821)	(105,114,281)	(119,440,408)
226,202,518	226,355,142	235,945,314	286,059,441	342,715,406	370,145,521	404,868,273
$ 226,202,518	$ 226,355,142	$ 235,945,314	$ 286,059,441	$ 342,715,406	$ 370,145,521	$ 404,868,273

TABLE 2
DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
CHANGES IN NET POSITION - GOVERNMENT-WIDE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	June 30, 2016	June 30, 2017	June 30, 2018
Expenses			
Governmental Activities:			
Instruction	$ 105,595,214	$ 108,581,464	$ 112,178,899
Student Personnel Services	8,570,746	8,978,591	9,475,910
Instructional Media Services	1,832,370	1,580,760	1,670,186
Instruction and Curriculum Development Services	4,345,473	4,606,251	4,984,827
Instructional Staff Training Services	2,992,562	3,366,519	3,187,021
Instruction Related Technology	740,282	634,787	615,107
Board	501,111	485,796	702,006
General Administration	1,297,242	1,646,718	1,385,010
School Administration	11,166,980	11,297,615	11,885,259
Facility Services - Non-Capitalized	2,470,261	2,188,737	6,876,093
Fiscal Services	778,107	854,703	859,712
Food Services	10,358,424	11,602,638	12,811,088
Central Services	1,381,116	1,841,843	2,076,296
Student Transportation Services	6,980,040	7,033,814	7,522,704
Operation of Plant	14,482,370	14,972,754	16,363,264
Maintenance of Plant	5,201,852	5,374,764	5,412,786
Administrative Technology Services	2,580,640	2,734,734	2,889,131
Community Services	6,104	1,452	983
Unallocated Interest on Long-Term Debt	6,102,038	4,042,505	3,781,555
Unallocated Deprecation	12,090,214	11,339,724	12,024,965
Total Governmental Activities Expenses	199,473,146	203,166,169	216,702,802
Program Revenues			
Governmental Activities:			
Charges for Services			
Food Service	1,858,156	1,796,468	1,394,814
Transportation	152,003	150,590	167,416
Instruction	84,512	87,244	107,632
Operating Grants and Contributions	9,842,901	9,731,565	11,623,384
Capital Grants and Contributions	1,549,777	1,536,802	3,131,121
Total Governmental Activities Program Revenues	13,487,349	13,302,669	16,424,367
Net Expenses Governmental Activities	(185,985,797)	(189,863,500)	(200,278,435)
Total Primary Government Net Expenses	(185,985,797)	(189,863,500)	(200,278,435)
General Revenues and Other Changes in Net Assets			
Governmental Activities:			
Property Taxes			
Levied for Operational Purposes	46,435,418	44,718,926	45,514,011
Levied for Capital Projects	12,229,002	12,489,651	13,334,037
Local Sales Tax	4,955,233	10,391,995	11,353,186
Grants and Contributions not restricted to specific programs	120,575,310	127,269,757	130,386,623
Unrestricted Investment Earnings	276,542	305,927	431,310
Miscellaneous	4,708,050	4,382,703	4,041,105
Total Governmental Activities	189,179,555	199,558,959	205,060,272
Total Primary Government General Revenues and Other Changes in Net Position	189,179,555	199,558,959	205,060,272
Change in Net Position			
Governmental Activities	3,193,758	9,695,459	4,781,837
Total Primary Government	$ 3,193,758	$ 9,695,459	$ 4,781,837

Source: District records

Fiscal Year Ending						
June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
$ 116,734,406	$ 122,952,772	$ 129,183,841	$ 130,337,600	$ 152,965,493	$ 169,682,034	$ 163,524,838
9,629,463	10,305,339	10,743,255	9,040,183	12,656,091	14,750,491	14,768,656
1,406,550	1,499,407	1,354,828	1,467,257	1,978,781	2,251,330	2,296,647
5,487,994	5,909,931	5,844,572	3,432,563	8,359,120	9,497,832	9,704,317
3,238,748	3,158,097	4,043,552	1,012,114	2,052,126	2,364,542	2,446,147
708,413	599,914	566,717	500,444	856,719	1,169,597	1,330,679
569,835	549,206	555,285	504,153	724,051	1,077,590	806,484
1,136,961	2,135,155	2,242,723	2,109,594	2,931,482	4,500,329	3,383,610
12,578,189	12,665,115	12,927,212	12,956,441	14,762,989	17,835,073	16,820,790
541,797	1,115,028	781,908	411,563	1,888,596	4,699,925	4,109,965
857,653	1,008,056	2,228,554	5,333,919	937,136	1,163,280	937,821
12,700,237	13,692,564	14,812,812	14,293,656	14,892,762	18,419,936	17,925,985
2,127,534	2,555,810	2,709,875	3,913,540	4,577,833	4,626,260	4,880,671
8,227,042	8,070,432	7,855,689	8,742,051	10,198,208	11,728,762	11,847,836
16,987,276	18,265,529	19,049,816	17,905,368	21,535,181	25,920,175	21,212,589
5,885,546	7,227,468	6,539,336	7,215,558	8,778,105	8,450,007	7,294,407
2,939,278	4,592,787	3,115,093	2,287,312	3,129,258	3,987,751	4,910,339
1,420	10,358	11,424	14,358	18,909	20,245	179,356
3,606,715	3,391,682	3,315,159	3,170,428	3,127,133	2,955,043	2,661,456
12,888,627	13,334,789	14,169,364	14,594,703	16,695,695	18,245,254	19,631,143
218,253,684	233,039,439	242,051,015	239,242,805	283,065,668	323,345,456	310,673,736
709,880	355,162	83,477	347,192	517,800	481,587	522,105
148,583	84,271	48,475	111,047	107,183	131,646	124,846
151,301	118,511	496,167	103,514	771,661	480,297	46,776
14,072,478	12,519,029	13,037,352	17,525,053	17,981,563	17,655,934	17,954,440
1,624,966	948,688	1,195,883	2,506,667	9,511,718	3,043,134	1,107,919
16,707,208	14,025,661	14,861,354	20,593,473	28,889,925	21,792,598	19,756,086
(201,546,476)	(219,013,778)	(227,189,661)	(218,649,332)	(254,175,743)	(301,552,858)	(290,917,650)
(201,546,476)	(219,013,778)	(227,189,661)	(218,649,332)	(254,175,743)	(301,552,858)	(290,917,650)
45,800,900	47,671,751	48,974,618	63,091,303	77,205,187	83,826,470	88,900,136
14,191,789	15,329,228	16,643,434	18,003,490	23,083,928	26,034,083	27,982,330
11,015,453	11,578,748	13,157,697	16,754,625	19,150,406	18,599,588	19,208,526
135,980,854	136,360,977	150,721,592	159,590,773	173,718,335	176,632,470	160,244,360
1,098,468	328,709	78,700	173,776	4,047,804	7,187,827	6,871,424
6,445,866	7,896,989	5,278,081	11,149,492	13,809,052	17,172,115	21,961,519
214,533,330	219,166,402	234,854,122	268,763,459	311,014,712	329,452,553	325,168,295
214,533,330	219,166,402	234,854,122	268,763,459	311,014,712	329,452,553	325,168,295
12,986,854	152,624	7,664,461	50,114,127	56,838,969	27,899,695	34,250,645
$ 12,986,854	$ 152,624	$ 7,664,461	$ 50,114,127	$ 56,838,969	$ 27,899,695	$ 34,250,645

Table 3

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

	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Property Taxes:				
Levied for Operational Purposes	$ 46,435,418	$ 44,718,926	$ 45,514,011	$ 45,800,900
Levied for Capital Projects	12,229,002	12,489,651	13,334,037	14,191,789
Local Sales Taxes (1)	4,955,233	10,391,995	11,353,186	11,015,453
Total	$ 63,619,653	$ 67,600,572	$ 70,201,234	$ 71,008,142

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

Source: District records

TABLE 3 (Continued)

Fiscal Year Ending					
June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
$ 47,671,751	$ 48,974,618	$ 68,091,303	$ 77,205,187	$ 83,826,470	$ 88,900,136
15,329,228	16,643,434	18,003,490	23,083,928	26,034,083	27,982,330
11,578,748	13,157,697	16,754,625	19,150,406	18,599,588	19,208,526
$ 74,579,727	$ 78,775,749	$ 102,849,418	$ 119,439,521	$ 128,460,141	$ 136,090,992

TABLE 4

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

	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
General Fund				
Fund Balances:				
Non-Spendable	$ 1,570,675	$ 1,343,934	$ 1,465,072	$ 1,342,406
Spendable:				
Restricted	966,179	659,550	553,807	1,173,775
Assigned	923,563	4,208,679	5,220,275	4,935,020
Unassigned (2)	6,575,155	13,288,610	18,369,962	22,945,943
Total General Fund	$ 10,035,572	$ 19,500,773	$ 25,609,116	$ 30,397,144
All Other Governmental Funds				
Fund Balances:				
Non-Spendable	$ 132,059	$ 141,688	$ 119,702	$ 80,796
Spendable:				
Restricted	36,379,446	26,286,195	27,870,166	34,259,316
Assigned	-	7,902,438	4,091,654	-
Unassigned (2)	-	-	-	-
Total All Other Governmental Funds	$ 36,511,505	$ 34,330,321	$ 32,081,522	$ 34,340,112
Total Combined All Governmental funds	$ 46,547,077	$ 53,831,094	$ 57,690,638	$ 64,737,256

Source: District records

Fiscal Year Ending					
June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
$ 1,451,517	$ 1,220,315	$ 1,293,614	$ 1,104,803	$ 1,373,604	$ 1,376,280
1,043,221	1,970,831	5,148,267	5,357,323	6,281,565	10,444,504
14,719,921	13,849,562	17,562,507	17,025,312	26,016,726	9,903,086
12,745,823	17,337,550	18,543,759	24,667,145	14,360,927	13,453,936
$ 29,960,482	$ 34,378,258	$ 42,548,147	$ 48,154,583	$ 48,032,822	$ 35,177,806
$ 377,058	$ 227,849	$ 181,367	$ 46,474	$ 213,225	$ 239,164
37,383,820	54,099,095	78,912,964	99,043,535	111,846,855	128,335,700
4,716,605	-	-	-	-	-
-	-	-	-	-	-
$ 42,477,483	$ 54,326,944	$ 79,094,331	$ 99,090,009	$ 112,060,080	$ 128,574,864
$ 72,437,965	$ 88,705,202	$ 121,642,478	$ 147,244,592	$ 160,092,902	$ 163,752,670

TABLE 5

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

	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Revenues				
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	$ 212,975	$ 204,649	$ 199,442	$ 204,705
Miscellaneous Federal Direct	-	5,527	4,705	61,743
Total Federal Direct	212,975	210,176	204,147	266,448
Federal Through State and Local Sources:				
Food Service	8,925,859	8,805,504	10,707,799	13,046,405
Donated Foods and Cash in Lieu of	780,408	794,049	787,894	892,106
Other Federal Through State and Local Grants	12,497,218	13,393,272	14,539,840	15,239,374
Total Federal Through State and Local Sources	22,203,485	22,992,825	26,035,533	29,177,885
State Sources:				
Florida Education Finance Program (FEFP)	82,146,741	87,411,334	88,568,231	93,120,031
Other Categoricals	1,251,270	388,271	814,639	565,063
Class Size Reduction	23,405,339	23,665,654	23,526,247	23,919,919
District Discretionary Lottery Funds	74,859	363,643	38,604	75,470
Motor Vehicle License Tax (Capital Outlay and Debt Service)	871,031	891,311	891,291	905,266
Gross Receipts Tax (Public Education Capital Outlay)	678,746	645,305	435,038	440,908
Food Services	136,634	132,012	127,689	133,967
Other State Sources and State Grants	1,265,011	1,837,593	3,019,837	3,979,185
Total State Sources	109,829,631	115,335,123	117,421,576	123,139,809
Local Sources:				
Ad Valorem Taxes	58,664,420	57,208,577	58,848,048	59,992,688
Food Services Sales	1,853,722	1,796,468	1,394,814	709,880
Sales Taxes	4,955,233	10,391,995	11,353,186	11,015,453
Impact Fees	-	1,631,051	1,748,325	2,427,403
Investment Income	75,400	304,548	431,310	1,098,465
Local Grants and Other Local Sources	4,583,457	2,728,271	3,705,566	3,090,070
Total Local Sources	70,132,232	74,060,910	77,481,249	78,333,959
Total Revenues	202,378,323	212,599,034	221,142,505	230,918,101
Expenditures				
Current:				
Instruction	106,537,953	105,150,370	108,971,048	112,707,854
Student Personnel Services	8,647,264	8,694,875	9,205,158	9,297,311
Instructional Media	1,848,730	1,530,809	1,622,464	1,358,033
Instruction & Curriculum Development Services	4,384,269	4,460,697	4,841,452	5,298,695
Instructional Staff Training Services	3,019,279	3,260,140	3,095,004	3,127,033
Instruction Related Technology	746,891	614,729	597,531	683,977
Board	505,584	470,445	681,947	550,179
General Administration	1,308,823	1,446,155	1,336,897	1,399,321
School Administration	11,266,677	10,940,618	11,545,666	11,835,587
Facility Services - Non-Capitalized	2,530,237	261,216	6,862,457	522,988
Fiscal Services	785,054	827,696	835,148	828,070
Food Services	10,447,569	11,231,422	12,427,740	12,256,971
Central Services	1,393,002	1,782,914	2,016,197	2,053,324
Student Transportation Services	7,040,108	6,809,430	7,305,505	7,940,862
Operation of Plant	14,607,003	14,496,847	15,892,768	16,398,181
Maintenance of Plant	5,247,754	5,199,010	5,251,839	5,675,832
Administrative Technology Services	2,602,849	2,647,241	2,805,435	2,836,674
Community Services	6,159	1,406	956	1,372
Fixed Capital Outlay:				
Facilities Acquisition & Construction	5,584,160	15,650,703	10,977,330	19,014,189
Other Capital Outlay	875,413	321,446	648,085	-
Debt Service:				
Principal	5,164,115	4,711,753	6,073,736	5,868,985
Interest	3,541,896	4,680,315	4,419,363	4,244,523
Dues and Fees	642,355	153,375	8,791	7,418
Miscellaneous	632	-	-	-
Total Expenditures	198,733,776	205,343,612	217,422,517	223,907,379
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,644,547	7,255,422	3,719,988	7,010,722
Other Financing Sources (Uses)				
Refunding Note Payable Issued	-	-	-	-
Refunding Bonds Issued	90,645,000	-	-	-
Premium on Refunding Bonds	11,553,598	-	-	-
Insurance Loss Recoveries	59,145	28,595	126,856	35,896
Payments to Refunding Bonds Escrow Agent	(101,091,855)	-	-	-
Transfers In	24,921,175	9,891,305	14,749,455	13,003,285
Transfers Out	(24,921,175)	(9,891,306)	(14,749,455)	(13,003,285)
Total Other Financing Sources (Uses)	1,165,888	28,594	139,556	35,896
Net Change in Fund Balance	4,810,435	7,284,016	3,859,544	7,046,618
Debt Service as a Percentage of Non-Capital Expenditures	4.5%	5.0%	5.1%	4.9%
Beginning Fund Balance	41,736,642	46,547,078	53,831,094	57,690,638
Adjustment to Fund Balance				
Restated Beginning Fund Balance				
Ending Fund Balance	$ 46,547,077	$ 53,831,094	$ 57,690,638	$ 64,737,256

Source: District records

Fiscal Year Ending					
June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
$ 207,672	$ 223,901	$ 227,294	$ 240,537	$ 225,017	$ 228,846
77,228	217,530	223,242	49,773	-	809
284,900	441,431	450,536	290,309	225,017	229,655
11,237,891	12,931,434	15,896,064	17,171,986	16,497,247	17,772,927
1,124,155	1,086,531	1,136,010	1,116,862	975,122	1,043,242
14,451,098	20,454,458	26,785,599	40,950,790	38,656,349	20,726,558
26,813,144	34,472,423	43,817,673	59,239,638	56,128,718	39,542,727
97,631,835	100,134,574	101,742,394	105,546,861	111,196,625	10,223,854
573,537	-	612,537	472,860	838,774	105,359,271
24,039,718	24,305,383	23,264,260	23,861,944	22,721,527	22,688,712
22,391	-				
936,148	239,682	1,001,454	1,028,091	1,058,584	961,842
-	-	1,664,776	222,298	2,250,636	252,894
156,983	186,330	188,114	188,223	183,565	181,513
1,308,368	2,536,753	1,306,936	10,209,126	2,728,092	1,258,811
124,668,980	127,402,722	129,780,471	141,529,403	140,977,803	140,926,897
62,930,323	65,618,052	81,094,793	99,610,398	109,860,554	116,882,466
372,581	83,477	344,695	517,800	486,303	522,105
11,636,400	13,157,697	16,754,625	19,150,406	18,582,786	19,208,526
2,153,894	3,767,707	6,748,927	5,553,709	5,053,012	9,013,193
905,006	75,493	176,982	3,907,735	7,187,827	6,884,449
4,077,705	7,024,051	9,890,873	9,850,747	12,208,820	11,346,792
82,075,909	89,726,477	115,010,896	138,590,795	153,379,302	163,857,531
233,842,933	252,043,053	289,059,576	339,650,145	350,710,840	344,556,810
115,928,362	119,531,768	130,435,870	153,060,784	155,789,334	164,916,079
9,716,584	10,049,020	11,760,634	12,663,969	13,542,796	14,894,305
1,413,745	1,267,135	3,366,945	1,980,013	2,067,003	2,316,187
5,572,290	5,454,926	3,616,321	8,364,324	8,720,198	9,786,879
2,977,672	3,745,518	3,305,382	2,053,404	2,170,945	2,466,958
565,640	530,295	613,519	857,253	1,073,836	1,342,001
517,829	519,598	531,142	724,502	989,362	813,345
1,879,884	2,098,585	2,664,260	2,922,029	4,123,968	3,398,584
11,941,545	12,096,392	13,650,044	14,772,178	16,374,828	16,963,898
1,051,204	2,125,888	875,864	2,426,969	11,656,859	4,144,740
950,464	4,010,033	5,619,462	937,720	1,068,037	945,801
12,905,046	13,855,274	15,052,429	14,895,060	16,904,815	18,070,235
2,408,961	2,534,836	4,122,027	4,579,576	4,246,376	4,920,883
7,606,933	7,348,871	9,342,974	10,201,330	10,765,235	11,944,813
17,218,820	17,430,751	18,860,015	21,544,359	23,793,725	26,193,418
6,807,784	6,111,917	7,593,551	8,774,570	7,749,139	7,345,801
4,329,162	2,913,586	2,408,255	3,129,570	3,659,609	4,950,170
9,768	10,690	15,122	18,844	18,587	180,885
13,741,576	16,736,877	19,802,867	40,168,689	42,681,741	35,703,506
-	793,440	-	-	-	
7,483,165	4,736,872	4,866,977	6,166,953	6,697,890	6,967,882
4,083,318	3,942,783	3,798,052	3,754,757	3,582,667	3,284,424
141,364	11,914	12,054	11,271	8,601	13,696
-	-	-	-	-	-
229,251,116	237,856,969	262,313,766	314,008,124	337,685,551	341,564,490
4,591,817	14,186,084	26,745,810	25,642,021	13,025,289	2,992,320
4,674,633	-	5,960,850	-	-	
-	-	-	-	-	
-	-	-	-	-	
29,612	21,055	47,612	48,913	292,601	195,341
(902,705)	-	-	-	-	
13,216,414	9,528,702	10,680,785	17,925,210	14,753,483	12,281,606
(13,216,414)	(9,528,702)	(10,680,785)	(17,925,210)	(14,753,483)	(12,281,606)
3,801,540	21,055	6,008,462	48,913	292,601	195,341
8,393,357	14,207,139	32,754,272	25,690,934	13,317,890	3,187,661
5.4%	3.9%	3.6%	3.6%	3.5%	3.4%
64,737,256	73,130,613	88,705,202	121,459,474	147,247,119	160,565,009
	1,233,061		94,184	(474,060)	
$ 73,130,613	$ 88,570,813	$ 121,459,474	$ 147,244,592	$ 160,092,902	$ 163,752,670

TABLE 6

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

Fiscal Year	Property Tax		Sales Tax	Total
	General Fund	Capital Projects Funds	Capital Projects Funds	Governmental Activities
2024-2025	$ 88,900,136	$ 27,982,330	$ 19,208,526	$ 136,090,992
2023-2024	83,826,470	26,034,083	18,599,588	128,460,141
2022-2023	77,205,187	22,405,211	19,150,406	118,760,804
2021-2022	63,091,303	18,002,490	16,754,625	97,848,418
2020-2021	48,974,618	16,643,434	13,157,697	78,775,749
2019-2020	47,658,751	15,329,228	11,578,748	74,566,727
2018-2019	45,800,900	14,191,789	11,015,453	71,008,142
2017-2018	45,514,011	13,334,037	11,353,186	70,201,234
2016-2017	44,718,926	12,489,651	10,391,995	67,600,572
2015-2016	46,435,418	12,229,002	4,955,233	63,619,653

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

Source: District records

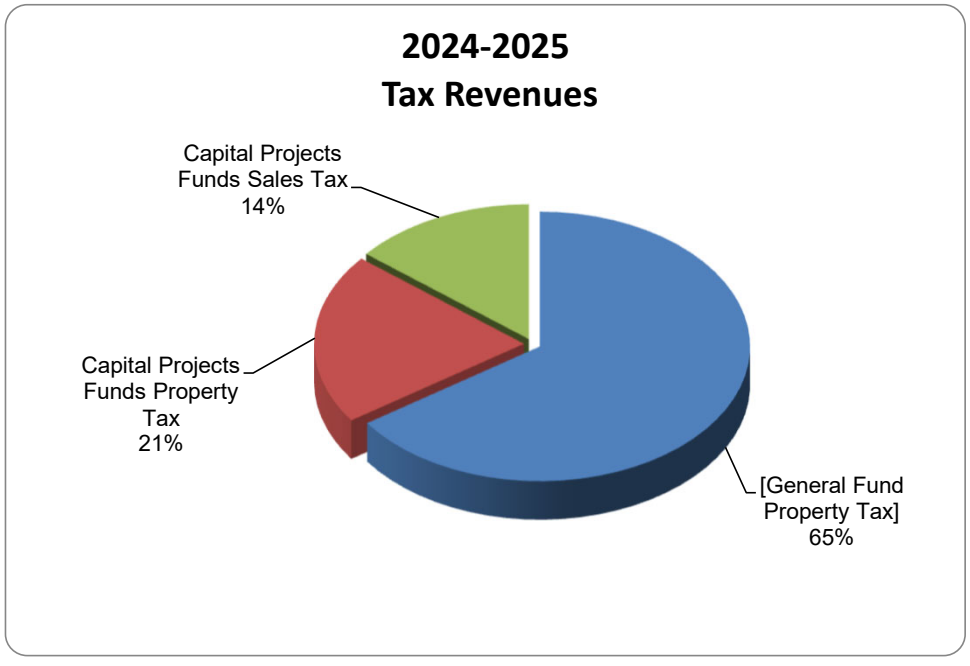


TABLE 7

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

	Fair Market Value (1)		Assessed Value (2)		Exemptions (3)		Taxable Value (4)					
Fiscal Year	Real Property	Personal Property	Real Property	Personal Property	Real Property	Personal Property	Real Property	Personal Property	Centrally Assessed (5)	Total	Ratio of Taxable Value to Assessed Value	Base Millage Rate (6)
2024-2025	$ 30,581,396	$ 2,125,051	$ 22,018,526	$ 2,093,228	$ 4,121,708	$ 642,766	$ 17,896,817	$ 1,450,462	$ 11,116	$ 19,358,396	80.29%	13.8309
2023-2024	28,928,102	2,059,564	20,517,643	2,026,581	3,976,279	639,703	16,541,364	1,386,877	11,184	17,939,426	79.57%	14.1633
2022-2023	24,884,231	1,883,804	17,783,757	1,857,269	3,355,249	617,692	14,428,508	1,239,576	10,937	15,679,022	79.83%	14.6615
2021-2022	17,656,641	1,817,025	14,122,219	1,790,065	2,875,800	608,847	11,246,419	1,181,218	9,948	12,437,585	78.16%	14.7178
2020-2021	16,563,589	1,766,454	13,675,213	1,739,459	3,334,280	612,478	10,340,933	1,126,981	9,594	11,477,508	74.46%	14.6404
2019-2020	16,567,712	1,766,668	12,807,078	1,739,674	3,963,063	612,476	8,844,015	1,127,198	9,594	9,980,807	68.61%	15.1536
2018-2019	13,300,359	1,846,816	11,306,661	1,776,292	2,540,206	601,446	8,766,455	1,174,846	7,926	9,949,227	76.05%	14.3460
2017-2018	12,247,949	1,834,656	10,685,753	1,766,495	2,511,925	600,848	8,173,828	1,165,647	7,483	9,346,958	75.06%	14.6426
2016-2017	11,208,262	1,703,765	10,084,383	1,703,015	2,468,286	596,852	7,616,097	1,106,163	8,326	8,730,586	74.07%	15.0112
2015-2016	10,800,268	1,585,644	9,845,265	1,589,744	2,429,043	600,481	7,416,222	984,263	7,869	8,408,354	73.53%	15.3533

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

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

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

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

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

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

Source: Hernando County Property Appraiser

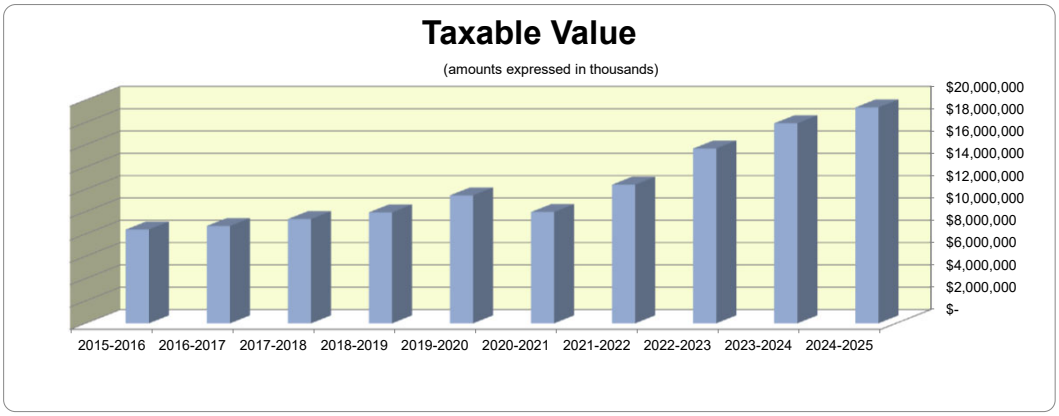


TABLE 8

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

	June 30, 2016	June 30, 2017	June 30, 2018
District Direct Rates			
District School Board:			
Local Required Effort	4.9480	4.6210	4.3710
Discretionary Local	0.7480	0.7480	0.7480
Supplemental Discretionary	0.0000	0.0000	0.0000
Voted Debt Service	0.0000	0.0000	0.0000
Local Capital Improvement	1.5000	1.5000	1.5000
Total District School Board Direct Rates	7.1960	6.8690	6.6190
Overlapping Rates			
Other Hernando County:			
General Fund	6.9912	6.9912	6.8912
Public Health	0.1102	0.1102	0.1102
Road and Bridge	0.7091	0.7091	0.7091
Recreation/Sensitive Lands	0.0000	0.0000	0.0000
Special Ad Valorem Districts	0.7839	0.7839	0.7839
Total Other Hernando County Rates	8.5944	8.5944	8.4944
Southwest Florida Water Management Districts (SWFWMD):			
SWFWMD County-Wide	0.3468	0.3317	0.3131
Hillsborough Basin			
Withlacoochee Basin	0.0000	0.0000	0.0000
Coastal Basin	0.0000	0.0000	0.0000
Total Southwest Florida Water Management Districts	0.3468	0.3317	0.3131
Municipalities:			
City of Brooksville	6.6439	6.6426	6.9763
City of Weeki Wachee	2.7622	2.8478	2.8470
Total Municipalities	9.4061	9.4904	9.8233
Total Overlapping Rates (1)	18.3473	18.4165	18.6308
Base Millage Rate (2)	15.3533	15.0112	14.6426

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

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

Source: Hernando County Property Appraiser

Fiscal Year Ending						
June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
4.0920	3.9150	3.6650	3.5290	3.2770	3.0920	3.0230
0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480
0.0000	0.0000	0.0000	1.0000	1.0000	1.0000	1.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
6.3400	6.1630	5.9130	6.7770	6.5250	6.3400	6.2710
6.8912	7.8912	7.6412	7.4412	6.9912	6.6997	6.4497
0.1102	0.1102	0.1102	0.1102	0.1102	0.1102	0.1102
0.7091	0.7091	0.7091	0.8091	0.8091	0.8091	0.8091
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
1.0239	1.0239	1.0239	1.0239	1.0239	1.0239	1.0239
8.7344	9.7344	9.4844	9.3844	8.9344	8.6429	8.3929
0.2955	0.2801	0.2669	0.2535	0.2260	0.2043	0.1909
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.2955	0.2801	0.2669	0.2535	0.2260	0.2043	0.1909
6.2000	6.2000	5.9000	5.9000	5.9000	5.9000	5.9000
2.8421	2.8658					
9.0421	9.0658	5.9000	5.9000	5.9000	5.9000	5.9000
18.0720	19.0803	15.6513	15.5379	15.0604	14.7472	14.4838
14.3460	15.1536	14.6404	15.3910	14.6615	14.1633	13.8309

TABLE 9

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

	2024-2025				2015-2016			
Taxpayer	Type of Business	Taxable Value	Rank	Percent of Taxable Value (1)	Type of Business	Taxable Value	Rank	Percent of Taxable Value (1)
Cemex, Inc.	Cement Manufacturing	$ 321,391,774	1	1.66%	Cement Manufacturing	$ 265,320,802	1	3.59%
Withlacoochee River Electric Co-op	Public Utility	268,466,118	2	1.39%	Public Utility	184,269,969	2	2.50%
Duke Energy (Florida Power Corporation)	Public Utility	126,699,838	3	0.65%	Public Utility	79,703,746	4	1.08%
Wal-Mart Regional Distribution	Retail Sales	102,840,864	4	0.53%				
HCA Healthcare Services of FL, Inc	Health Care	84,587,089	5	0.44%	Hospital/ Health Care	46,493,491	6	0.63%
BW Hibiscus Springs LLC	Apartments	67,726,300	6	0.35%				
Wal-Mart Stores, Inc.	Retail Sales	63,173,221	7	0.33%	Retail Sales	123,510,174	3	1.67%
Florida Gas Transmission Co.	Utilities	48,227,123	8	0.25%	Public Utility	47,086,787	5	0.64%
Oak Hill Hospital	Hospital	43,941,815	9	0.23%				
Wal-Mart Stores East LP	Retail Sales	34,999,941	10	0.18%				
AT&T Florida					Telecommunications	37,474,916	7	0.51%
Bright House Networks					Cable Utility	30,850,311	8	0.42%
Millennium Venture Limited					Senior Care	25,647,503	9	0.35%
MIC SCV LLC					Apartments	22,094,485	10	0.30%

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

Source: Hernando County Property Appraiser

TABLE 10

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

		Collected to End of Tax Year			Collected in Fiscal Year	
Fiscal Year	Total Tax Levy	Current Tax Collections (1)	Percent of Levy	Delinquent Collections (1)	Total Collections (1)	Percent of Levy
2024-2025	121,396,503	$ 116,971,929	96.36%	89,463	$ 117,061,392	96.43%
2023-2024	113,735,966	109,848,171	96.58%	12,382	109,860,553	96.59%
2022-2023	102,305,623	97,345,787	95.15%	2,943,329	100,289,116	98.03%
2021-2022	84,289,516	81,094,793	96.21%	7,410	81,102,203	96.22%
2020-2021	67,923,876	65,584,390	96.56%	33,665	65,618,055	96.61%
2019-2020	65,075,469	62,872,668	96.62%	57,655	62,930,323	96.70%
2018-2019	60,056,599	59,887,615	99.72%	52,537	59,940,152	99.81%
2017-2018	59,304,391	58,741,901	99.05%	106,147	58,848,048	99.23%
2016-2017	59,970,401	57,007,130	95.06%	201,447	57,208,577	95.39%
2015-2016	60,506,513	58,492,947	96.67%	171,473	58,664,420	96.96%

(1) Net of allowable discounts

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

Source: Hernando County Tax Collector and District records

TABLE 11

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

	Governmental Activities (1)									
Fiscal Year	General Obligation Bonds	State Board of Education Bonds	Certificates of Participation	District Revenue Bonds	Sales Tax Revenue Bonds	Notes	Capital Leases	Total Primary Government	Per Capita (2)	Percentage of Per Capita Income (2)
2024-2025	$ -	496,115	$ 77,664,478	$ 3,263,669	$	$	$	$ 81,424,262	365	0.74%
2023-2024	-	625,435	83,817,158	3,367,616				87,810,209	401	0.86%
2022-2023	-	787,414	89,699,838	8,277,894				98,765,146	477	1.04%
2021-2022	-	994,393	95,024,953	9,526,359	-	-	-	105,545,705	530	1.15%
2020-2021	-	1,194,371	100,211,610	3,659,456	-	-	-	105,065,437	540	1.31%
2019-2020	-	1,384,348	105,263,162	3,768,403	-	-	-	110,415,913	575	1.51%
2018-2019	-	1,688,760	110,178,385	1,935,000	-	1,002,622	-	114,804,767	610	1.65%
2017-2018	-	1,967,869	114,976,325	2,040,000	-	2,313,347	-	121,297,541	654	1.81%
2016-2017	-	2,607,978	119,648,434	2,140,000	-	3,598,654	-	127,995,066	703	2.09%
2015-2016	-	3,217,089	111,464,668	2,235,000	-	4,860,255	-	121,777,012	674	2.08%

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

Source:
(1) District Records
(2) Total Primary Government Debt divided by Population and Per Capita Income from Table 17.

TABLE 12

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2025
(Unaudited)

Jurisdiction	Other Debt Outstanding	Direct Debt: Percentage Applicable to School Board of Hernando County	Direct Debt: Amount Applicable to School Board of Hernando County	Direct and Overlapping Debt (1): Percentage Applicable To Hernando County	Direct and Overlapping Debt (1): Amount Applicable To Hernando County
Hernando County Board of County Commissioners:					
Non-Revolving Line of Credit Draws	$ 7,085,174			100.00%	$ 7,085,174
Non-Ad Valorem Refunding Bonds, Series 2012	5,887,000			100.00%	5,887,000
Non-Ad Valorem Refunding Bonds, Series 2022	31,285,000			100.00%	31,285,000
Lease Financing	4,907,792			100.00%	4,907,792
SBITA Financing	120,210			100.00%	120,210
Subtotal Overlapping Debt	49,285,176				49,285,176
District School Board of Hernando County:					
State Board of Education Bonds, Series 2014A Refunding	35,000	100.00%	35,000	100.00%	35,000
State Board of Education Bonds, Series 2020A Refunding	494,000	100.00%	494,000	100.00%	494,000
Bonds Payable - Unamortized Premium	96,436	100.00%	96,436	100.00%	96,436
District Bonds - Master Lease	3,643,442	100.00%	3,643,442	100.00%	3,643,442
Certificates of Participation, Series 2016A	76,885,000	100.00%	76,885,000	100.00%	76,885,000
Certificates of Participation - Unamortized Premium	6,932,158	100.00%	6,932,158	100.00%	6,932,158
Capital Improvement Bonds, Series 2020 Refunding	3,135,000	100.00%	3,135,000	100.00%	3,135,000
Capital Improvement Bonds - Unamortized Premium	232,616	100.00%	232,616	100.00%	232,616
Subtotal Direct Debt	91,453,652		91,453,652		91,453,652
Totals	$ 140,738,828		$ 91,453,652		$ 140,738,828

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

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

TABLE 13

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

	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Taxable Value (1)	$ 8,408,354	$ 8,730,587	$ 9,346,958	$ 9,949,228
Debt Limit - 10% of Taxable Value (2)	840,834	873,058	934,696	994,923
Amount of Debt Applicable to the Debt Limit:				
General Obligation Bonds Payable	$ -	$ -	$ -	$ -
Less, Amount Available for Debt Service	-	-	-	-
Total Debt Applicable to the Debt Limit	$ -	$ -	$ -	$ -
Legal Debt Margin	$ 840,834	$ 873,058	$ 934,696	$ 994,923
Total Debt Applicable to the Debt Limit as a Percentage of the Debt Limit	0.00%	0.00%	0.00%	0.00%

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

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

Source: District Records

Fiscal Year Ending					
June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
$ 9,980,807	$ 11,477,508	12,437,585	$ 15,679,022	$ 17,939,426	$ 19,358,396
998,081	1,147,751	1,243,759	1,567,902	1,793,943	1,935,840
$ -	$ -	-	$ -	$ -	$ -
-	-	-	-	-	-
$ -	$ -	-	$ -	$ -	$ -
$ 998,081	$ 1,147,751	1,243,759	$ 1,567,902	$ 1,793,943	$ 1,935,840
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

TABLE 14

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

Fiscal Year	Population (1)	Taxable Value	Gross General Bonded Debt (2)	Less Debt Service Funds (3)	Net General Bonded Debt	Ratio of Net General Bonded Debt to Taxable Value	Per Capita
2024-2025	222,990	$ 19,358,396	-	-	-	0.00%	
2023-2024	218,766	17,939,426	-	-	-	0.00%	
2022-2023	206,896	15,679,022	-	-	-	0.00%	
2021-2022	199,207	12,437,585	-	-	-	0.00%	
2020-2021	194,515	11,477,508	-	-	-	0.00%	
2019-2020	192,186	9,980,807	-	-	-	0.00%	
2018-2019	188,358	9,949,228	-	-	-	0.00%	
2017-2018	182,114	9,346,958	-	-	-	0.00%	
2016-2017	182,114	8,730,587	-	-	-	0.00%	
2015-2016	180,777	8,408,354	-	-	-	0.00%	

(1) Hernando County Monthly Demographics Update Summary - through December 2022
(2) The School District does not have any General Obligation Bonds

Source: District records

TABLE 15

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

Fiscal Year	Taxable Value	Taxable Assessed Value	Annual Lease Payment	Millage Levy to Provide 1.00x Coverage (1)
2024-2025	$ 19,358,396	18,584	9,915	0.534 Mills
2023-2024	17,939,426	17,222	9,911	0.575 Mills
2022-2023	15,679,022	15,052	8,241	0.548 Mills
2021-2022	12,437,585	11,940	8,243	0.690 Mills
2020-2021	11,477,508	11,018	8,680	0.788 Mills
2019-2020	9,980,807	9,582	8,236	0.860 Mills
2018-2019	9,949,228	9,551	8,245	0.863 Mills
2017-2018	9,346,958	8,973	8,241	0.918 Mills
2016-2017	8,730,587	8,381	7,144	0.852 Mills
2015-2016	8,408,354	8,072	5,891	0.730 Mills

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

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

Source: District records

TABLE 16

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

Fiscal Year	10-Year Sales Tax Revenue (1)	Principal	Interest and Dues & Fees	Annual Debt Service on Sales Tax Revenue Bonds	Sales Tax Revenue Coverage (2)
2024-2025	$ 19,208,526				
2023-2024	18,599,588				
2022-2023	19,150,405				
2021-2022	16,754,625				
2020-2021	13,157,697				
2019-2020	11,578,748				
2018-2019	11,015,453				
2017-2018	11,353,186				
2016-2017	10,391,995				
2015-2016	4,955,233				

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

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

Source: District records

TABLE 17

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

Fiscal Year	Estimated Population (1)	Personal Income (2)	Per Capita Income (1)	Public School Enrollment (3)	Percentage of Students on Free and Reduced Lunch (5)	Labor Force (1)	Unemployment Rate % (1)	Median Age (1)	Citizens With a Bachelor's Degree (4)
2024-2025	222,990	$ 10,965,756	$ 49,176	23,925	62.1%	92,398	4.0%	47.4	20.4%
2023-2024	218,766	10,192,527	46,591	24,163	65.4%	78,797	3.8%	47.4	20.0%
2022-2023	206,896	9,533,768	46,080	25,805	60.9%	81,263	3.6%	47.3	19.4%
2021-2022	199,207	9,179,459	46,080	25,554	60.2%	77,274	5.1%	48.8	19.1%
2020-2021	194,515	8,050,003	41,385	24,450	58.3%	76,582	8.3%	49.6	18.4%
2019-2020	192,186	7,345,925	38,223	22,398	57.3%	70,615	4.2%	49.4	17.5%
2018-2019	188,358	6,946,266	36,878	23,357	57.0%	71,547	3.2%	47.7	17.5%
2017-2018	185,604	6,711,626	36,161	23,340	65.0%	63,757	4.2%	49.2	17.1%
2016-2017	182,114	6,131,050	33,666	23,950	66.9%	67,842	5.9%	47.7	16.4%
2015-2016	180,777	5,843,436	32,324	23,621	69.3%	67,937	6.2%	47.7	15.5%

Source:
(1) Hernando County Monthly Demographics Update Summary - through December 2025
(2) Personal Income was calculated by multiplying the Estimated Population and Per Capita Income. Personal Income stated in thousands.
(3) District enrollment records as of August 29, 2025
(4) U.S. Census Bureau - State & County Quickfacts
Bachelor's degree or higher, % of persons 25+ 2015-2019
(5) Food & Nutrition Data as of 04/30/25 (Free 56.36% Reduced 5.70% =62.06%)

TABLE 18

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

	2024-2025			2023-2024	
Employer / Type of Business	Number of Employees	Rank	% (1)	Number of Employees	Rank
Oak Hill Hospital Healthcare	1,518	1	1.6%	1,518	1
Access Health Care Physicans Healthcare	918	2	1.0%	918	2
TGH North	800	3	0.9%	800	3
Cemex #426	330	4	0.4%	330	4
Go Health	300	5	0.3%	300	5
Total	3,866		9.5%	3,866	

(1) Percentage shown represents the number of employees as a percent of Hernando County's total labor force of 92,398
(2) Last updated list of Major Private Sector Employees from Florida Department of Transportation

Source: Hernando County ACFR for fiscal years ending September 30, 2024.
Source: https://www.fdot.gov/docs/default-source/planning/systems/programs/mspi/pdf/freight/onlineviewing/Hernando.pdf



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TABLE 19

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

	Year Constructed (1)	Age of School in Years	Square Footage (2)	Permanent Student Stations (3)	Current Utilization Based on Permanent Student Stations	Relocatables	Relocatable Student Stations (4)
Elementary Schools:							
Brooksville Elementary	1968	57	122,456	817	81.9%	6	114
Chocachatti Elementary (Magnet)	1998	27	111,641	737	106.9%	7	256
Deltona Elementary	1989	36	114,971	743	107.4%	6	134
Eastside Elementary	1973	52	93,669	736	103.0%	4	84
John D. Floyd Elementary	1986	39	108,313	696	129.9%	16	451
Moton Elementary	1989	36	95,943	755	85.6%	3	80
Pine Grove Elementary	1988	37	123,523	742	130.6%	12	332
Spring Hill Elementary	1980	45	95,285	588	137.8%	11	291
Suncoast Elementary	1994	31	132,340	876	109.2%	2	66
Westside Elementary	1972	53	85,475	634	85.2%	13	240
Total Elementary School Student Enrollment							
Middle Schools:							
Fox Chapel Middle School	1978	47	123,394	1,143	66.3%	10	198
D. S. Parrott Middle School	1988	37	147,654	1,156	62.8%		
Powell Middle School	1984	41	154,747	1,257	81.8%		
West Hernando Middle School	1993	32	203,818	1,321	52.3%	3	132
Total Middle School Student Enrollment							
Combination Schools:							
Challenger K-8 School of Science and Mathematics (Magnet)	2004	21	241,418	1,741	85.6%	1	44
Explorer K-8	2008	17	277,548	2,076	72.4%		
Winding Waters K-8	2012	13	197,016	1,845	85.0%	5	110
Total Combination School Student Enrollment							
High Schools:							
Central High School	1989	36	247,902	1,671	88.7%	4	100
Hernando High School	1962	63	252,841	1,662	78.9%	5	125
Nature Coast Technical High School (Magnet)	2001	24	255,751	1,441	90.0%		
Springstead High School	1975	50	244,130	1,682	106.8%	21	500
Weeki Wachee High School (Grades 9-12)	2011	14	242,948	1,716	86.0%		
Total High School Student Enrollment							
Specialty Schools:							
Endeavor Academy (formerly STAR Center)	1974	51	19,260	121	104.1%	4	70
Hernando eSchool	N/A		N/A	N/A	N/A	N/A	N/A
Incarcerated Youth Program	N/A		N/A	N/A	N/A	N/A	N/A
Stop Camp/Withlacoochee DJJ	N/A		N/A	N/A	N/A	N/A	N/A
Total Specialty Schools Student Enrollment							
Charter Schools:							
Best Academy	N/A		N/A	N/A	N/A	N/A	N/A
Gulf Coast Elementary School	N/A		N/A	N/A	N/A	N/A	N/A
Gulf Coast Middle School	N/A		N/A	N/A	N/A	N/A	N/A
Gulf Coast Academy of Science and Mathematics	N/A		N/A	N/A	N/A	N/A	N/A
Total Charter School Student Enrollment							
Total Pre-Kindergarten to Grade 12 Student Enrollment							
Adult Education:							
Wilton Simpson Technical College	2022	3	18,618	93	N/A	N/A	N/A
Heart Literacy	1986	39	3,782	N/A	N/A	N/A	N/A
Total Adult Student Enrollment							
District Total Pre-Kindergarten to Adult Student Enrollment							

(1) Year constructed date from the Florida Inventory of School Housing (FISH). This date does not reflect additions, renovations, replacements or remodeling
Average age of the schools 36.4 years.
(2) Square footage is current permanent and does not include portables.
(3) Permanent student stations reflect student stations in permanent buildings which excludes student stations in relocatables.
(4) Student stations in relocatable classrooms.
(5) Permanent student stations reflect utilization factor per State Requirements for Educational Facilities (SREF).

Source: District records

Student Enrollment

2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
641	648	674	662	666	646	669	682	669
726	739	736	704	756	786	778	784	788
816	828	808	686	795	829	861	864	798
609	652	663	598	684	732	736	755	758
969	954	945	888	940	945	964	924	904
573	569	551	539	650	672	675	671	646
865	914	948	844	905	982	1,038	970	969
822	924	870	795	924	911	885	821	810
901	891	908	777	841	877	920	974	957
512	557	582	516	542	518	529	512	540
7,434	7,676	7,685	7,009	7,703	7,898	8,055	7,957	7,839
733	772	751	729	830	884	780	822	758
652	661	724	763	824	833	715	740	726
981	1,013	1,082	934	970	1,004	1,057	1,049	1,028
718	689	694	610	720	690	657	668	691
3,084	3,135	3,251	3,036	3,344	3,411	3,209	3,279	3,203
1,477	1,429	1,397	1,369	1,453	1,471	1,458	1,463	1,490
1,656	1,686	1,689	1,503	1,574	1,601	1,564	1,528	1,502
1,301	1,378	1,391	1,277	1,605	1,649	1,653	1,618	1,569
4,434	4,493	4,477	4,149	4,632	4,721	4,675	4,609	4,561
1,312	1,267	1,259	1,173	1,295	1,427	1,448	1,465	1,482
1,209	1,161	1,205	1,221	1,228	1,292	1,267	1,301	1,312
1,327	1,457	1,404	1,325	1,312	1,309	1,361	1,306	1,297
1,722	1,724	1,791	1,678	1,912	1,888	1,899	1,874	1,797
1,343	1,278	1,274	1,196	1,444	1,433	1,435	1,446	1,476
6,913	6,887	6,933	6,593	7,191	7,349	7,410	7,392	7,364
116	125	133	108	106	127	180	155	126
55	49	43	76	212	65	62	48	59
8	2	2	-	2	1		6	3
-	-	-	-	-				
179	176	178	184	320	193	242	209	188
130	119	90	60	75	75	97	89	88
-	-	-	114	123	121	117	113	106
110	-	-	-	-				
124	236	236	236	218	213	217	217	219
364	355	326	410	416	409	431	419	413
22,408	22,722	22,850	21,381	23,606	23,981	24,022	23,865	23,568
28	53	53	24	40	83	109	188	214
96	101	123	73	63	66	124	-	-
124	154	176	97	103	149	233	188	214
22,532	22,876	23,026	21,478	23,709	24,130	24,255	24,053	23,782

TABLE 20

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

Fiscal Year	Classroom Teachers (1)	Other Instructional (2)	Administrative (3)	Support Services (4)	Total Full Time	Ratio of Instructional Personnel to Administrators
2024-2025	1,505	106	118	1,398	3,127	13.65
2023-2024	1,508	103	118	1,367	3,096	13.65
2022-2023	1,422	99	109	1,307	2,937	13.95
2021-2022	1,535	95	101	1,251	2,982	16.14
2020-2021	1,630	94	103	1,283	3,110	16.74
2019-2020	1,643	91	104	1,437	3,275	16.67
2018-2019	1,442	82	98	1,253	2,875	15.55
2017-2018	1,452	86	100	1,259	2,897	15.38
2016-2017	1,433	87	92	1,226	2,838	16.52
2015-2016	1,473	87	97	1,192	2,849	16.08

(1) Elementary classroom teachers, secondary classroom teachers, exceptional education teachers, other teachers
(2) Guidance counselors, occupational specialists, social workers, psychologists, media specialists
(3) Principals, assistant principals, superintendent, executive directors, directors, managers, coordinators
(4) Paraprofessionals, bus drivers, clerical, secretarial, service workers, skilled craft, etc.

Source: District records

TABLE 21

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

Fiscal Year	Bachelor's	Master's	Specialist's	Doctorate
2024-2025	$ 50,000	$ 52,500	$ 53,500	$ 54,500
2023-2024	50,000	52,500	53,500	54,500
2022-2023	49,000	51,500	52,500	53,500
2021-2022	47,500	50,000	51,000	52,000
2020-2021	46,120	48,620	49,620	50,620
2019-2020	48,398	50,898	51,898	52,898
2018-2019	46,321	48,821	49,821	50,821
2017-2018	46,729	49,229	50,229	51,229
2016-2017	45,777	48,277	49,277	50,277
2015-2016	45,034	47,534	48,534	49,534

Source: District records

TABLE 22

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

Fiscal Year	Government-Wide Governmental Activities Expenses	Public School Enrollment (1)	Percentage Change	Cost per Student	Percentage Change	Classroom Teachers	Percentage Change	Pupil Teacher Ratio
2024-2025	$ 311,494,402	23,925	-7.3%	$ 13,020	18.7%	1,505	5.8%	15.90
2023-2024	323,345,456	24,163	-5.4%	13,382	41.4%	1,508	-1.8%	16.02
2022-2023	283,065,668	25,805	1.0%	10,969	15.9%	1,422	-7.4%	18.15
2021-2022	241,895,374	25,554	4.5%	9,466	-4.4%	1,535	-5.8%	16.65
2020-2021	242,051,015	24,450	9.2%	9,900	-4.9%	1,630	-0.8%	15.00
2019-2020	233,039,439	22,398	-4.8%	10,404	13.1%	1,643	13.9%	13.63
2018-2019	217,385,088	23,533	0.8%	9,237	-0.5%	1,442	-0.7%	16.32
2017-2018	216,702,802	23,340	-2.5%	9,285	9.5%	1,452	1.3%	16.07
2016-2017	203,166,169	23,950	1.4%	8,483	0.7%	1,433	-2.7%	16.71
2015-2016	199,052,650	23,621	5.2%	8,427	-6.8%	1,473	-2.7%	16.04

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

Source: District records

COMPLIANCE SECTION




HERNANDO
SCHOOL DISTRICT
Learn it. Love it. Live it.

DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
COMPLIANCE SECTION

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

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DISTRICT SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
Clustered			
Child Nutrition Cluster			
United States Department of Agriculture:			
Florida Department of Agriculture and Consumer Services:			
School Breakfast Program	10.553	21002	$ 3,886,533
National School Lunch Program	10.555	21001, 21003	$ 13,298,339
COVID-19 National School Lunch Program	10.555	23020	41,570
Total Child Nutrition Cluster			17,226,443
Student Financial Assistance Cluster			
United States Department of Education:			
Federal Pell Grant Program	84.063	N/A	449,738
Special Education Cluster			
United States Department of Education:			
Florida Department of Education:			
Special Education - Grants to States	84.027	262,263	5,501,643
Special Education - Preschool Grants	84.173	267	148,494
Total Special Education Cluster			5,650,137
Not Clustered			
United States Department of Agriculture			
Florida Department of Health:			
COVID-19- Child and Adult Care Food Program	10.558	A-4575	546,485
Total United States Department of Agriculture			546,485
United States Department of Defense			
Air Force Junior Reserve Officers Training Corps	12 UNK	N/A	90,526
Navy Junior Reserve Officers Training Corps	12 UNK	N/A	138,320
Total United States Department of Defense			228,846
United States Department of Education			
Florida Department of Education:			
COVID-19 Elementary and Secondary School Emergency Relief Fund			
Homeless Children and Youth Fund	84.425W	122	130,334
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425U	121	4,553,991
			4,684,325
Adult Education - Basic Grants to States	84.002	191,193	349,063
Title I Grants to Local Educational Agencies	84.010	212,226	7,912,288
Career and Technical Education - Basic Grants to States	84.048	161	314,411
Education for Homeless Children and Youth	84.196	127	115,819
Charter Schools	84.282A	298	26,012
English Language Acquisition State Grants	84.365	102	100,736
Supporting Effective Instruction State Grants	84.367	224	1,023,149
Student Support and Academic Enrichment Program	84.424	241	550,618
Total United States Department of Education			10,392,096
Total Expenditures of Federal Awards			$ 39,178,070

The notes below are an integral part of this Schedule.

Notes:

(1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Hernando County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position.

(2) **Summary of Significant Accounting Policies**. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) **Indirect Cost Rate**. The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.

(4) **Non-Cash Assistance.** (A) National School Lunch Program - Includes -0- of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

PURVIS GRAY

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Hernando County District School Board (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 19, 2025.

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

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 a 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.

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the 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 non-compliance or other matters 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis Gray

December 19, 2025
Ocala, Florida

PURVIS GRAY

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Hernando County District School Board's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

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

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material non-compliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will

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

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

not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Purvis Gray

December 19, 2025
Ocala, Florida

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

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over the major federal program:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for the major Federal program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of the major federal program:	
Name of Federal Program or Cluster	AL Numbers:
United States Department of Education	
Florida Department of Education:	
Title I Grants to Local Educational Agencies	84.010
Dollar threshold used to distinguish between type A and type B programs:	$1,175,342
Auditee qualified as low risk auditee?	Yes

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

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters are reported.

PURVIS GRAY

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the Hernando County District School Board's (the District) compliance with the requirements of Section 218.415, Florida Statutes, with regards to the District's investments during the year ended June 30, 2025. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

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

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements during the fiscal year ended June 30, 2025.

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

Purvis Gray

December 19, 2025
Ocala, Florida

PURVIS GRAY

MANAGEMENT LETTER

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

Report on the Financial Statements
We have audited the financial statements of the Hernando County District School Board (the District) as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated December 19, 2025. Our report includes a reference to other auditors. Other auditors audited the financial statements of three charter schools included in the aggregate discretely presented component units, as described in our report on the District's financial statements. This letter does not include the results of the other auditors, and such information related to those audits is reported on separately by those auditors.

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

Other Reporting Requirements
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for each Major Federal Program and on Report on Internal Control over Compliance Required by the Uniform Guidance, Schedule of Findings and Questioned Costs, and our Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.800, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated December 19, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings
Section 10.804(1)(f)1., *Rules of the Auditor General,* requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in our preceding annual financial audit report for the fiscal year ended June 30, 2023 (State of Florida Auditor General audited the 2024 Fiscal Year). All 2023 findings have been addressed.

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

MANAGEMENT LETTER

Financial Condition and Management
Section 10.804(1)(f)2, *Rules of the Auditor General*, requires us to communicate whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.804(1)(f)5.a. and 10.805(7), *Rules of the Auditor General*, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.

Section 10.804(1)(f)3, *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. There were no new recommendations to improve financial management.

Transparency
Section 10.804(1)(f)6., *Rules of the Auditor General*, requires that we communicate the results of our determination as to whether the District maintains on its website the information specified in Section 1011.035, Florida Statutes. In connection with our audit, we determined that the District maintained on its website the information specified in Section 1011.035, Florida Statutes.

Additional Matters
Section 10.804(1)(f)4, *Rules of the Auditor General,* requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

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

Purvis Gray

December 19, 2025
Ocala, Florida

FLORIDA DEPARTMENT OF EDUCATION
AFFIDAVIT ON IMPACT FEES

STATE OF FLORIDA

HERNANDO COUNTY SCHOOL DISTRICT

To the best of my knowledge, I hereby declare that all impact fees collected and expended by my school district, or on its behalf for fiscal year 2024-25, were in full compliance with the spending period provision in the local ordinance or resolution, and that funds expended from each impact fee account were used only to acquire, construct or improve specific infrastructure needs.

NAME OF AFFIANT Dionne Makinson (*please print*)

SIGNATURE OF AFFIANT Dionne Makinson

TITLE Coordinator of Finance (*CFO or equivalent*)

Sworn to and subscribed before me this 11 day of September, 2025.

Joyce McIntyre
SIGNATURE OF NOTARY PUBLIC, STATE OF FLORIDA

Joyce McIntyre
(Print, Type, or Stamp Commissioned Name of Notary Public)

(Check one)
X Affiant personally known to notary

Or

□ Affiant produced identification

JOYCE MCINTYRE
Notary Public - State of Florida
Commission # HH 640896
My Comm. Expires Mar 22, 2029
Bonded through National Notary Assn.

Type of Identification Produced: _____



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BOARD MISSION

The Hernando County School District collaborates with parents and other community stakeholders to effectively prepare all students for a successful transition into a diverse and changing world.



HERNANDO
SCHOOL DISTRICT

Learn it. Love it. Live it.

Complete Section A **or** B; **and** C

MUST BE COMPLETED IN FULL FOR PLACEMENT CONSIDERATION.
(For Donations, use Section B)

A. Item Currently Budgeted -

Account Name: General Fund - Professional Services

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project
	1100E	7500	7300	9210	49500	

Original Approved Budget	+ -	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$ 920.00		$ 0.00		$		$ 920.00		$ 920.00		$ 0

Account Name: _____

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project

Original Approved Budget	+ -	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$		$		$		$		$		$

B. Item Currently Not Budgeted -**

Funding Source: _____

Account Name: _____

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project

Amount $ _____

Funding Source: _____

Account Name: _____

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project

Amount $ _____

C. History

Check one:
Prior Year Budget: ☑
New for Current Year: ☐

Prior Year Approved Budget: $ 920.00
Prior Year Actual Spent: $ 920.00

**** WHEN ITEM NOT CURRENTLY BUDGETED IS APPROVED BY THE SCHOOL BOARD, THIS WILL SERVE AS THE BUDGET AMENDMENT****

Agenda Item # 15. 26-3547 1/27/2026

Title and Board Action Requested

Approve the Participation Agreement for the Hernando County School District to Apply for Membership in the Florida Educator Health Trust (FLEHT)

Executive Summary

The Director of Labor Relations & Professional Standards, on behalf of the Superintendent of Schools, hereby requests the Board sign the participation agreement for FLEHT to apply for membership in The Florida Educator Health Trust, FLEHT. The participation agreement will allow for the Board to work with FLEHT in planning and preparing for a self-insurance program with an anticipated start date of 1/1/2027. Any costs associated with this for calendar year 2026 such as the FLEHT capitalization fee and services from AVAIL for a transition/support will be below the threshold needed for Board Approval. Funds from the BC/BS Donations will be used to cover these minor costs at a future time. The Board will have regular updates through workshops as parallel proposals will come to the Board as part of the insurance renewal and planning process. The process will allow the Board multiple options to make the best decision for health insurance for the employees for the calendar year of 2027. The Board had a workshop on December 9, 2025, to review participation in FLEHT and provided tentative approval to move forward with this plan that includes this participation agreement approval as an application to join FLEHT.

My Contact

Matthew Goldrick
Director of Labor Relations & Professional Standards
919 North Broad Street Brooksville, FL 34601
goldrick_m@hcsb.k12.fl.us
352-7979-7000 ext. 70451

2023-28 Strategic Focus Area

Priority 5: Fiscal Transparency and Capital Planning

Financial Impact

See attached budget sheet.

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.

PARTICIPATION AGREEMENT

This Participation Agreement is entered into by the undersigned School Board ("Board") and the Florida Educator Health Trust ("FLEHT") and state as follows:

WHEREAS, FLEHT is a duly organized insurance trust established pursuant to the laws of the State of Florida and created by that certain Agreement and Declaration of Trust dated _____, 2025 ("Trust"); and

WHEREAS, the Board, a political subdivision of the State of Florida, is a "Member" of the Florida Association of District School Superintendents, Inc. ("FADSS") as defined in Article II, Section 7 of the Trust and is therefore entitled to seek to participate in the Trust; and

WHEREAS, the Board has applied to become a "Participating Trust Member" of FLEHT, as defined in Article II, Section 13 of the Trust; and

WHEREAS, the Trustees of the Trust have determined that the Board meets all requirements to become a Trust Member School District as defined in the Trust and have, therefore, approved on _____, 2026, the Board's application to become a Participating Trust Member School District; and

WHEREAS, the Board, by official action taken on _____, 2026, has voted to become a Participating Trust Member School District and to appoint the Superintendent as Trustee of the Trust as provided in Article II, Section 20 of the Trust.

NOW, THEREFORE, the Trustees of FLEHT do by these presents accept, acknowledge and approve the Board becoming a Participating Trust Member School District of FLEHT with all of the rights, privileges and obligations appurtenant thereto, and the Board accepts, acknowledges and approves of its membership in FLEHT as a Participating Trust Member School District and hereby appoints the Superintendent of Schools in the Board's district as Trustee.

FLORIDA EDUCATOR HEALTH TRUST

By: _____
Chair

Date: _____

Attest:

_____
Secretary

Date: _____

SCHOOL BOARD OF _____ COUNTY, FLORIDA

By: _____
Chair

Date: _____

Attest:

_____
Superintendent of Schools

Date: _____

Approved as to Legal Sufficiency
Caroline I. Mockler, Esq.
Staff Counsel, HCSD
3:34 pm, 01/08/2026

FLORIDA EDUCATOR HEALTH TRUST AGREEMENT AND DECLARATION OF TRUST

The Florida Association of District School Superintendents, Inc. ("FADSS") as Grantor does by these presents create this Florida Educator Health Trust Agreement and Declaration of Trust ("Agreement") made in Tallahassee, Florida, as of this the 21st day of March, 2025 ("Effective Date"), by and between the **Florida Educator Health Trust**, hereinafter referred to as the "Trust" or "FLEHT" and FADSS. All capitalized words not defined herein are as defined in the Bylaws.

WITNESSETH:

WHEREAS, Article IX, Section 4 of the Florida Constitution, in part, establishes school districts and school boards as lawful political bodies or subdivisions of the State of Florida with powers and duties provided by the Florida Constitution and the Laws of the State of Florida; and,

WHEREAS, Section 1001.42, Florida Statutes, in part, sets forth certain powers and duties of a school board, including, but not limited to the provision of adequate protection against any loss or damage to school property or loss resulting from any liability by purchasing insurance, self-insuring, entering into risk management programs managed by school boards, school-related organizations, or insurance companies, or any combination thereof; and,

WHEREAS, pursuant to statutory authority, school boards from time to time may designate FLEHT as the school-related organization to provide risk management programs for the school board by taking action to designate FLEHT for such purpose and appointing the superintendent to serve as a Trustee representing the school board; and,

WHEREAS, Section 112.08, Florida Statutes, in part, provides that school boards pay out or contract for the payment of premiums for life, health, accident, hospitalization, legal expense, annuity insurance or any or all kinds of such insurance for the officers and employees of the school board; and,

WHEREAS, Section 163.01, Florida Statutes, in part, authorizes any political subdivision or local governmental unit of the state, including school districts, to jointly exercise any power, privilege, or authority which such governmental entities share in common and which each might exercise

separately, and further provides such authority is in addition to and not in limitation of those granted by any other general, local, or special law; and,

WHEREAS, school boards in Florida are authorized to join together in a group or groups for the purpose of providing self-insurance of various kinds; and,

WHEREAS, FADSS is a Florida non-profit corporation comprised of elected and appointed superintendents throughout the state of Florida and has served its membership since 1968; and

WHEREAS, FADSS has created the FLEHT to, among other things, provide medical stop loss insurance, other forms of insurance, various risk management and administrative services for its participating members; and,

WHEREAS, under proper circumstances the school boards represented by FADSS membership or some portion thereof, may deem it expedient to join together for economy of scale purchasing and procuring health insurance coverage under Florida law or providing self-insurance, various coverages and related risk management programs and administrative services as authorized under Florida law; and,

WHEREAS, FADSS considers that it would be advantageous and an economical savings for the school districts who may become Participating Trust Members pursuant to this Agreement and Declaration of Trust, to undertake to provide such health insurance, share the cost of administrative services, and related programs in certain selected areas and to that end is undertaking to furnish the leadership and guidance necessary to establish such programs and to share said costs; and,

WHEREAS, FADSS has determined that it would be advantageous for Florida school boards to have the opportunity to undertake to provide group health insurance for eligible employees and school district representatives, and to share administrative services as a way to save costs associated with procuring such insurance and acquiring said services; and,

WHEREAS, FADSS has determined that the most practical manner in which to establish and administer these insurance programs and share administrative costs is through a trust created for that purpose; and,

WHEREAS, pursuant to the authority vested in participating school boards to participate in a risk sharing agreement as provided by FLEHT; and,

WHEREAS, the terms and conditions of this FLEHT are set out in writing herein; and,

WHEREAS, the school districts which have determined to participate in FLEHT agree to perform the duties and obligations required of them under the terms and provisions hereof.

NOW, **THEREFORE**, in consideration of the foregoing premises, and for other good and valuable consideration, the receipt of which is hereby acknowledged, it is mutually contracted, covenanted and agreed as follows:

ARTICLE I
NAME

The name of the Trust hereby created is the "**Florida Educator Health Trust**," hereinafter referred to as the "**Trust**" or "**FLEHT**."

ARTICLE II
DEFINITIONS

Section 1. "Administrator" as used herein shall mean the Administrator of the Trust as so designated by the Board of the Trust.

Section 2. "Board" is defined to mean the Board of Trustees of the Trust.

Section 3. "Business Day" shall mean any day other than a Saturday or Sunday or legal holiday.

Section 4. "Chair" is defined to mean the Chairperson of the Board.

Section 5. "Contributions" are defined to mean the initial and subsequent payments to the Trust by Participating Trust Members for the purpose of securing economy of scale group health insurance and administrative services to be established or secured and administered by the Trust and/or by a third-party administrator or to participate in other health-related programs provided and administered by the Trust on a fee-basis.

Section 6. "Employees" or "Officials" are defined to mean those persons who are employees and/or officials of Participating Trust Members.

Section 7. "FADSS" shall mean Florida Association of District School Superintendents, Inc., a Florida non-profit corporation.

Section 8. "FLEHT" or "Trust" shall mean Florida Educator Health Trust.

Section 9. "Trustees" shall mean the signatories to this Agreement each of which represents a school board which is also a "Participating Trust Member" as defined herein.

Section 10. "Fund" or "Funds" (with respect to each insurance or service program established and administered by the Trust, the Trust will establish and maintain a separate account for all monies collected and disbursed for the health insurance program or programs which shall be designated and named so as to readily identify the insurance program or administrative service for which such account is established and maintained) is defined to mean with respect to the particular account involved, the cumulative total of the following: Participating Trust Member contributions, policy refunds, or budget reductions received by the Trust or left with the insurance carrier; investments made by the Trust and income thereon; and other money or property which shall come into the hands of the Trust in connection with the administration thereof.

Section 11. "Notice" is defined in Article XIII.

Section 12. "Operators" are defined as third party program managers, third party administrators, employee benefits administrators, risk managers, district level business officials, consultants, or human resource personnel.

Section 13. "Participating Trust Members" is defined to mean Florida school boards which have applied for and been accepted as participating in economy of scale health insurance programs established and administered by the Trust and procuring administrative services related thereto in accordance with the terms of this Agreement.

Section 14. "Policy" as used herein shall include any rider, endorsement, or amendment made a part of an insurance policy.

Section 15. "Program" or "Programs" is defined to be the various economy of scale health insurance and health-related programs and administrative services offered by the Trust for the benefit of the employees and officials of the Participating Trust Members.

Section 16. "Program Manager" shall be that individual or firm designated by FADSS to assist the Trustees in the management of the Trust and who shall be knowledgeable on matters related to risk analysis, risk-sharing, risk financing and risk transfer structures and arrangements.

Section 17. "Proxy Designee" is an individual who is authorized by a Trustee to serve in his/her absence at a duly constituted meeting or teleconference of the Board for a specified length of time. The proxy designee shall be limited to an alternate superintendent, deputy superintendent, or Operator in order to ensure a knowledgeable representative is present at a duly constituted meeting or teleconference.

Section 18. "Superintendent" shall mean the person serving as superintendent of a school district.

Section 19. "Trust" is defined to mean the Florida Educator Health Trust.

Section 20. "Trustee" is the superintendent of a school district who is designated by the school board to serve on the Trust. The Trustee may appoint a designee or proxy to the Trust which person shall also be referred to herein as "Trustee."

ARTICLE III
PURPOSES OF THE TRUST

The Trust shall be a non-profit organization with the funds collected as provided herein to be used only for the purpose and in the manner set out in this Agreement and by the Bylaws promulgated and adopted pursuant to the authority granted herein. The purposes of the Trust shall be to enable the various Participating Trust Members to avail themselves of the benefits which will accrue to them in the forming of a group or groups to provide and participate in any lawfully permitted insurance, self-insurance, pooled insurance, risk management program or services of any kind, including administrative services, or to procure or create any type of lawfully permitted insurance, insurance coverage, risk management, self-insurance, pooled

insurance, claims administration or other related programs and services for the benefit of Participating Trust Members pursuant to and consistent with all applicable provisions of Florida law which allow such actions. Notwithstanding the foregoing, the Trust shall not participate in the provision of property and casualty insurance in any form and shall be limited to the provision of health insurance and health related programs.

ARTICLE IV
GENERAL TRUST PROVISIONS

Section 1. TRUSTEES. As of the date of the establishment of this Trust each Trustee representing a school board which has taken action to participate in the Trust shall be a voting Trustee of the Trust. Thereafter, each Participating Trust Member shall designate a voting Trustee to serve on the Board.

Section 2. SELECTION OF TRUSTEES. The Superintendent of each Participating Trust Member school district or his/her designee shall serve as a voting Trustee on the Board for that Participating Trust Member.

Section 3. CHAIR OF THE BOARD. A Chairperson ("Chair") of the Trust Board of Trustees ("Board") shall be initially elected at the initial organizational meeting of the Founding Trustees and shall serve for one year. Thereafter, the Chair shall be elected for a two-year term by the Trustees during the Trust annual meeting.

Section 4. RESIGNATION OF A TRUSTEE. Any non-superintendent Trustee may resign upon giving thirty (30) days' written/electronic notification to the Chair of the Trustees who shall immediately notify the district's superintendent of the need to designate a Successor Trustee or to reassume the office him or herself.

Section 5. REMOVAL OF A TRUSTEE. Any non-superintendent Trustee may be removed from the Board, with or without cause, by a vote of two-thirds of all the Trustees at a meeting in which a quorum is present and notice of the vote to remove a Trustee has been provided or by an absolute two-thirds of all Trustees in an action taken without a meeting (in either case the two-thirds is calculated excluding the Trustee whose continued term as a Trustee is at issue). Upon removal of a trustee, the Chair of the Trustees shall immediately notify the district's superintendent of the need to designate a Successor Trustee or to reassume the office him or herself.

Section 6. APPOINTMENT OF SUCCESSOR TRUSTEES. Upon the death, resignation or removal of a superintendent serving as Trustee, a replacement Trustee, who shall be the successor superintendent, shall be appointed forthwith by the Participating Trust Member School Board.

Section 7. COMPENSATION OF TRUSTEES. The Trustees shall not be compensated for their Trustee services, but shall be reimbursed by the Trust for reasonable and necessary expenses incurred by them in the performance of their duties in accordance with a policy adopted for the Trust.

Section 8. MEETING OF BOARD OF TRUSTEES. A meeting of the Trustees may be called at any time by the Chair by giving at least ten (10) days' written/electronic notice to all Trustees. A meeting of the Trustees may also be called by any three (3) of the Trustees upon giving at least ten (10) days' written/electronic notice to all Trustees. An emergency meeting may be called by the Chair or any two (2) Trustees with no less than three (3) business days' notice to all Trustees unless the majority of Trustees agree to meet as soon as possible to address an immediate issue.

A majority of the Trustees, including a proxy designee authorized by a Trustee, shall constitute a quorum for a duly constituted Board meeting or teleconference. Each Trustee who is unable to attend a Board meeting or participate in a teleconference shall appoint a proxy designee to sit and act on his/her behalf. The Trustee shall be responsible for notifying the Chair or the Trust in writing or electronically of the proxy designee's name and the specific length of time the designation is to be valid. The Chair shall declare vacant the office of any non-superintendent Trustee who misses two (2) consecutive Board meetings without appointment of a proxy designee and shall immediately notify the district's superintendent of the need to designate a Successor Trustee.

Section 9. REQUIRED VOTE OF TRUSTEES. The Board may take action during any duly constituted meeting or a teleconference provided a quorum is present. Any such action of the Board shall require a majority vote of those in attendance unless otherwise required herein. All meetings shall be either in person or via teleconference.

A voting Trustee who is unable to attend a meeting or participate in a teleconference is responsible for appointing a proxy designee and shall notify the Chair in writing or electronically of the proxy designee's name and the specific length of time the designation is to be valid. The proxy designee

shall exercise the same voting rights as the absent voting Trustee for the specified period as provided herein.

Any action that may be taken at a meeting of Trustees may be taken without a meeting or notice if a consent in writing, setting forth the action so taken, shall be signed by the Trustees having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Trustees entitled to vote thereon were present and voted with respect to the subject matter thereof, and such consent shall have the same force and effect as a vote of Trustees taken at such a meeting. An electronic communication sent to all Trustees or their proxies setting forth the action so taken shall satisfy the notice requirements of this Section. An electronic response from a Trustee or their proxy indicating their agreement or disagreement to the action shall have the same force and effect as a vote given in person.

Section 10. DESIGNATION OF CHAIR AS MANAGING TRUSTEE. The Trustees may designate the Chair as the Managing Trustee and authorize him/her to execute certain instruments in the name of the Trust.

Section 11. DESIGNATION OF EXECUTIVE COMMITTEE. The Trust shall have an Executive Committee composed of: the Chair, Vice-Chair, three (3) other Trustees as determined and appointed by the Chair, a non-voting Secretary/Treasurer, as well as three non-voting Operators appointed by the Program Manager one of whom shall be the person who serves as the Chief Executive Officer of FADSS, or his or her designee. The purpose of the Executive Committee shall be to make decisions regarding Trust matters in critical situations and when time does not allow for convening of a Board meeting or a teleconference with a majority of the Trustees. A quorum of the Executive Committee shall be three voting members. The Executive Committee shall advise the full Board of action taken by said Committee within forty-eight (48) hours by email or telephone call. The Executive Committee shall not make decisions involving over $100,000.

Section 12. MANAGEMENT OF THE TRUST. The Board shall have absolute and exclusive power and authority to manage the Trust property and to conduct the Trust business to the same extent as if such Trustees were the owners of such property limited only as specifically set forth in this Agreement and Bylaws. The Board may take action during a duly constituted meeting or teleconference, provided a quorum is present. Any such action

of the Board shall require a majority vote of those in attendance. The Board's powers shall include, but not be limited to:

(a) Making and entering into such contracts as they deem expedient to accomplish the purposes of the Trust;

(b) Purchasing or otherwise acquiring real or personal property as permitted by law, and selling, exchanging, mortgaging, granting a security interest, pledging, or in any manner dealing with the Trust funds or any part thereof or any interest therein, upon such terms and for such consideration as they deem proper;

(c) Prosecuting and defending all actions affecting the Trust, and compromising or settling any suits, claims, or demands, or waiving or releasing any rights relating to the Trust; and,

(d) Employing or engaging officers, agents, contractors, Program Manager, attorneys, and employees including the delegation of authority, except as otherwise limited by this Agreement, to one or more of their number (who may be designated as constituting a Committee of the Trustees) or to officers, employees, or agents of the Trust the doing of such things and taking of such action as the Trustees may deem expedient and appropriate in furtherance of the business affairs and purposes of the Trust.

(e) Appointment of one or more technical advisory committees to advise, review and make recommendations as to the activities of the Trust. Such committee or committees shall be composed of individuals with knowledge and technical expertise as to the affairs of the Trust and shall serve at the pleasure of the Trustees and may be removed at any time by the Trustees without cause. Any such committee shall be chaired by at least one Trustee.

No court shall substitute its judgment for that of the Board in the making of any decisions relative to the management and administration of the Trust.

Section 13. LIABILITY OF TRUSTEES. The Trustees shall use ordinary care and reasonable diligence in the exercise of their power and in the performance of their duties hereunder; they shall not be liable for any mistake of judgment or other action made, taken or omitted by them in good faith; nor for any action taken or omitted by an agent, employee or attorney selected with reasonable care; nor for the loss incurred through investment

of Trust money, or failure to invest. No Trustee shall be liable for any action taken or omitted by any other Trustee. The Trustees shall not be required to give a bond or other security to guarantee the faithful performance of their duties hereunder.

Section 14. INDEMNIFICATION OF TRUSTEES, OFFICERS, EMPLOYEES, AND AGENTS. The Trust shall indemnify and hold harmless to the full extent permitted by Florida law, any person who is or was a Trustee, officer, employee, Program Manager, Operator, or agent of the Trust. The Trust may purchase and maintain insurance on behalf of any person who is or was a Trustee, attorney, officer, employee, Program Manager, Operator, contractor or agent of the Trust, against any liability asserted against any of them and incurred by any of them in any such capacity, or arising from their status as such, regardless of whether the Trust had the power to indemnify them against such liability.

Section 15. PRINCIPAL OFFICE OF TRUST. The principal office of the Trust is located at 208 S. Monroe Street, Tallahassee, Florida 32301.

ARTICLE V
PROVISIONS FOR PARTICIPATION IN THE TRUST AND RISK SHARING POOLS

Section 1. PARTICIPATION IN THE TRUST AND RISK SHARING POOLS. A Florida school district may become a Participating Trust Member in any program established and administered by the Trust by making application for participation in a form prescribed by the Trust, paying any contributions determined by the Board on the basis of the service to be provided in that particular program and satisfying all requirements of the Trust for the participation requested. The school district shall be notified in writing or electronically by the Trust if accepted as a Participating Trust Member. As a Participating Trust Member, a school district may apply to be included in a separate affiliated risk sharing pool by making application to the Trust, providing necessary financial and operational information, and being approved by the risk sharing pool.

Section 2. CONTRIBUTION REQUIREMENTS FOR TRUST MEMBERS. A school district that is accepted as a Participating Trust Member shall thereafter pay contributions on such dates and in such amounts as the Board shall require for providing group health self-insurance, health insurance or related health programs under each program and for

administering the Trust. The Participating Trust Member shall comply with such decisions and policies and procedures promulgated or adopted by the Board. It is specifically understood that the Board may determine the amounts of contributions required and the periods covered with authority to differentiate in the rates charged Participating Trust Members based on their loss experience.

The participation under each coverage program shall continue until the program has been terminated, except that the failure of a Participating Trust Member to pay contributions or to comply with such policies and procedures as may be required by the Board, including the provision of adequate risk sharing data including, but not limited to compliance analysis, financial analysis, wellness program analysis, and contract effectuations analysis, shall be grounds for termination as a Participating Trust Member from the Trust. If a Participating Trust Member exceeds the loss fund contribution available to pay its claim after termination, the Trust may request additional funds to pay outstanding claims and claim expenses or return the open claims to the school district or to its Third-Party Administrator for claims. The Trust is limited in paying claims for terminating or withdrawing Participating Trust Member school districts to those funds and interest available as provided by the specific school district.

Each Participating Trust Member shall be responsible for its own respective liability under the loss fund contribution upon departure from the Trust. A Participating Trust Member that departs in deficit with respect to its particular loss fund contribution shall reimburse the Trust for said deficit. The Trust retains the right to seek such reimbursement which will include costs incurred by the Trust for the reimbursement, including attorney's fees.

The liabilities of a departing Participating Trust Member that is in deficit with respect to the loss fund contribution shall not be paid by the remaining members of the Trust through an assessment, nor shall such remaining school districts of the Trust be jointly and severally liable for the departing Participating Trust Member's deficit. Any monies that are owed to a departing Participating Trust Member with respect to its yearly loss fund contribution shall be paid by the Trust. The loss fund is reserve dollars set aside as required by actuarial calculations for future payment of claims within the Self-Insured Retention limits of the Trust.

Section 3. INTEREST OF THE SCHOOL DISTRICTS; PERSONS INSURED AND PERSONS CLAIMING THROUGH THEM. Neither the Participating Trust Member, person insured, nor person claiming insurance benefits or otherwise, shall have any claim against any funds or property of the Trust. The rights and interests of persons insured and persons claiming by or through them shall be limited to the insurance benefits specified in the policies or self-insurance programs involving programs established by Florida Statutes. Participating Trust Members may appeal claims to the Trustees. The final action of the Board shall be considered the final action of the claim.

Section 4. TRUST OR PROGRAM WITHDRAWAL OR TERMINATION. Any Participating Trust Member may withdraw from the Trust or terminate participation in a Trust sponsored program only pursuant to the provisions of Section 624.46223, Florida Statutes, by providing written notice to the Trust. As required by law, a Participating Trust Member may not be required to provide more than 45 days' notice of the Member's intention to withdraw. Intent to withdraw or terminate participation shall be an official school board action of the Participating Trust Member. Once written/electronic notice is given to the Trust's Administrator, a Participating Trust Member shall have no vote regarding any program renewal or selection of program options from which the Participating Trust Member has withdrawn and shall not be included in any renewal or bid quote. A Participating Trust Member may rescind a letter of intent to withdraw or terminate by sending written/electronic notification to the Trust's Administrator prior to the effective withdraw or termination date.

Once a Participating Trust Member has elected to withdraw from a specific program or service offering of the Trust it is not eligible to participate in that program for at least one (1) program year from the date of withdrawal. That decision must be an official school board action of the Participating Trust Member.

For any and all program or service offering terminations, the Participating Trust Member shall remain liable to continue to make all contributions required to be paid until the end of the program year in effect at the time of the exercise of the withdrawal or termination even if such contributions and liabilities extend beyond the date of the withdrawal by the Participating Trust Member.

Any Participating Trust Member that withdraws completely or terminates participation in any Trust sponsored program shall have no immediate right or claim to any part of its current balance of loss fund contributions in excess of claims incurred. However, if there are excess loss fund contributions for any one (1) program year after all claims and related liabilities have been closed, as determined by the Trustees and the Trust actuary, the withdrawing Participating School Member shall be refunded any remaining balance. A terminating Participating Trust Member shall not share in any Trust surplus funds.

Claims being administered by the Trust for Participating Trust Members that terminate their membership with the Trust shall remain with the Trust until closure due to aggregate and excess requirements. Processing of said claims for terminating school districts shall be at an appropriate administrative fee for which the school district shall be responsible to promptly pay.

The Trust may terminate the participation of any Participating Trust Member in the event, in the sole determination of the Board, that the Participating Trust Member has failed to comply with any of the policies, rules, and regulations established by the Board for participation in the Trust and after failure of the Participating Trust Member to comply with any rehabilitation required for the Participating Trust Member by the Trust.

ARTICLE VI
PROGRAMS

Section 1. PROCURING OF POLICIES. The Board may procure a policy or policies or master contract from insurance carriers or service companies selected by the Board and providing such form of insurance and/or service as determined by the Board. Additional policies providing any such insurance or service as the Board deems appropriate may be procured anytime thereafter. The term "policy" as used herein shall include any rider, endorsement, or amendment made a part of an insurance policy. The Board is further empowered to enter into service agreements as it determines to be in the best interest of the Trust and/or its Participating Trust Members.

Section 2. CONTROL OF BOARD. The Board shall agree with such insurance carriers upon the provisions of the policy or policies and the requirements for insurance there under for such Participating Trust Members as may elect to participate in the plan. All rights and privileges granted to

the policyholder by a policy or allowed by the insurance carrier shall be vested in the policyholder, except as hereinafter provided. The Board may enter into such other agreements with insurance carriers and/or service companies, as they deem necessary or advisable in regard to any such insurance or service within the purposes of the Trust.

Section 3. GROUP PROGRAMS. The Trust shall be authorized to contract with any qualified organization to perform any of the functions necessary for the carrying out of a self-insured pool arrangement, including excess loss insurance, handling of claims, administrative services and any and all other services that the Board shall deem expedient for the proper servicing of those Participating Trust Members who use the services of the Trust.

Section 4. MANAGEMENT OF THE PROGRAMS OF THE TRUST. The Trust shall have the responsibility and authority to manage the Programs offered by the Trust and to conduct the business of the Programs for the benefit of employees, their eligible dependents, and retirees of Participating Trust Members. The services to be provided by the Trust may include the following: administrative services; claims service; claims adjustment; claims administration; claims payment; loss control; prescription drug services; wellness programs, recommendations regarding settlement; selection of counsel; making recommendations for use of outside vendors to provide group health insurance and for claims administration; and such other and further services are necessary to carry out the Program. The Trust shall contract, no less than annually, for the administration of the Trust via an appropriate Administration Agreement which may include the provision of the management services, administrative services, and other staffing and services as necessary.

Section 5. PROCUREMENT AUTHORIZATION. The Trust may procure a policy or policies or a master contract from insurance carriers or service companies to provide group health insurance or reinsurance for the Participating Trust Members and their employees. The Trust is further authorized to enter into such service agreements as it determines to be in the best interest of the Program for the benefit of Participating Trust Members and their employees. The Trust is authorized to contract with any qualified organization or entity to perform any of the functions necessary for the carrying out of a self-insured arrangement, including handling of claims, legal, actuarial and accounting services, administrative services and any and

all other services that the Trust shall deem necessary for the proper servicing of the Program(s) and its participants.

ARTICLE VII
NATURE AND USE OF A FUND

Section 1. USE OF A FUND. The Board may use a fund to pay:

(a) Premiums for group policies;

(b) Premiums for bonds and errors and omissions insurance which may be required by Florida Statutes, Florida Administrative Code or action of the Board; and,

(c) All other expenses and make all payments which the Board considers necessary in establishing the Trust loss fund and administering the services of the Trust with respect to any investments, group self-insurance, insurance, or risk management program, including but not limited to, any compensation paid to any service companies, attorneys, actuaries, accountants, employees, clerical help, custodians, servants and others as the Board may deem necessary including, as determined solely by the Board, the payment of rebates or surplus funds back to Participating Trust Member.

ARTICLE VIII
DEALINGS WITH THE BOARD

No purchaser, seller, transfer agent or other person dealing with the Board or any officer, employee, Administrator or agent of the Trust shall be bound to make any inquiry concerning the validity of any transaction purporting to be made by the Board or by such officer, employee, Administrator or agent or make inquiry concerning or be liable for the application of money or property paid, transferred or delivered to or on the order of the Board or of such officer, employee or agent.

ARTICLE IX
AMENDMENT AND TERMINATION OF THE TRUST

Section 1. AMENDMENTS TO THE AGREEMENT, DECLARATION OF TRUST, AND BYLAWS. The Board may amend the Agreement and Bylaws at any time to such extent as they deem necessary or advisable. The Agreement or Bylaws shall be amended only by a two-thirds vote of the

voting Trustees present during any duly constituted Board meeting provided any proposed amendments have been sent by postal or electronic mail to all Trustees at least thirty (30) days before the scheduled meeting.

Section 2. TERMINATION. The Trust may be terminated at any time by the Board only upon the unanimous mutual consent of the Board by an instrument in writing and upon prior notice to each Participating Trust Member. Upon termination, the Trust shall pay all obligations of the Trust and distribute any remaining surplus funds in such manner as they determine fair and equitable to the Participating Trust Members.

ARTICLE X
AGENCY

The Board operates only under the provisions of this Agreement and Bylaws as agent and representative of the Participating Trust Members.

ARTICLE XI
SEVERABILITY AND SITUS OF CONSTRUCTION

Any provision of this Agreement and Bylaws prohibited by the laws of the State of Florida shall be ineffective to the extent of such prohibition without invalidating the remaining portion of this Agreement and Bylaws.

This Trust is executed in the State of Florida and all questions pertaining to its validity, construction and administration shall be determined in accordance with the laws of such jurisdiction. Exclusive venue for any dispute with respect to this Trust shall be in Leon County, Florida.

ARTICLE XII
COUNTERPARTS

This Trust and any amendment hereto may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

ARTICLE XIII
NOTICES

Any notice, demand, direction, request or other communication authorized or required by this Agreement (each a "Notice") shall be in writing

and shall be delivered, by First Class Mail, postage prepaid, or by overnight delivery service, or by email addressed to the Participating Trust Member(s) or Trustees at the address indicated on the signature page or to addresses from which the parties have communicated previously.

Any Notice shall be deemed received only upon actual delivery at the recipient's address set, provided, however, electronic mail shall be deemed received on the date after the email was sent so long as confirmation of receipt is received by the sender. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-Business Day, shall be deemed received on the next Business Day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-Business Day, the Notice period shall be extended to the next succeeding Business Day.

[The following page is the signature page.]

IN WITNESS WHEREOF, this AGREEMENT AND DECLARATION OF TRUST and attached Bylaws have been duly executed as of the Effective Date by the Grantor, Florida Association of District School Superintendents, Inc.

William J. Montford
William J. Montford (Mar 20, 2025 13:12 EDT)

William J. Montford, III
Chief Executive Officer
208 South Monroe Street
Tallahassee, Florida 32301

Tim Forson (Mar 21, 2025 10:43 EDT)

Tim Forson
President
208 South Monroe Street
Tallahassee, Florida 32301

State of Florida

Affidavit Regarding the Use of Coercion for Labor and Services

Respondent Vendor Name: Florida Educator Health Trust (FLEHT)

Vendor FEIN: 33-6988750

Vendor's Authorized Representative Name and Title: Ted L. Roush, Executive Director

Address: 208 S. Monroe Street

City: Tallahassee State: Florida ZIP: 32301

Phone Number: 850-577-5784

Email Address: ted.roush@fleht.org

Section 787.06(13), Florida Statutes requires all nongovernmental entities executing, renewing, or extending a contract with a governmental entity to provide an affidavit signed by an officer or representative of the nongovernmental entity under penalty of perjury that the nongovernmental entity does not use coercion for labor or services as defined in that statute.

The Hernando County School District, Florida is a governmental entity for purposes of this statute.

As the person authorized to sign on behalf of Respondent, I certify that the company identified does not:

- Use or threaten to use physical force against any person;
- Restrain, isolate, or confine or threaten to restrain, isolate, or confine any person without lawful authority and against her or his will;
- Use lending or other credit methods to establish a debt by any person when labor or services are pledged as a security for the debt, if the value of the labor or services as reasonably assessed is not applied toward the liquidation of the debt, the length and nature of the labor or services are not respectively limited and defined;
- Destroy, conceal, remove, confiscate, withhold, or possess any actual or purported passport, visa, or other immigration document, or any other actual or purported government identification document, of any person;
- Cause or threaten to cause financial harm to any person;
- Entice or lure any person by fraud or deceit; or
- Provide a controlled substance as outlined in Schedule I or Schedule II of s. 893.03 to any person for the purpose of exploitation of that person.

Under penalties of perjury, I declare that I have read the foregoing document and that the facts stated in it are true.

By: Ted Roush

AUTHORIZED SIGNATURE

Print Name and Title: Ted. L. Roush, Executive Director

Date: 12/16/2025

Approved as to Content & Form
CarolineMockler, Esq.
Staff Counsel, HCSD
8:46 am, 04/25/2025

FOREIGN COUNTRY OF CONCERN ATTESTATION
(PUR 1355)

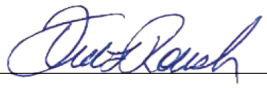
This form must be completed by an officer or representative of an entity submitting a bid, proposal, or reply to, or entering into, renewing, or extending, a contract with a Governmental Entity which would grant the entity access to an individual's Personal Identifying Information. Capitalized terms used herein have the definitions ascribed in Rule 60A-1.020, F.A.C.

Name of entity is not owned by the government of a Foreign Country of Concern, is not organized under the laws of nor has its Principal Place of Business in a Foreign Country of Concern, and the government of a Foreign Country of Concern does not have a Controlling Interest in the entity.

Under penalties of perjury, I declare that I have read the foregoing statement and that the facts stated in it are true.

Printed Name: Ted L. Roush Company Name: Florida Educator Health Trust (FLEHT)

Title: Executive Director

Signature:  Date: 12/16/2025

Approved as to Content & Form

Caroline Mockler, Esq.

Staff Counsel, HCSD

8:49 am, 04/25/2025

Complete Section A **or** B; **and** C

MUST BE COMPLETED IN FULL FOR PLACEMENT CONSIDERATION.
(For Donations, use Section B)

A. Item Currently Budgeted -

Account Name: No Financial Impact

Account Number

Fund	Function	Object	Cost Center	Project	Sub Project

Original Approved Budget	+ -	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$		$		$		$		$		$

Account Name

Account Number

Fund	Function	Object	Cost Center	Project	Sub Project

Original Approved Budget	+ -	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$		$		$		$		$		$

B. Item Currently Not Budgeted -**

Funding Source

Account Name

Account Number

Fund	Function	Object	Cost Center	Project	Sub Project

Amount $

Funding Source

Account Name

Account Number

Fund	Function	Object	Cost Center	Project	Sub Project

Amount $

C. History

Check one:
Prior Year Budget: ○
New for Current Year: ○

Prior Year Approved Budget: $_____

Prior Year Actual Spent: $_____

**** WHEN ITEM NOT CURRENTLY BUDGETED IS APPROVED BY THE SCHOOL BOARD, THIS WILL SERVE AS THE BUDGET AMENDMENT****

Agenda Item # 16. 26-3549 1/27/2026

Title and Board Action Requested

Approval to Accept the Audit Report for the Hernando County Education Direct Support Organization, Inc. (Education Foundation) for Fiscal Year Ending June 30, 2025

Executive Summary

The Coordinator of Finance, on behalf of the Superintendent of Schools, hereby requests the Board accept the 2024-2025 Audit Report for the Hernando County Education Support Organization, Inc. (Education Foundation).

Section 1001.453(4), Florida Statutes require direct support organizations to provide an annual audit of its operations and that such report be submitted to the Board for approval. The audit report for the fiscal year ending June 30, 2025 was completed by Purvis Gray and Company, LLP, Certified Public Accountants.

My Contact

Dionne Makinson
Coordinator of Finance
352-797-7004 Ext. 70417

2023-28 Strategic Focus Area

Priority 5: Fiscal Transparency and Capital Planning

Financial Impact

See attached budget sheet.

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.

2025

Hernando County Education Direct Support Organization, Inc.

Financial Statements and Independent Auditor's Report

June 30, 2025 and 2024

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

HERNANDO COUNTY EDUCATION DIRECT
SUPPORT ORGANIZATION, INC.
BROOKSVILLE, FLORIDA

JUNE 30, 2025 AND 2024

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PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hernando County Education Direct Support Organization, Inc.
Brooksville, Florida

Report on the Audit of the Financial Statements

Opinions
We have audited the accompanying financial statements of the business-type activity and major fund of the Hernando County Education Direct Support Organization, Inc. (the Organization) as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity and major fund of the Organization as of June 30, 2025, and the respective changes in financial position, and cash flows thereof for the 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Organization 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.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Directors
Hernando County Education Direct Support Organization, Inc.
Brooksville, Florida

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required

To the Board of Directors
Hernando County Education Direct Support Organization, Inc.
Brooksville, Florida

INDEPENDENT AUDITOR'S REPORT

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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Purvis Gray

December 10, 2025
Ocala, Florida

HERNANDO COUNTY EDUCATION DIRECT SUPPORT ORGANIZATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

This section of the Hernando County Education Direct Support Organization, Inc.'s (the Organization) annual financial report presents our discussion and analysis of financial performance for the fiscal periods ended on June 30, 2025 and 2024. Please read it in conjunction with the preceding Independent Auditor's Report and financial statements following this section.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Fund Net Position provide information about activities and present a long-term view of financial position. The Statements of Cash Flows provide information regarding net cash from (used in) various activities.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. These notes are an integral part of these financial statements and should be read as a part of the financial statements in order for the reader to have a clear understanding of activities and performance.

FINANCIAL HIGHLIGHTS

- The Organization's overall net position totaled $3,024,886 as of the year ended June 30, 2025, as compared to $1,661,833 as of the year ended June 30, 2024.
- Unrestricted net position totaled $161,031 and $7,624 for the years ended June 30, 2025 and 2024, respectively. These funds represent monies available to provide academic program support to students, teachers, and staff in Hernando County Public Schools, as well as general and administrative support.
- Restricted net position totaled $2,838,714 and $1,625,502 for the years ended June 30, 2025 and 2024, respectively. These funds or the value of donated items represent monies which have been limited by donors for a specific purpose.

FINANCIAL ANALYSIS

	2025	2024
Current Assets	$ 2,557,662	$ 1,778,301
Capital Assets	25,141	28,707
Other Assets	447,310	755,892
Total Assets	3,030,113	2,562,900
Current Liabilities	5,227	238,092
Total Liabilities	5,227	238,092
Deferred Inflows	-	662,975
Total Deferred Inflows	-	662,975
Net Position		
Net Investment in Capital Assets	25,141	28,707
Restricted	2,838,714	1,625,502
Unrestricted	161,031	7,624
Net Position at End of Year	$ 3,024,886	$ 1,661,833

In comparing 2025 activity to 2024 activity, we note the following:

Total assets increased by 18%, or $467,213.

There was a net decrease in total liabilities of ($232,865).

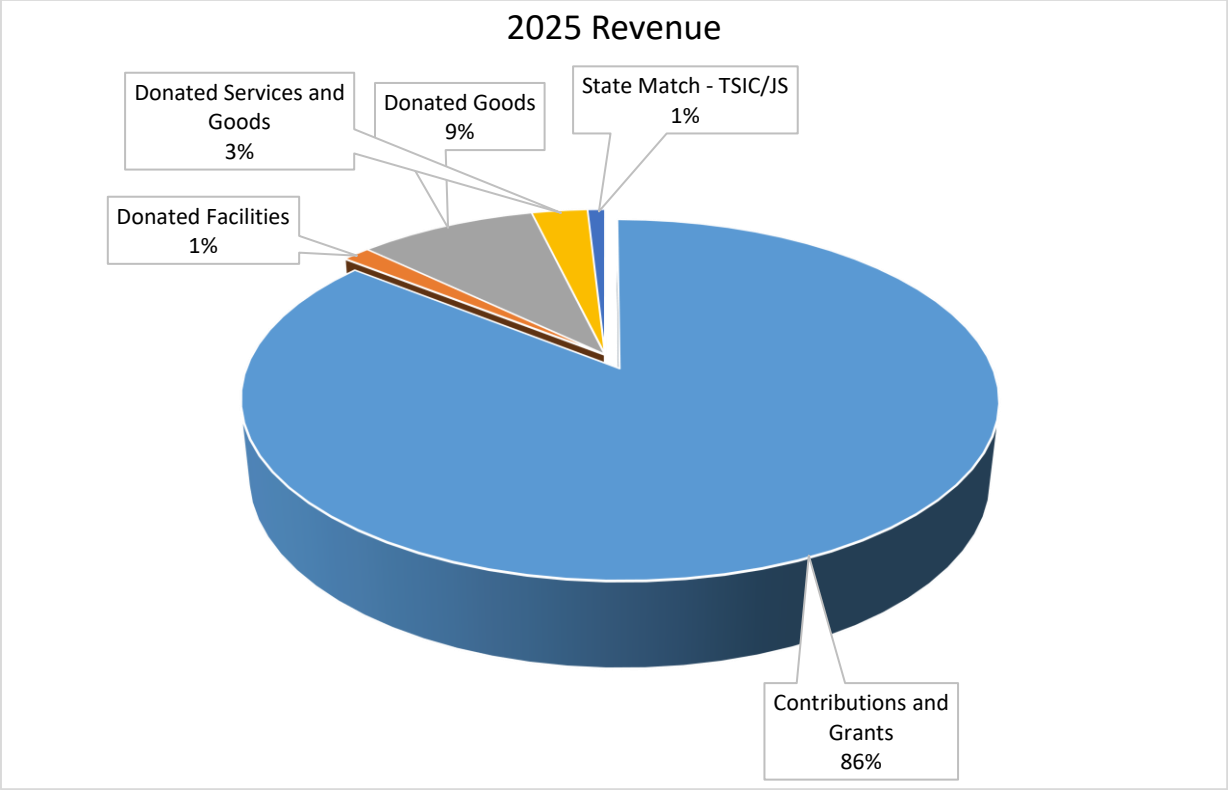
Total net position increased by $1,363,053.

CHANGES IN NET POSITION

	2025	2024
Revenue:		
Contributions and Grants	$ 2,588,143	$ 1,282,120
Donated Facilities	43,400	43,400
Donated Goods	275,944	277,158
Donated Services and Goods	86,278	180,386
State Match - TSIC/JS	26,853	37,232
Specialty License Plates	5,491	5,491
Other	50	70
Total Revenue	3,026,159	1,825,857
Expenses:		
Grant Related Salary		
Salary Expense	347,607	317,348
Scholarship Awards	51,285	57,751
Grants to Schools	375,577	223,051
TSIC Scholarship Payouts	37,140	53,829
Insurance	8,261	6,865
Bank Charges	449	451
Events and Fundraising	106,451	76,363
Memberships and Licenses	10,055	5,826
Janitorial	83	-
Program Support	46,006	61,282
Professional Fees	18,563	18,398
Postage and Freight	9	14
Recognition Awards	-	13,864
Training	2,533	1,942
Supplies	115,197	72,668
Hurricane Assistance	105,400	-
Advertising and Marketing	13,697	12,139
Travel Expenses	12,866	6,023
Miscellaneous	30,954	3,419
Donated Facilities	43,400	43,400
Grants to Teachers - Tools 4 Schools	233,347	455,788
Repairs and Maintenance	6,070	4,587
Depreciation Expense	3,566	3,566
Donated Services and Goods	94,590	218,784
Total Expenses	1,663,106	1,657,358
Change in Net Position	1,363,053	168,499
Net Position at Beginning of Year	1,661,833	1,493,334
Net Position at End of Year	$ 3,024,886	$ 1,661,833

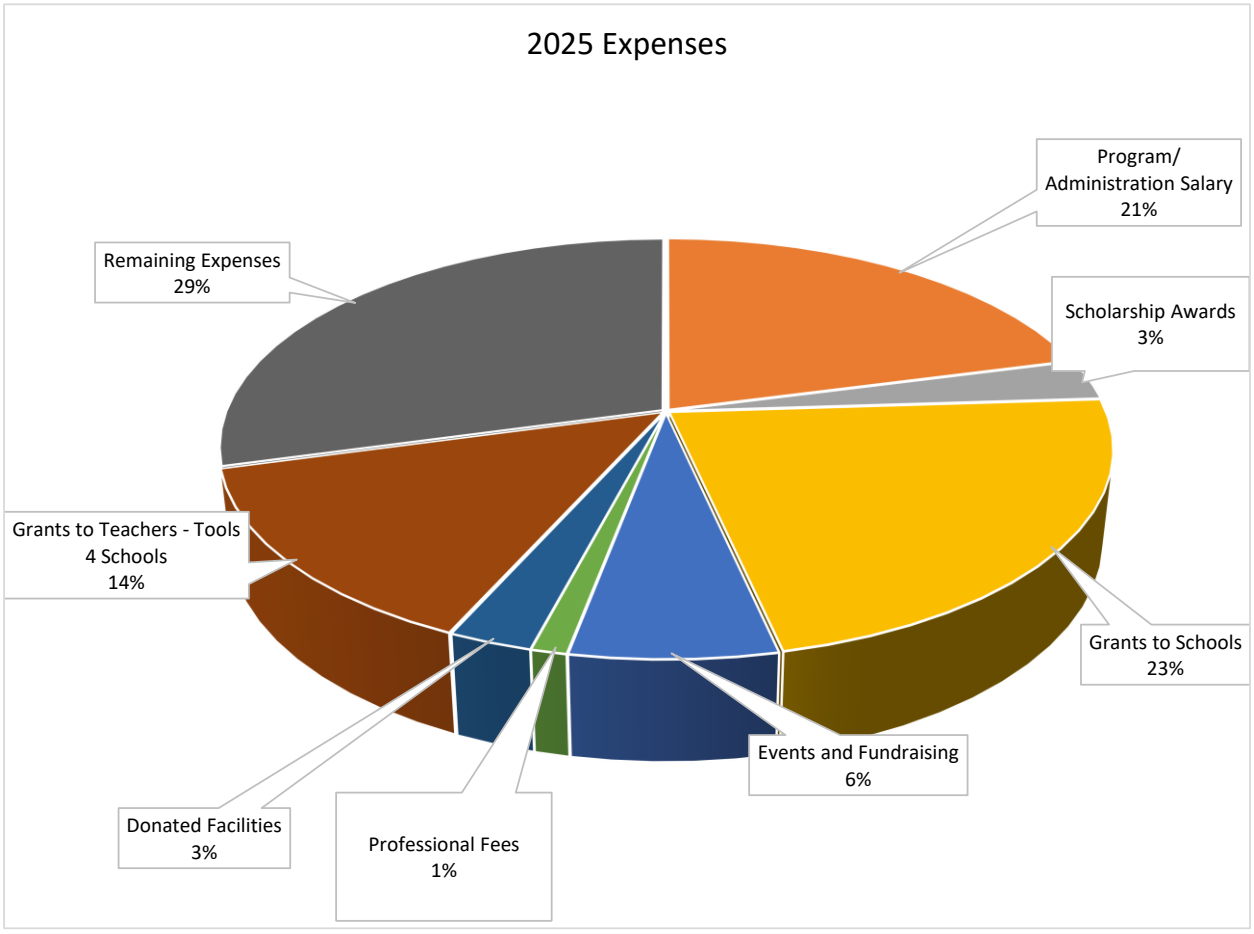
Significant differences between 2025 and 2024 revenues and expenses are discussed below:

REVENUES



Operating Revenue – Overall Operating Revenue increased by 65.7%, or $1,200,302. This overall increase was related to more fundraising and annual campaign efforts that overshadowed the reduction in donated goods, and donation for air rifle range.

EXPENSES



Program Expenses – Overall Expenses increased by .3%, or $5,748. The overall change remained consistent due to new hurricane assistance grant and increases in events/fundraising and grants to school. Those increases offset the reduction in Tools 4 Schools and donated services/goods.

REQUESTS FOR INFORMATION

This section of the Organization's annual financial report is designed to provide a general overview of the Organization's finances. Questions about any of the information provided in this report or requests for additional financial information should be addressed to the Hernando County Education Foundation at 900 Emerson Rd., Brooksville, Florida 34601.

FINANCIAL STATEMENTS

STATEMENTS OF NET POSITION
AS OF JUNE 30, 2025 AND 2024
HERNANDO COUNTY EDUCATION DIRECT SUPPORT ORGANIZATION, INC.
BROOKSVILLE, FLORIDA

ASSETS

	2025	2024
Assets		
Current Assets:		
Cash and Cash Equivalents	$ 889,585	$ 1,498,662
Pledges Receivable	5,766	21,962
Due from School District	85,441	-
Contributions Receivable	21,000	7,719
Take Stock in Children Receivable	7,660	7,449
Prepaid Expenses	5,932	5,528
Inventory - Tools 4 Schools	224,713	193,327
Inventory - Operation Cinderella and Other Donated Items	70,975	43,654
Construction in Progress (Air Gun Range - On Behalf of School District)	1,246,590	336,097
Total Current Assets	2,557,662	2,114,398
Capital Assets:		
Vehicles and Equipment	35,660	35,660
Accumulated Depreciation	(10,519)	(6,953)
Total Capital Assets	25,141	28,707
Other Assets:		
Take Stock in Children Scholarship (Contract Value)	401,551	354,667
Jump Start (Contract Value)	45,759	65,128
Total Other Assets	447,310	419,795
Total Assets	3,030,113	2,562,900

LIABILITIES AND NET POSITION

Liabilities		
Accounts Payable	-	15,001
Construction and Retainage Payable	-	221,140
Accrued Payroll and Related Expenses	5,227	1,951
Total Liabilities	5,227	238,092
Deferred Inflows		
Unearned Revenues - Air Gun Range	-	662,975
Total Deferred Inflows	-	662,975
Net Position		
Net Investment in Capital Assets	25,141	28,707
Restricted:		
Air Gun Range	1,246,590	336,097
Tools 4 Schools	224,713	193,327
Operation Cinderella	70,975	43,654
Scholarships	434,300	379,077
Take Stock in Children	401,551	354,667
Jump Start	45,759	65,128
Classroom Grants/School Donations	414,826	253,552
Unrestricted	161,031	7,624
Total Net Position	$ 3,024,886	$ 1,661,833

See accompanying notes.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024
HERNANDO COUNTY EDUCATION DIRECT SUPPORT ORGANIZATION, INC.
BROOKSVILLE, FLORIDA

	2025	2024
Operating Revenues		
State Revenues - TSIC	$ 30,517	$ 29,796
State Match - TSIC	26,853	37,232
Contributions - Unrestricted	710,205	337,942
Contributions - Restricted	767,219	428,055
Contributions - Air Gun Range	909,564	336,097
Contributions - Scholarships	152,039	150,230
Specialty License Plate Revenue	5,491	5,491
Contributions - Administrative	18,599	-
Donated Facilities	43,400	43,400
Donated Goods - Tools 4 Schools	240,339	265,763
Donated Goods - Operation Cinderella	35,605	11,395
Donated Services and Goods	86,278	180,386
Return of Unused Grant Funds	50	70
Total Operating Revenues	3,026,159	1,825,857
Operating Expenses		
Salary Expenses	347,607	317,348
Scholarship Awards	51,285	57,751
Grants to Schools	375,577	223,051
Grants to Teachers - Tools 4 Schools	233,347	455,788
TSIC Scholarship Payouts	37,140	53,829
Donated Facilities	43,400	43,400
Donated Services and Goods	94,590	218,784
Insurance	8,261	6,865
Bank Charges	449	451
Events and Fundraising	106,451	76,363
Memberships, Dues, and Licenses	10,055	5,826
Janitorial	83	-
Program Support	46,006	61,282
Professional Fees	18,563	18,398
Postage and Freight	9	14
Recognition Awards	-	13,864
Training	2,533	1,942
Supplies	115,197	72,668
Advertising and Marketing	13,697	12,139
Travel Expenses	12,866	6,023
Repairs and Maintenance	6,070	4,587
Depreciation Expense	3,566	3,566
Hurricane Assistance	105,400	-
Miscellaneous	30,954	3,419
(Total Operating Expenses)	(1,663,106)	(1,657,358)
Change in Net Position	1,363,053	168,499
Net Position, Beginning of Year	1,661,833	1,493,334
Net Position, End of Year	$ 3,024,886	$ 1,661,833

See accompanying notes.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024
HERNANDO COUNTY EDUCATION DIRECT SUPPORT ORGANIZATION, INC.
BROOKSVILLE, FLORIDA

	2025	2024
Cash Flows from Operating Activities		
Receipts from Contributions	$ 1,812,125	$ 1,855,607
Receipts from Government Grants and Match	5,491	5,491
Other Receipts	15,945	40,448
Payments to Employees for Services	(350,883)	(315,397)
Payments to Vendors	(703,742)	(58,392)
Payments for Scholarships Awarded	(101,943)	(111,580)
Payments for School Grants	(375,577)	(223,051)
Net Cash Provided by (Used in) Operating Activities	301,416	1,193,126
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Additions - On Behalf of School District (Air Gun Range)	(910,493)	(336,097)
Net Cash Used for Capital and Related Financing Activities	(910,493)	(336,097)
Net Increase (Decrease) in Cash and Cash Equivalents	(609,077)	857,029
Cash and Cash Equivalents at Beginning of Year	1,498,662	641,633
Cash and Cash Equivalents at End of Year	$ 889,585	$ 1,498,662
Reconciliation of Operating Income to Net Cash Used in (Provided by) Operating Activities		
Operating Income	$ 1,363,053	$ 168,499
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) by Operating Activities:		
Donated Items - Inventory and Scholarships	(39,635)	234,729
Depreciation	3,566	3,566
Decrease (Increase) in:		
Pledges, Contributions, and Take Stock in Children Receivables	2,704	28,698
Due from School District	(85,441)	-
Prepaid Expenses	(404)	(499)
Inventory - Operation Cinderella and Tools 4 Schools	(5,323)	(27,894)
Scholarships Purchased - Take Stock in Children	(41,264)	(25,969)
Increase (Decrease) in:		
Accounts Payable and Accrued Payroll Expenses	(232,865)	16,952
Construction and Retainage Payable	-	221,140
Unearned Revenues	(662,975)	573,904
Total Adjustments	(1,061,637)	1,024,627
Net Cash Provided by (Used in) Operating Activities	$ 301,416	$ 1,193,126
Supplemental Information		
Non-Cash Donations:		
Donated Inventory (Tools 4 Schools and Operation Cinderella)	$ 268,952	$ 494,187
Donated Facilities	43,400	43,400
Donated Goods for Annual Campaign	86,278	180,386
State Match - Jump Start	-	2,872
State Match - Take Stock in Children	34,021	40,420

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
HERNANDO COUNTY EDUCATION DIRECT SUPPORT ORGANIZATION, INC.
BROOKSVILLE, FLORIDA

Note 1 - Summary of Significant Accounting Policies

Organization

Hernando County Education Direct Support Organization, Inc. (the Organization) is a non-profit corporation, organized solely for education support purposes pursuant to Florida Statutes Section 617 and to act as a direct support organization as set forth in Section 1001.453(4) of the Florida Statutes.

The specific and exclusive purpose of the Organization is to create partnerships that advance student achievement and promote excellence for the benefit of public pre-kindergarten through 12th grade education in Hernando County, Florida.

Program Information

Operation Cinderella—the Organization accepts donations of prom, homecoming, and formal dresses. With the donated goods, the Organization offers for young ladies to utilize the dresses in order to attend the various school dances and events. On a smaller scale, the Organization also receives men's suits for the same purposes.

Specialty License Plate—the Organization receives revenues from the state for individuals that purchase a specialty license plate.

Tools 4 Schools—the Organization receives donated goods or directed gifts for the purpose of stocking the Tools 4 Schools pantry. The teachers may visit and take supplies for their classrooms and students in need.

Classroom Grants—grants to classrooms are provided through several means. The Organization is a member of Consortium and applies for grants on behalf of teachers and students. Also, community members can provide grant funds to the Organization that are provided to the applicable classrooms.

Recognition Events—events held for the recognition of outstanding teacher and support-related employees for their efforts to help students in Hernando County, turnaround student, retiree celebration, volunteer and business partner recognition. In addition, the Organization receives community donations to support a parent and teacher academy and new teacher orientation to the individuals of the school district.

School Donations—the Organization receives community donations, and these funds are then provided to the respective schools or teachers as per the school district requirement.

Scholarships—the Organization receives awarded scholarship funds from various sources and provides them to individuals on a semester-by-semester basis.

Specific School Donation—the Organization receives donations that are intended for specific school donation use that are subsequently passed on to that organization.

Take Stock in Children—the Organization, through its donors for the Take Stock in Children program, purchases two-year or four-year scholarship contracts from the Florida Prepaid College Foundation. The State of Florida, through the Florida Prepaid College Foundation, matches, dollar-for-dollar, the cost of these scholarship contracts purchases and holds the full value of the scholarship contracts, including changes in the scholarship contract value, on behalf of the Organization. In addition, the Organization requests reimbursement from the program for certain operational costs.

Jump Start—the Organization, through its donors for the Jump Start program, purchased scholarships at a 2 for 1 ratio with the state for use as of August 2023. The program encourages children to start a secondary education program immediately after high school by making the funds available.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
The financial statements of the Organization have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

The Organization prepares its financial statements using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when incurred.

Fund Accounting
The financial statements are presented in accordance with principles of fund accounting, whereby revenues and expenses are classified into funds according to specified purposes. Currently, the Organization has one operating fund, which contains restricted and unrestricted components. The Organization's operating account includes unrestricted and restricted resources, representing the portion of expendable and non-expendable funds that are available for support of operations and funds available for use in accordance with specific restrictions, respectively. When both restricted and unrestricted resources are available for use, it is the Organization's policy to use restricted resources first, then unrestricted resources as they are needed.

Income Taxes
The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for income taxes.

The Organization files income tax returns in the U.S. federal jurisdictions.

Cash and Cash Equivalents
For purposes of the statements of cash flows, the Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Classification of Revenues and Expenses
The Organization classifies its revenues and expenses as operating or non-operating. Operating revenues include the primary activities of contributions from donors, program revenues, special events, and other activities. Operating expenses include the primary activities of grants to schools, salaries, fundraising, and other expenses. There were no non-operating revenues or expenses.

Grants Receivable
Grants receivable consisted of grant funds and other scholarship related receivables. Management anticipates subsequent receipt of all of these funds; therefore, no allowance amount was recorded.

Contributions Receivable
Contributions receivable consisted of contributed funds received prior to fiscal year-end and deposited just after fiscal year-end. Management anticipates subsequent receipt of all of these funds; therefore, no allowance amount was recorded. As of June 30, 2025 and 2024, contributions receivable was $21,000 and $7,719, respectively.

Take Stock in Children Receivable
The Organization receives quarterly grant installments from the Take Stock in Children program for the reimbursement of operational expenses of the program. As of June 30, 2025 and 2024, accounts receivable of $7,660 and $7,449, respectively, have been recorded for quarterly grant installments unpaid as of these dates. No allowance for uncollectible receivables related to these amounts has been recorded, as these amounts are expected to be collected in the ordinary course of business within a year.

Pledges Receivable
Pledges receivable consisted of community member pledged revenues. Management anticipates a portion to be uncollectible and the allowance is built off on subsequent collections through the date of issuance. As of June 30, 2025 and 2024, pledges receivable was $5,766 and $21,962, and the allowance for doubtful accounts was $0 and $0, respectively.

Inventory
Inventory consists of donated supplies used for program services specified by the donor. Contributions of inventory are stated at fair value determined by the first-in, first-out method. The Organization receives and distributes contributions for the new Tools 4 Schools program to assist teachers with classroom supplies and donated prom/homecoming dresses for the Operation Cinderella program.

Capital Assets
During the previous year, the Organization received a donated, used school bus to be accounted for as a capital asset. Donated services were received in the current year to place the vehicle into operations. Donated capital assets are valued at their estimated acquisition value on the date received. It is the Organization's policy to capitalize all capital assets with values over $5,000. The Organization will depreciate the school bus over the useful life of 10 years using the straight-line method. In addition, the Organization purchased a trailer for use with events.

In-Kind Contributions
Contributions of services and donated items, which are provided to the Organization, have been recorded in the accompanying financial statements. These contributions are recorded at their estimated fair values at the date of receipt. Volunteer services provided during events held by the Organization do not meet the criterion used to record donated services and have not been recorded in the financial statements.

Accounting Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Unearned Revenue
The Organization received advanced funds for a JROTC Air Gun Range prior to fiscal year-end. As of June 30, 2025 and 2024, unearned revenue was $0 and $662,975, respectively.

Revenue Recognition
All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. The Organization recognizes gifts of cash or pledges receivable as revenue when all eligibility requirements have been met. Donations of other non-monetary items are recorded as revenue based on their acquisition value at the date of the gift.

Net Position
The Organization's net position is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation. Restricted net position is non-capital assets that must be used for a particular purpose, as specified by grantors or contributors external to the Organization. Unrestricted net position is the remaining net amount of assets that do not meet the definition of investment in capital assets, net of related debt or restricted net position.

Subsequent Events
The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 10, 2025, the date the financial statements were available to be issued.

Note 2 - Assets Held by Others

Take Stock in Children Scholarship Program Overview
The Organization, through its donors for the Take Stock in Children program, will purchase two-year or four-year scholarship contracts from the Florida Prepaid College Foundation. The State of Florida, through the Florida Prepaid College Foundation, matches, dollar-for-dollar, the cost of these scholarship contracts purchases and holds the full value of the scholarship contracts, including changes in the scholarship contracts' contract value, on behalf of the Organization.

The Organization exercises control over these scholarship contracts by selecting students from Hernando County School District (the District) to participate in the Take Stock in Children program. Upon completion of the program and graduation from high school, the full contract value of these scholarship contracts are provided to the students for their college education. Any unused scholarships may be reinvested in new scholarship contracts to be provided to new students or existing students.

Florida Prepaid Scholarships Utilized, Net of Value Adjustment and Contract Value
The Organization has reported the Florida prepaid scholarships utilized, net of value adjustment based on information provided by the Florida Prepaid College Foundation. This component consists of changes in the value of the scholarship related to the scholarships usage by students, as well as changes in the value of the scholarship contracts as a result of changes in tuition costs at Florida universities and colleges.

The Organization has reported the current value of the scholarship contracts based on information provided by the Florida Prepaid College Foundation.

The following is the contract value as of June 30, respectively:

	2025	2024
Contract Value	$ 401,551	$ 354,667

Jump Start Scholarship Program Overview
The Organization, through its donors for the Jump Start program, will purchase scholarship contracts from the Florida Prepaid College Foundation. The State of Florida, through the Florida Prepaid College Foundation, matches, 2 for 1, the cost of these scholarship contracts purchases and holds the full value of the scholarship contracts on behalf of the Organization.

The Organization exercises control over these scholarship contracts by selecting students from the District to participate in the Jump Start program. Upon completion of the program and graduation from high school, the match for the scholarship contracts at the time of purchase and then the amounts are provided to the students for their college education.

Contract Value
The Organization has reported the current value of the scholarship contracts based on information provided by the Florida Prepaid College Foundation, which values the scholarship contracts based on the immediate availability to match amounts purchased.

The following is the contract value as of June 30, respectively:

	2025	2024
Contract Value	$ 45,759	$ 65,128

Note 3 - Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Equipment	$ 35,660	$ -	$ -	$ 35,660
Less: Accumulated Depreciation for Equipment	(6,953)	(3,566)	-	(10,519)
Business-Type Activities Capital Assets, Net	$ 28,707	$ (3,566)	$ -	$ 25,141

Note 4 - Specialty License Plate Revenue

For the fiscal year ended June 30, 2025 and 2024, the Organization received $5,491 and $5,491, respectively, of specialty license plate revenue from the State of Florida Department of Highway Safety and Motor Vehicles.

Pursuant to Section 320.08056 of the Florida Statutes, the Organization may not use specialty license plate revenue, or any interest earned from those fees, for commercial or for-profit activities, or for general or administrative expenses, except as authorized by Florida Statutes.

Note 5 - Concentration of Credit Risk

Demand Deposits
The Organization maintains demand deposit accounts with a financial institution in which funds are insured by the Federal Deposit Insurance Corporation (FDIC). At times throughout the year, the funds held in these accounts may exceed FDIC limits.

Note 6 - Related-Party Transactions

Several of the board members are employed by the District or corporations that donate or provide goods to the Organization.

The District provides donated services and payments for services to the Organization, including office space, information technology, utilities, and financial audit and tax preparation. The value of the donated office space for the 2025 fiscal year was $43,400, and the amount recognized for 2024 was $43,400.

The Foundation received a cash donation for the construction of a JROTC Air Gun Range. The donation was not sufficient to pay for the completion of the range. The school district agreed to contribute to the project and cover the overage. As of fiscal year-end, the District had paid $161,148 and owed $85,441.

Note 7 - Commitments

The Organization received a commitment from a community member to fund the construction of a JROTC Air Gun Range at Central High School. The total anticipated project costs are $1,000,000. As of June 30, 2025 and 2024, the Organization received $89,999 and $910,001, respectively, to pay for anticipated project costs and incurred costs of $1,246,590 and $336,097, respectively. The school district has committed to contributing the funds necessary to cover the overage.

ADDITIONAL ELEMENTS OF REPORT PREPARED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*, ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED STATES

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*

To the Board of Directors
Hernando County Education Direct Support Organization, Inc.
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 business-type activity and major fund of Hernando County Education Direct Support Organization, Inc. (the Organization) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated December 10, 2025.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control that we consider to be a significant deficiency:

To the Board of Directors
Hernando County Education Direct Support Organization, Inc.
Brooksville, Florida

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

- **2014-1 Segregation of Duties**—Currently, the Organization's staff consists of a few individuals that have complete access to all accounting transactions, including the receipting and disbursement processes and cash and account reconciliation processes. These issues create a deficiency in internal controls such that there is a lack of proper segregation of duties in the accounting function.

  This issue is common with small organizations of this size. It is our understanding that the Organization has an audit and finance committee that was formed to oversee accounting transactions and financial statements and reports. Additional oversight is provided by the Board of Directors and Executive Committee.

  We recommend that the Organization continue this oversight to mitigate this condition.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards.*

Management's Response to the Above Significant Deficiency in Internal Control
Government Auditing Standards requires the auditor to perform limited procedures on management's response to the finding identified in our audit and described above. Management's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

Purvis Gray

December 10, 2025
Ocala, Florida



Chief Executive Officer
Tammy Brinker

President
Kandice Christmas

President Elect
Jessica Zimmerman

Vice President
Sharon Twyman

Secretary/Treasurer
Debbye Warrell

Past President
Debra Myers

Governance
Lisa Becker

Marketing and Communication Chair
Tori Hunt

Board of Directors
Michael Gunther
Ben Prescott
Jarvis Upshaw
Fred Weber
Joe Pastore
Michael O'Brien
Justen Early (Academy of Teachers)
Ray Pinder (Superintendent) (School Board and Ex Officio)
Kaycee Hawkins School Board Member Liaison (School Board and Ex Officio)
Gus Guadagnino (Ex Officio)
Ray Mooney (Ex Officio)

To: HCEF Board of Directors
Re: Independent Auditor's Report – Segregation of Duties

Dear Board Members,

The following is management's response to the **Independent Auditor's Report** for the fiscal year **July 1, 2024 through June 30, 2025**, specifically addressing the observation related to segregation of duties.

2014-1 Segregation of Duties
Management acknowledges the auditor's observation regarding segregation of duties, which is a common challenge for organizations with limited staffing. In response, we note that in **2014**, the Hernando County Education Foundation established a **Finance and Audit Committee** specifically charged with providing enhanced financial oversight.

This committee conducts **regular monthly reviews** of the Foundation's financial statements and accounting activities and works closely with management to ensure appropriate controls, transparency, and accountability are maintained. The auditors have recognized this governance structure as a mitigating control.

While full segregation of duties is not always practical given the size of the organization, management and the Board believe that the continued involvement of the **Board of Directors**, **Finance and Audit Committee**, and established approval and review processes provide sufficient oversight to safeguard the Foundation's financial integrity. Management will continue to evaluate opportunities to strengthen internal controls as organizational capacity allows.

Please feel free to contact me if you have any questions or would like additional information.

Tax ID: 59-3031959

Sincerely,

Tammy Brinker

Tammy Brinker
Chief Executive Officer
Hernando County Education Foundation
brinker_t@hcsb.k12.fl.us
(Phone) 352-797-7313 (Ext.0)
(Fax) 352-797-7177

The Hernando County Education Foundation is a non-profit 501(c)(3) organization dedicated to creating partnerships that advance student achievement and promote excellence within Hernando County Public Education.

A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES BY CALLING TOLL-FREE WITHIN THE STATE, 1-800-435-7352. REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL, OR RECOMMENDATION BY THE STATE REGISTRATION #ch2624.

Complete Section A **or** B; **and** C

MUST BE COMPLETED IN FULL FOR PLACEMENT CONSIDERATION.
(For Donations, use Section B)

A. Item Currently Budgeted -

Account Name: General Fund - Professional Services

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project
	1100	9100	3100	9101	49500	00000

Original Approved Budget	+ - Budget Amendments	- Expenditures / Encumbrances To Date	= Current Available Budget	- Present Request	= Remaining Balance Available
$ 12,500.00	$ 0	$ 0	$ 12,500.00	$ 12,500.00	$ 0

Account Name: _____

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project

Original Approved Budget	+ - Budget Amendments	- Expenditures / Encumbrances To Date	= Current Available Budget	- Present Request	= Remaining Balance Available
$	$	$	$	$	$

B. Item Currently Not Budgeted -**

Funding Source: _____

Account Name: _____

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project

Amount $ _____

Funding Source: _____

Account Name: _____

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project

Amount $ _____

C. History

Check one:
Prior Year Budget: ☑
New for Current Year: ☐

Prior Year Approved Budget: $ 12,500.00
Prior Year Actual Spent: $ 12,500.00

**** WHEN ITEM NOT CURRENTLY BUDGETED IS APPROVED BY THE SCHOOL BOARD, THIS WILL SERVE AS THE BUDGET AMENDMENT****

Hernando School District

School Board Regular Meeting

Agenda Item # 17. 26-3524 1/27/2026

Title and Board Action Requested

Award the Contract for Construction Manager Services for Play Court Relocation for Weeki Wachee High School, to J. E. Dunn Construction Company, for construction goods & services under RFQ #9009-234-2301: Construction Manager Services Continuing Contract, and authorize the purchase of $10,000.00 in pre-construction services, using half-cent tax funds.

Executive Summary

The Director of Facilities & Construction, on behalf of the Superintendent of Schools, hereby requests the Board Award the Contract for Construction Manager Services for Play Court Relocation for Weeki Wachee High School, to J. E. Dunn Construction Company, for construction goods & services under RFQ #9009-234-2301: Construction Manager Services Continuing Contract, and authorize the contract for $1,000,000.00 using half-cent tax funds.

At this time, we request approval of the purchase of $10,000.00 in pre-construction services.

My Contact

Brian Ragan
Director of Facilities & Construction
ragan_b@hcsb.k12.fl.us
352-797-7050

2023-28 Strategic Focus Area

Priority 5: Fiscal Transparency and Capital Planning

Financial Impact

See attached budget sheet.

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.

AIA® Document A133® – 2019

Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price

AGREEMENT made as of the Twenty-seventh day of January in the year Two Thousand Twenty-Six
(In words, indicate day, month, and year.)

BETWEEN the Owner:
(Name, legal status, address, and other information)

Hernando County School District
8016 Mobley Road
Brooksville, FL 34601

and the Construction Manager:
(Name, legal status, address, and other information)

J. E. Dunn Construction Company
5411 Sky Center Drive, Suite 200
Tampa, FL 33607

for the following Project:
(Name, location, and detailed description)

Weeki Wachee High School Play Court Relocation
12150 Vespa Way
Weeki Wachee, FL 34614
Relocate play courts that were removed for construction of the new 30 Classroom Building project

The Architect:
(Name, legal status, address, and other information)

PBK
5201 W. Kennedy Blvd. Suite 515
Tampa, FL 33609

The Owner and Construction Manager agree as follows.

ADDITIONS AND DELETIONS:
The author of this document may have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™–2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

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EXHIBIT A GUARANTEED MAXIMUM PRICE AMENDMENT
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ARTICLE 1 INITIAL INFORMATION

§ 1.1 This Agreement is based on the Initial Information set forth in this Section 1.1.
(For each item in this section, insert the information or a statement such as "not applicable" or "unknown at time of execution.")

§ 1.1.1 The Owner's program for the Project, as described in Section 4.1.1:
(Insert the Owner's program, identify documentation that establishes the Owner's program, or state the manner in which the program will be developed.)

Relocation and replacement of 6 play courts to be a combination of tennis and/or basketball. Courts to be located in one or more locations on campus and may be constructed of concrete, asphalt or post-tension concrete TBD in the design phase.

§ 1.1.2 The Project's physical characteristics:
(Identify or describe pertinent information about the Project's physical characteristics, such as size; location; dimensions; geotechnical reports; site boundaries; topographic surveys; traffic and utility studies; availability of public and private utilities and services; legal description of the site, etc.)

TBD during design phase

§ 1.1.3 The Owner's budget for the Guaranteed Maximum Price, as defined in Article 6:
(Provide total and, if known, a line item breakdown.)

Owner's TOTAL Construction Budget: $ 1,000,000.00

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Less Preconstruction Phase Services: $10,000.00
Guaranteed Maximum Price Budget: $990,000.00

§ 1.1.4 The Owner's anticipated design and construction milestone dates:

.1 Design phase milestone dates, if any:

Construction Documents Completed January 2026

.2 Construction commencement date:

TBD

.3 Substantial Completion date or dates:

TBD as negotiated in the GMP Amendment

.4 Other milestone dates:

Courts to be completed for use prior to 2026-27 school year

§ 1.1.5 The Owner's requirements for accelerated or fast-track scheduling, or phased construction, are set forth below:
(Identify any requirements for fast-track scheduling or phased construction.)

TBD

§ 1.1.6 The Owner's anticipated Sustainable Objective for the Project:
(Identify and describe the Owner's Sustainable Objective for the Project, if any.)

N/A

§ 1.1.6.1 If the Owner identifies a Sustainable Objective, the Owner and Construction Manager shall complete and incorporate AIA Document E234™–2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, into this Agreement to define the terms, conditions and services related to the Owner's Sustainable Objective. If E234–2019 is incorporated into this agreement, the Owner and Construction Manager shall incorporate the completed E234–2019 into the agreements with the consultants and contractors performing services or Work in any way associated with the Sustainable Objective.

§ 1.1.7 Other Project information:
(Identify special characteristics or needs of the Project not provided elsewhere.)

Construction Manager shall plan the Work to avoid disruption of school activities, teaching and learning. The Construction Manager shall schedule the Work with the input of the school principal and/or site administrator and the Facilities Representative, to ensure that work activities are coordinated with the school's schedule. This contract is being awarded under the District's Continuing CM RFQ# 9009-234-2301

§ 1.1.8 The Owner identifies the following representative in accordance with Section 4.2:
(List name, address, and other contact information.)

Brian Ragan
8016 Mobley RdBrooksville, FL 34601
352-797-7050

ragan_b@hcsb.k12.fl.us

§ 1.1.9 The persons or entities, in addition to the Owner's representative, who are required to review the Construction Manager's submittals to the Owner are as follows:

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(List name, address and other contact information.)

Owner's Fire Official and Building Official

§ 1.1.10 The Owner shall retain the following consultants and contractors:
(List name, legal status, address, and other contact information.)

.1 Geotechnical Engineer:

TBD

.2 Civil Engineer:

TBD

.3 Other, if any:
(List any other consultants retained by the Owner, such as a Project or Program Manager.)

TBD

§ 1.1.11 The Architect's representative:
(List name, address, and other contact information.)

Philip Trezza
5201 W. Kennedy Blvd.
Tampa, FL 33609

§ 1.1.12 The Construction Manager identifies the following representative in accordance with Article 3:
(List name, address, and other contact information.)

Curtis DeLaquil
5411 Sky Center Drive, Suite 200
Tampa, FL 33607

§ 1.1.13 The Owner's requirements for the Construction Manager's staffing plan for Preconstruction Services, as required under Section 3.1.9:
(List any Owner-specific requirements to be included in the staffing plan.)

§ 1.1.14 The Owner's requirements for subcontractor procurement for the performance of the Work:
(List any Owner-specific requirements for subcontractor procurement.)

The Construction Manager is expected to represent the Owner's interest in soliciting competitive bids, including:
A) Soliciting a sufficient number of bids to ensure that at least three (3) bids are submitted for each bid package;

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B) Obtaining prior approval from the Owner for any Work that the CM proposes to self-perform; C) Obtaining a minimum of three (3) bids for each bid package, unless exempted elsewhere in this Agreement; D) Delaying the opening of bids for any bid package until three (3) or more bids are received, unless Owner directs otherwise

§ 1.1.15 Other Initial Information on which this Agreement is based:

« Construction Manager may be required to procure (or allow owner to procure) materials by means of the Owner's Direct Purchase Program or Owner's Pre-Purchase Program. Any materials procured by these methods, in which the Construction Manager includes in the Cost of The Work, shall be treated in the same manner as materials purchased directly by the Construction Manager. Scheduling & accepting delivery, storage, installation, returns and warranties remain the responsibility of the Construction Manager and nothing in this Article shall alter any other conditions of this contract.

§ 1.2 The Owner and Construction Manager may rely on the Initial Information. Both parties, however, recognize that such information may materially change and, in that event, the Owner and the Construction Manager shall appropriately adjust the Project schedule, the Construction Manager's services, and the Construction Manager's compensation. The Owner shall adjust the Owner's budget for the Guaranteed Maximum Price and the Owner's anticipated design and construction milestones, as necessary, to accommodate material changes in the Initial Information.

§ 1.3 Neither the Owner's nor the Construction Manager's representative shall be changed without ten days' prior notice to the other party.

ARTICLE 2 GENERAL PROVISIONS

§ 2.1 The Contract Documents

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract and are as fully a part of the Contract as if attached to this Agreement or repeated herein. Upon the Owner's acceptance of the Construction Manager's Guaranteed Maximum Price proposal, the Contract Documents will also include the documents described in Section 3.2.3 and identified in the Guaranteed Maximum Price Amendment and revisions prepared by the Architect and furnished by the Owner as described in Section 3.2.8. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. If anything in the other Contract Documents, other than a Modification, is inconsistent with this Agreement, this Agreement shall govern. An enumeration of the Contract Documents, other than a Modification, appears in Article 15.

§ 2.2 Relationship of the Parties

The Construction Manager accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Architect and exercise the Construction Manager's skill and judgment in furthering the interests of the Owner to furnish efficient construction administration, management services, and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner's interests. The Owner agrees to furnish or approve, in a timely manner, information required by the Construction Manager and to make payments to the Construction Manager in accordance with the requirements of the Contract Documents.

§ 2.3 General Conditions

§ 2.3.1 For the Preconstruction Phase, AIA Document A201™–2017, General Conditions of the Contract for Construction, shall apply as follows: Section 1.5, Ownership and Use of Documents; Section 1.7, Digital Data Use and Transmission; Section 1.8, Building Information Model Use and Reliance; Section 2.2.4, Confidential Information; Section 3.12.10, Professional Services; Section 10.3, Hazardous Materials; Section 13.1, Governing Law. The term "Contractor" as used in A201–2017 shall mean the Construction Manager.

§ 2.3.2 For the Construction Phase, the general conditions of the contract shall be as set forth in A201–2017, which document is incorporated herein by reference. The term "Contractor" as used in A201–2017 shall mean the Construction Manager.

ARTICLE 3 CONSTRUCTION MANAGER'S RESPONSIBILITIES

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The Construction Manager's Preconstruction Phase responsibilities are set forth in Sections 3.1 and 3.2, and in the applicable provisions of A201-2017 referenced in Section 2.3.1. The Construction Manager's Construction Phase responsibilities are set forth in Section 3.3. The Owner and Construction Manager may agree, in consultation with the Architect, for the Construction Phase to commence prior to completion of the Preconstruction Phase, in which case, both phases will proceed concurrently. The Construction Manager shall identify a representative authorized to act on behalf of the Construction Manager with respect to the Project.

§ 3.1 Preconstruction Phase

§ 3.1.1 Extent of Responsibility

The Construction Manager shall exercise reasonable care in performing its Preconstruction Services. The Owner and Architect shall be entitled to rely on, and shall not be responsible for, the accuracy, completeness, and timeliness of services and information furnished by the Construction Manager. The Construction Manager, however, does not warrant or guarantee estimates and schedules except as may be included as part of the Guaranteed Maximum Price. The Construction Manager is not required to ascertain that the Drawings and Specifications are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Construction Manager shall promptly report to the Architect and Owner any nonconformity discovered by or made known to the Construction Manager as a request for information in such form as the Architect may require.

§ 3.1.2 The Construction Manager shall provide a preliminary evaluation of the Owner's program, schedule and construction budget requirements, each in terms of the other.

§ 3.1.3 Consultation

§ 3.1.3.1 The Construction Manager shall schedule and conduct meetings with the Architect and Owner to discuss such matters as procedures, progress, coordination, and scheduling of the Work.

§ 3.1.3.2 The Construction Manager shall advise the Owner and Architect on proposed site use and improvements, selection of materials, building systems, and equipment. The Construction Manager shall also provide recommendations to the Owner and Architect, consistent with the Project requirements, on constructability; availability of materials and labor; time requirements for procurement, installation and construction; prefabrication; and factors related to construction cost including, but not limited to, costs of alternative designs or materials, preliminary budgets, life-cycle data, and possible cost reductions. The Construction Manager shall consult with the Architect regarding professional services to be provided by the Construction Manager during the Construction Phase. Owner and Construction Manager agree that Construction Manager is not an architect or engineer and that Construction Manager is not providing design services as part of the Agreement, unless otherwise specifically provided in the Contract Documents. Any recommendations or input by Construction Manager relating to the design, Drawings and Specifications, including from Construction Manager's participation in value engineering or other cost and constructability efforts, are intended as suggestions only for the consideration of Owner, Architect, and their engineers and consultants. Such recommendations and input from the Construction Manager shall be independently reviewed, evaluated and, if accepted and approved by Owner, Architect, and their engineers and consultants, the Owner and Architect or their consultants shall be responsible for the confirmation of compliance with applicable laws, statutes, ordinances, codes, rules and regulation, or lawful orders of public authorities and incorporation of such recommendations and input into the Contract Documents. Construction Manager makes not representation or warranties that its recommendations or input relating to value engineering, design, or Drawings and Specifications complies with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, or with the Owner's or its Architect's design or design intent, or that such recommendations or input are suitable or compatible with the design intent

§ 3.1.3.3 The Construction Manager shall assist the Owner and Architect in establishing written protocols for the development, use, transmission, reliance, and exchange of digital data, including building information models for the Project.

§ 3.1.4 Project Schedule

When Project requirements in Section 4.1.1 have been sufficiently identified, the Construction Manager shall prepare and periodically update a Project schedule for the Architect's review and the Owner's acceptance. The Construction Manager shall obtain the Architect's approval for the portion of the Project schedule relating to the performance of the Architect's services. The Project schedule shall coordinate and integrate the Construction Manager's services, the Architect's services, other Owner consultants' services, and the Owner's responsibilities;

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and identify items that affect the Project's timely completion. The updated Project schedule shall include the following: submission of the Guaranteed Maximum Price proposal; components of the Work; times of commencement and completion required of each Subcontractor; ordering and delivery of products, including those that must be ordered in advance of construction; and the occupancy requirements of the Owner.

§ 3.1.5 Phased Construction

The Construction Manager, in consultation with the Architect, shall provide recommendations with regard to accelerated or fast-track scheduling, procurement, and sequencing for phased construction. The Construction Manager shall take into consideration cost reductions, cost information, constructability, provisions for temporary facilities, and procurement and construction scheduling issues.

§ 3.1.6 Cost Estimates

§ 3.1.6.1 Based on the preliminary design and other design criteria prepared by the Architect, the Construction Manager shall prepare, for the Architect's review and the Owner's approval, preliminary estimates of the Cost of the Work or the cost of program requirements using area, volume, or similar conceptual estimating techniques. If the Architect or Construction Manager suggests alternative materials and systems, the Construction Manager shall provide cost evaluations of those alternative materials and systems.

§ 3.1.6.2 As the Architect progresses with the preparation of the Schematic Design, Design Development and Construction Documents, the Construction Manager shall prepare and update, at appropriate intervals agreed to by the Owner, Construction Manager and Architect, an estimate of the Cost of the Work with increasing detail and refinement. The Construction Manager shall include in the estimate those costs to allow for the further development of the design, price escalation, and market conditions, until such time as the Owner and Construction Manager agree on a Guaranteed Maximum Price for the Work. The estimate shall be provided for the Architect's review and the Owner's approval. The Construction Manager shall inform the Owner and Architect in the event that the estimate of the Cost of the Work exceeds the latest approved Project budget, and make recommendations for corrective action.

§ 3.1.6.3 If the Architect is providing cost estimating services as a Supplemental Service, and a discrepancy exists between the Construction Manager's cost estimates and the Architect's cost estimates, the Construction Manager and the Architect shall work together to reconcile the cost estimates.

§ 3.1.7 As the Architect progresses with the preparation of the Schematic Design, Design Development and Construction Documents, the Construction Manager shall consult with the Owner and Architect and make recommendations regarding constructability and schedules, for the Architect's review and the Owner's approval.

§ 3.1.8 The Construction Manager shall provide recommendations and information to the Owner and Architect regarding equipment, materials, services, and temporary Project facilities.

§ 3.1.9 The Construction Manager shall provide a staffing plan for Preconstruction Phase services for the Owner's review and approval.

§ 3.1.10 If the Owner identified a Sustainable Objective in Article 1, the Construction Manager shall fulfill its Preconstruction Phase responsibilities as required in AIA Document E234™–2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, attached to this Agreement.

§ 3.1.11 Subcontractors and Suppliers

§ 3.1.11.1 If the Owner has provided requirements for subcontractor procurement in section 1.1.14, the Construction Manager shall provide a subcontracting plan, addressing the Owner's requirements, for the Owner's review and approval.

§ 3.1.11.2 The Construction Manager shall develop bidders' interest in the Project.

§ 3.1.11.3 The processes described in Article 9 shall apply if bid packages will be issued during the Preconstruction Phase.

§ 3.1.12 Procurement

The Construction Manager shall prepare, for the Architect's review and the Owner's acceptance, a procurement schedule for items that must be ordered in advance of construction. The Construction Manager shall expedite and

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coordinate the ordering and delivery of materials that must be ordered in advance of construction. If the Owner agrees to procure any items prior to the establishment of the Guaranteed Maximum Price, the Owner shall procure the items on terms and conditions acceptable to the Construction Manager. Upon the establishment of the Guaranteed Maximum Price, the Owner shall assign all contracts for these items to the Construction Manager and the Construction Manager shall thereafter accept responsibility for them.

§ 3.1.13 Compliance with Laws

The Construction Manager shall comply with applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to its performance under this Contract, and with equal employment opportunity programs, and other programs as may be required by governmental and quasi-governmental authorities.

§ 3.1.14 Other Preconstruction Services

Insert a description of any other Preconstruction Phase services to be provided by the Construction Manager, or reference an exhibit attached to this document

(Describe any other Preconstruction Phase services, such as providing cash flow projections, development of a project information management system, early selection or procurement of subcontractors, etc.)

§ 3.2 Guaranteed Maximum Price Proposal

§ 3.2.1 At a time to be mutually agreed upon by the Owner and the Construction Manager, the Construction Manager shall prepare a Guaranteed Maximum Price proposal for the Owner's and Architect's review, and the Owner's acceptance. The Guaranteed Maximum Price in the proposal shall be the sum of the Construction Manager's estimate of the Cost of the Work, the Construction Manager's contingency described in Section 3.2.4, and the Construction Manager's Fee described in Section 6.1.2.

§ 3.2.2 To the extent that the Contract Documents are anticipated to require further development, the Guaranteed Maximum Price includes the costs attributable to such further development consistent with the Contract Documents and reasonably inferable therefrom. Such further development does not include changes in scope, systems, kinds and quality of materials, finishes, or equipment, all of which, if required, shall be incorporated by Change Order.

§ 3.2.3 The Construction Manager shall include with the Guaranteed Maximum Price proposal a written statement of its basis, which shall include the following:

.1 A list of the Drawings and Specifications, including all Addenda thereto, and the Conditions of the Contract;

.2 A list of the clarifications and assumptions made by the Construction Manager in the preparation of the Guaranteed Maximum Price proposal, including assumptions under Section 3.2.2;

.3 A statement of the proposed Guaranteed Maximum Price, including a statement of the estimated Cost of the Work organized by trade categories or systems, including allowances; the Construction Manager's contingency set forth in Section 3.2.4; and the Construction Manager's Fee;

.4 The anticipated date of Substantial Completion upon which the proposed Guaranteed Maximum Price is based; and

.5 A date by which the Owner must accept the Guaranteed Maximum Price.

§ 3.2.4 In preparing the Construction Manager's Guaranteed Maximum Price proposal, the Construction Manager shall include a contingency for the Construction Manager's exclusive use to cover those costs that are included in the Guaranteed Maximum Price but not otherwise allocated to another line item or included in a Change Order.

§ 3.2.5 The Construction Manager shall meet with the Owner and Architect to review the Guaranteed Maximum Price proposal. In the event that the Owner or Architect discover any inconsistencies or inaccuracies in the information presented, they shall promptly notify the Construction Manager, who shall make appropriate adjustments to the Guaranteed Maximum Price proposal, its basis, or both.

§ 3.2.6 If the Owner notifies the Construction Manager that the Owner has accepted the Guaranteed Maximum Price proposal in writing before the date specified in the Guaranteed Maximum Price proposal, the Guaranteed Maximum Price proposal shall be deemed effective without further acceptance from the Construction Manager. Following acceptance of a Guaranteed Maximum Price, the Owner and Construction Manager shall execute the

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Guaranteed Maximum Price Amendment amending this Agreement, a copy of which the Owner shall provide to the Architect. The Guaranteed Maximum Price Amendment shall set forth the agreed upon Guaranteed Maximum Price with the information and assumptions upon which it is based.

§ 3.2.7 The Construction Manager shall not incur any cost to be reimbursed as part of the Cost of the Work prior to the execution of the Guaranteed Maximum Price Amendment, unless the Owner provides prior written authorization for such costs.

§ 3.2.8 The Owner shall authorize preparation of revisions to the Contract Documents that incorporate the agreed-upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment. The Owner shall promptly furnish such revised Contract Documents to the Construction Manager. The Construction Manager shall notify the Owner and Architect of any inconsistencies between the agreed-upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment and the revised Contract Documents.

§ 3.2.9 The Construction Manager shall include in the Guaranteed Maximum Price all sales, consumer, use and similar taxes for the Work provided by the Construction Manager that are legally enacted, whether or not yet effective, at the time the Guaranteed Maximum Price Amendment is executed.

§ 3.3 Construction Phase

§ 3.3.1 General

§ 3.3.1.1 For purposes of Section 8.1.2 of A201–2017, the date of commencement of the Work shall mean the date of commencement of the Construction Phase.

§ 3.3.1.2 The Construction Phase shall commence upon the Owner's execution of the Guaranteed Maximum Price Amendment or, prior to acceptance of the Guaranteed Maximum Price proposal, by written agreement of the parties. The written agreement shall set forth a description of the Work to be performed by the Construction Manager, and any insurance and bond requirements for Work performed prior to execution of the Guaranteed Maximum Price Amendment.

§ 3.3.2 Administration

§ 3.3.2.1 The Construction Manager shall schedule and conduct meetings to discuss such matters as procedures, progress, coordination, scheduling, and status of the Work. The Construction Manager shall prepare and promptly distribute minutes of the meetings to the Owner and Architect.

§ 3.3.2.2 Upon the execution of the Guaranteed Maximum Price Amendment, the Construction Manager shall prepare and submit to the Owner and Architect a construction schedule for the Work and a submittal schedule in accordance with Section 3.10 of A201–2017.

§ 3.3.2.3 Monthly Report

The Construction Manager shall record the progress of the Project. On a monthly basis, or otherwise as agreed to by the Owner, the Construction Manager shall submit written progress reports to the Owner and Architect, showing percentages of completion and other information required by the Owner.

§ 3.3.2.4 Daily Logs

The Construction Manager shall keep, and make available to the Owner and Architect, a daily log containing a record for each day of weather, portions of the Work in progress, number of workers on site, identification of equipment on site, problems that might affect progress of the work, accidents, injuries, and other information required by the Owner.

§ 3.3.2.5 Cost Control

The Construction Manager shall develop a system of cost control for the Work, including regular monitoring of actual costs for activities in progress and estimates for uncompleted tasks and proposed changes. The Construction Manager shall identify variances between actual and estimated costs and report the variances to the Owner and Architect, and shall provide this information in its monthly reports to the Owner and Architect, in accordance with Section 3.3.2.3 above.

ARTICLE 4 OWNER'S RESPONSIBILITIES

§ 4.1 Information and Services Required of the Owner

§ 4.1.1 The Owner shall provide information with reasonable promptness, regarding requirements for and

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limitations on the Project, including a written program which shall set forth the Owner's objectives, constraints, and criteria, including schedule, space requirements and relationships, flexibility and expandability, special equipment, systems, sustainability and site requirements.

§ 4.1.2 Prior to the execution of the Guaranteed Maximum Price Amendment, the Construction Manager may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. After execution of the Guaranteed Maximum Price Amendment, the Construction Manager may request such information as set forth in A201-2017 Section 2.2.

§ 4.1.3 The Owner shall establish and periodically update the Owner's budget for the Project, including (1) the budget for the Cost of the Work as defined in Article 7, (2) the Owner's other costs, and (3) reasonable contingencies related to all of these costs. If the Owner significantly increases or decreases the Owner's budget for the Cost of the Work, the Owner shall notify the Construction Manager and Architect. The Owner and the Architect, in consultation with the Construction Manager, shall thereafter agree to a corresponding change in the Project's scope and quality.

§ 4.1.4 Structural and Environmental Tests, Surveys and Reports. During the Preconstruction Phase, the Owner shall furnish the following information or services with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services. The Construction Manager shall be entitled to rely on the accuracy of information and services furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 4.1.4.1 The Owner shall furnish tests, inspections, and reports, required by law and as otherwise agreed to by the parties, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

§ 4.1.4.2 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and other necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 4.1.4.3 The Owner, when such services are requested, shall furnish services of geotechnical engineers, which may include test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

§ 4.1.5 During the Construction Phase, the Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services.

§ 4.1.6 If the Owner identified a Sustainable Objective in Article 1, the Owner shall fulfill its responsibilities as required in AIA Document E234™–2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, attached to this Agreement.

§ 4.2 Owner's Designated Representative

The Owner shall identify a representative authorized to act on behalf of the Owner with respect to the Project. The Owner's representative shall render decisions promptly and furnish information expeditiously, so as to avoid unreasonable delay in the services or Work of the Construction Manager. Except as otherwise provided in Section 4.2.1 of A201–2017, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

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§ 4.2.1 Legal Requirements. The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 4.3 Architect

The Owner shall retain an Architect to provide services, duties and responsibilities as described in AIA Document B133™–2019, Standard Form of Agreement Between Owner and Architect, Construction Manager as Constructor Edition, including any additional services requested by the Construction Manager that are necessary for the Preconstruction and Construction Phase services under this Agreement. The Owner shall provide the Construction Manager with a copy of the scope of services in the executed agreement between the Owner and the Architect, and any further modifications to the Architect's scope of services in the agreement.

ARTICLE 5 COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES

§ 5.1 Compensation

§ 5.1.1 For the Construction Manager's Preconstruction Phase services described in Sections 3.1 and 3.2, the Owner shall compensate the Construction Manager as follows:
(Insert amount of, or basis for, compensation and include a list of reimbursable cost items, as applicable.)

Basis for compensation shall be the actual time spent multiplied by the hourly billing rates stated in Article 5.1.2, plus the actual cost for materials, plus two-percent (2%) for overhead and profit. Construction Manager shall furnish a detailed accounting of time and materials when submitting a request for payment for Preconstruction Services. Total compensation for Preconstruction Phase Services shall not exceed $ 10,000.00 or 1% of total Cost of the Work

§ 5.1.2 The hourly billing rates for Preconstruction Phase services of the Construction Manager and the Construction Manager's Consultants and Subcontractors, if any, are set forth below.
(If applicable, attach an exhibit of hourly billing rates or insert them below.)

Rates listed herein are for Pre-Construction Services only and are not to be assumed as approved for compensation for Construction Phase Services

Individual or Position	Rate

§ 5.1.2.1 Hourly billing rates for Preconstruction Phase services include all costs to be paid or incurred by the Construction Manager, as required by law or collective bargaining agreements, for taxes, insurance, contributions, assessments and benefits and, for personnel not covered by collective bargaining agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, and shall remain unchanged unless the parties execute a Modification.

§ 5.1.3 If the Preconstruction Phase services covered by this Agreement have not been completed within Twelve (12) months of the date of this Agreement, through no fault of the Construction Manager, the Construction Manager's compensation for Preconstruction Phase services shall be equitably adjusted.

§ 5.2 Payments

§ 5.2.1 ~~Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed~~. Based upon Applications for Payment submitted to the Architect by the Construction Manager and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Construction Manager as provided below and elsewhere in the Contract Documents

§ 5.2.2 Provided that an Application for Payment is received by the Architect not later than the twenty-fifth day of a month, the Owner shall make payment of the amount certified to the Construction Manager not later than the last day of the following month. If an Application for Payment is received by the Architect after the application date fixed above, payment of the amount certified shall be made by the Owner not later than forty-five (45) days after the Architect receives the Application for Payment
~~Payments are due and payable upon presentation of the Construction Manager's invoice.~~ Amounts unpaid Ninety (90) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Construction Manager.

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(Insert rate of monthly or annual interest agreed upon.)

2 % Two Percent

ARTICLE 6 COMPENSATION FOR CONSTRUCTION PHASE SERVICES

§ 6.1 Contract Sum

§ 6.1.1 The Owner shall pay the Construction Manager the Contract Sum in current funds for the Construction Manager's performance of the Contract after execution of the Guaranteed Maximum Price Amendment. The Contract Sum is the Cost of the Work as defined in Article 7 plus the Construction Manager's Fee.

§ 6.1.2 The Construction Manager's Fee:
(State a lump sum, percentage of Cost of the Work or other provision for determining the Construction Manager's Fee.)

$25,000 - $100,000	10.00% - 9.50%	$600,000 - $750,000	6.50% - 5.50%	$3.0M - $4.0M	4.50% - 4.25%
$100,000 - $200,000	9.50% - 9.00%	$750,000 - $1.0M	5.50% - 5.25%		
$200,000 - $300,000	9.00% - 8.00%	$1.0M - $1.5M	5.25% - 5.00%		
$300,000 - $400,000	8.00% - 7.00%	$1.5M - $2.0M	5.00% - 4.75%		
$400,000 - $600,000	7.00% - 6.50%	$2.0M - $3.0M	4.75% - 4.50%		

§ 6.1.3 The method of adjustment of the Construction Manager's Fee for changes in the Work:

The Construction Manager's Fee shall not be adjusted for changes in Work, including contingency expenditures, unless the amount of the GMP has been increased or decreased by a Change Order. Any adjustments of the Construction Manager's Fee shall be clearly identified in the Change Order and shall be commensurate with the percentages of the Cost of the Work stated in Article 6.1.2. Construction Manager's fee shall include the actual cost of items & equipment that are directly purchased by owner but installed by Construction Manager

§ 6.1.4 Limitations, if any, on a Subcontractor's overhead and profit for increases in the cost of its portion of the Work:

For each Subcontractor or Sub-subcontractor, for Work performed by that Subcontractor's or Sub-subcontractor's own forces: Total OH&P = Ten percent (10%) of the cost of the Work. For each Subcontractor, for Work performed by the Subcontactor's Sub-subcontractors: Total OH&P = Five percent (5%) of the amount due the Sub-subcontractor. No further tiering of Sub-subcontractors' overhead and profit shall be allowed for increases in the cost of the Work

§ 6.1.5 Rental rates for Construction Manager-owned equipment shall not exceed One-hundred percent (100 %) of the standard rental rate paid at the place of the Project.

§ 6.1.6 Liquidated damages, if any:
(Insert terms and conditions for liquidated damages, if any.)

Should the Contractor fail to substantially complete the Work on or before the date stipulated as the Substantial Completion Date in Section 1.1.4.3 above, (or such later date as may result from a written extension of time granted by the Owner), the Contractor shall pay the Owner, as liquidated damages, the sum of $750.00 for each consecutive calendar day that terms of the Contract remain unfulfilled beyond the date allowed by the Contract, which sum is agreed upon as a reasonable and proper measure of damages which the Owner will sustain per day by failure of the Contractor to complete within time as stipulated; it being recognized by the Owner and the Contractor that the injury to the Owner which could result from a failure of the Contractor to complete on schedule is uncertain and cannot be computed exactly. In no way shall cost for liquidated damages be construed as a penalty on the Contractor. The above referenced liquidated damages shall provide the sole and exclusive remedy for the Owner for damages incurred as a result of the Contractor's delay in completing the Work as described in Contract Documents. However, the Owner retains all rights to seek and recover its actual damages for all other injuries that may arise, including but not limited to construction defects.

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§ 6.1.7 Other:
(Insert provisions for bonus, cost savings or other incentives, if any, that might result in a change to the Contract Sum.)

Construction Manager's overhead and profit for increases in the cost of Work performed by its own forces shall be limited to ten percent (10%) of the cost of the self-performed Work. All self-performed work shall be fully auditable by the Owner's auditors per Article 10.

§ 6.2 Guaranteed Maximum Price
The Construction Manager guarantees that the Contract Sum shall not exceed the Guaranteed Maximum Price set forth in the Guaranteed Maximum Price Amendment, subject to additions and deductions by Change Order as provided in the Contract Documents. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Construction Manager without reimbursement by the Owner.

§ 6.3 Changes in the Work
§ 6.3.1 The Owner may, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions. The Owner shall issue such changes in writing. The Construction Manager may be entitled to an equitable adjustment in the Contract Time as a result of changes in the Work.

§ 6.3.1.1 The Architect may order minor changes in the Work as provided in Article 7 of AIA Document A201–2017, General Conditions of the Contract for Construction.

§ 6.3.2 Adjustments to the Guaranteed Maximum Price on account of changes in the Work subsequent to the execution of the Guaranteed Maximum Price Amendment may be determined by any of the methods listed in Article 7 of AIA Document A201–2017, General Conditions of the Contract for Construction.

§ 6.3.3 Adjustments to subcontracts awarded on the basis of a stipulated sum shall be determined in accordance with Article 7 of A201–2017, as they refer to "cost" and "fee," and not by Articles 6 and 7 of this Agreement. Adjustments to subcontracts awarded with the Owner's prior written consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts.

§ 6.3.4 In calculating adjustments to the Guaranteed Maximum Price, the terms "cost" and "costs" as used in Article 7 of AIA Document A201–2017 shall mean the Cost of the Work as defined in Article 7 of this Agreement and the term "fee" shall mean the Construction Manager's Fee as defined in Section 6.1.2 of this Agreement.

§ 6.3.5 If no specific provision is made in Section 6.1.3 for adjustment of the Construction Manager's Fee in the case of changes in the Work, or if the extent of such changes is such, in the aggregate, that application of the adjustment provisions of Section 6.1.3 will cause substantial inequity to the Owner or Construction Manager, the Construction Manager's Fee shall be equitably adjusted on the same basis that was used to establish the Fee for the original Work, and the Guaranteed Maximum Price shall be adjusted accordingly.

ARTICLE 7 COST OF THE WORK FOR CONSTRUCTION PHASE

§ 7.1 Costs to Be Reimbursed
§ 7.1.1 The term Cost of the Work shall mean costs necessarily incurred by the Construction Manager in the proper performance of the Work. The Cost of the Work shall include only the items set forth in Sections 7.1 through 7.7.

§ 7.1.2 Where, pursuant to the Contract Documents, any cost is subject to the Owner's prior approval, the Construction Manager shall obtain such approval in writing prior to incurring the cost.

§ 7.1.3 Costs shall be at rates not higher than the standard rates paid at the place of the Project, except with prior approval of the Owner.

§ 7.2 Labor Costs
§ 7.2.1 Wages or salaries of construction workers directly employed by the Construction Manager to perform the construction of the Work at the site or, with the Owner's prior approval, at off-site workshops.

§ 7.2.2 Wages or salaries of the Construction Manager's supervisory and administrative personnel when stationed

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at the site and performing Work, with the Owner's prior approval.

§ 7.2.2.1 Wages or salaries of the Construction Manager's supervisory and administrative personnel when performing Work and stationed at a location other than the site, but only for that portion of time required for the Work, and limited to the personnel and activities listed below:
(Identify the personnel, type of activity and, if applicable, any agreed upon percentage of time to be devoted to the Work.)

N/A

§ 7.2.3 Wages and salaries of the Construction Manager's supervisory or administrative personnel engaged at factories, workshops or while traveling, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.

§ 7.2.4 Costs paid or incurred by the Construction Manager, as required by law or collective bargaining agreements, for taxes, insurance, contributions, assessments and benefits and, for personnel not covered by collective bargaining agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Sections 7.2.1 through 7.2.3.

§ 7.2.5 If agreed rates for labor costs, in lieu of actual costs, are provided in this Agreement, the rates shall remain unchanged throughout the duration of this Agreement, unless the parties execute a Modification. Notwithstanding the forgoing, any such agreed rates may still be audited and reduced at the option of Owner.

§ 7.3 Subcontract Costs
Payments made by the Construction Manager to Subcontractors in accordance with the requirements of the subcontracts and this Agreement.

§ 7.4 Costs of Materials and Equipment Incorporated in the Completed Construction
§ 7.4.1 Costs, including transportation and storage at the site, of materials and equipment incorporated, or to be incorporated, in the completed construction.

§ 7.4.2 Costs of materials described in the preceding Section 7.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Construction Manager. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

§ 7.5 Costs of Other Materials and Equipment, Temporary Facilities and Related Items
§ 7.5.1 Costs of transportation, storage, installation, dismantling, maintenance, and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and fully consumed in the performance of the Work. Costs of materials, supplies, temporary facilities, machinery, equipment, and tools, that are not fully consumed, shall be based on the cost or value of the item at the time it is first used on the Project site less the value of the item when it is no longer used at the Project site. Costs for items not fully consumed by the Construction Manager shall mean fair market value.

§ 7.5.2 Rental charges for temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site, and the costs of transportation, installation, dismantling, minor repairs, and removal of such temporary facilities, machinery, equipment, and hand tools. Rates and quantities of equipment owned by the Construction Manager, or a related party as defined in Section 7.8, shall be subject to the Owner's prior approval. The total rental cost of any such equipment may not exceed the purchase price of any comparable item.

§ 7.5.3 Costs of removal of debris from the site of the Work and its proper and legal disposal.

§ 7.5.4 Costs of the Construction Manager's site office, including general office equipment and supplies.

§ 7.5.5 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, subject to the Owner's prior approval.

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§ 7.6 Miscellaneous Costs

§ 7.6.1 Amounts for (1) Construction Manager's insurance coverage program, including, but not limited to, General Liability Insurance and other insurance at the rate of one percent (1%) of the Contract Sum for coverage of Construction Manager and enrolled subcontractors (as defined in the CIP Manual); (2) Construction Manager's Payment and Performance Bonds at the rate of seventy-five hundredths percent (0.75%) of the Contract Sum, if required; (3) Premiums for Builders' Risk insurance and deductibles incurred for Builders' Risk claims, if applicable; and (4) Construction Manager's subcontractor default program at the rate of one and half percent (1.5%) of the value of the subcontract and material agreements

§ 7.6.2 Sales, use, or similar taxes, imposed by a governmental authority, that are related to the Work and for which the Construction Manager is liable.

§ 7.6.3 Fees and assessments for the building permit, and for other permits, licenses, and inspections, for which the Construction Manager is required by the Contract Documents to pay.

§ 7.6.4 Fees of laboratories for tests required by the Contract Documents; except those related to defective or nonconforming Work for which reimbursement is excluded under Article 13 of AIA Document A201–2017 or by other provisions of the Contract Documents, and which do not fall within the scope of Section 7.7.3.

§ 7.6.5 Royalties and license fees paid for the use of a particular design, process, or product, required by the Contract Documents.

§ 7.6.5.1 The cost of defending suits or claims for infringement of patent rights arising from requirements of the Contract Documents, payments made in accordance with legal judgments against the Construction Manager resulting from such suits or claims, and payments of settlements made with the Owner's consent, unless the Construction Manager had reason to believe that the required design, process, or product was an infringement of a copyright or a patent, and the Construction Manager failed to promptly furnish such information to the Architect as required by Article 3 of AIA Document A201–2017. The costs of legal defenses, judgments, and settlements shall not be included in the Cost of the Work used to calculate the Construction Manager's Fee or subject to the Guaranteed Maximum Price.

§ 7.6.6 Costs for communications services, electronic equipment, and software, directly related to the Work and located at the site, with the Owner's prior approval.

§ 7.6.7 Costs of document reproductions and delivery charges.

§ 7.6.8 Deposits lost for causes other than the Construction Manager's negligence or failure to fulfill a specific responsibility in the Contract Documents.

§ 7.6.9 Legal, mediation and arbitration costs, including attorneys' fees, other than those arising from disputes between the Owner and Construction Manager, reasonably incurred by the Construction Manager after the execution of this Agreement in the performance of the Work and with the Owner's prior approval, which shall not be unreasonably withheld.

§ 7.6.10 Expenses incurred in accordance with the Construction Manager's standard written personnel policy for relocation and temporary living allowances of the Construction Manager's personnel required for the Work, with the Owner's prior approval.

§ 7.6.11 That portion of the reasonable expenses of the Construction Manager's supervisory or administrative personnel incurred while traveling in discharge of duties connected with the Work.

§ 7.7 Other Costs and Emergencies

§ 7.7.1 Other costs incurred in the performance of the Work, with the Owner's prior approval.

§ 7.7.2 Costs incurred in taking action to prevent threatened damage, injury, or loss, in case of an emergency affecting the safety of persons and property, as provided in Article 10 of AIA Document A201–2017.

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§ 7.7.3 Costs of repairing or correcting damaged or nonconforming Work executed by the Construction Manager, Subcontractors, or suppliers, provided that such damaged or nonconforming Work was not caused by the negligence of, or failure to fulfill a specific responsibility by, the Construction Manager, and only to the extent that the cost of repair or correction is not recovered by the Construction Manager from insurance, sureties, Subcontractors, suppliers, or others.

§ 7.7.4 The costs described in Sections 7.1 through 7.7 shall be included in the Cost of the Work, notwithstanding any provision of AIA Document A201–2017 or other Conditions of the Contract which may require the Construction Manager to pay such costs, unless such costs are excluded by the provisions of Section 7.9.

§ 7.8 Related Party Transactions

§ 7.8.1 For purposes of this Section 7.8, the term "related party" shall mean (1) a parent, subsidiary, affiliate, or other entity having common ownership of, or sharing common management with, the Construction Manager; (2) any entity in which any stockholder in, or management employee of, the Construction Manager holds an equity interest in excess of ten percent in the aggregate; (3) any entity which has the right to control the business or affairs of the Construction Manager; or (4) any person, or any member of the immediate family of any person, who has the right to control the business or affairs of the Construction Manager.

§ 7.8.2 If any of the costs to be reimbursed arise from a transaction between the Construction Manager and a related party, the Construction Manager shall notify the Owner of the specific nature of the contemplated transaction, including the identity of the related party and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. If the Owner, after such notification, authorizes the proposed transaction in writing, then the cost incurred shall be included as a cost to be reimbursed, and the Construction Manager shall procure the Work, equipment, goods, or service, from the related party, as a Subcontractor, according to the terms of Article 9. If the Owner fails to authorize the transaction in writing, the Construction Manager shall procure the Work, equipment, goods, or service from some person or entity other than a related party according to the terms of Article 9.

§ 7.9 Costs Not To Be Reimbursed

§ 7.9.1 The Cost of the Work shall not include the items listed below:

.1 Salaries and other compensation of the Construction Manager's personnel stationed at the Construction Manager's principal office or offices other than the site office, except as specifically provided in Section 7.2, or as may be provided in Article 14;

.2 Bonuses, profit sharing, incentive compensation, and any other discretionary payments, paid to anyone hired by the Construction Manager or paid to any Subcontractor or vendor, unless the Owner has provided prior approval;

.3 Expenses of the Construction Manager's principal office and offices other than the site office;

.4 Overhead and general expenses, except as may be expressly included in Sections 7.1 to 7.7;

.5 The Construction Manager's capital expenses, including interest on the Construction Manager's capital employed for the Work;

.6 Except as provided in Section 7.7.3 of this Agreement, costs due to the negligence of, or failure to fulfill a specific responsibility of the Contract by, the Construction Manager, Subcontractors, and suppliers, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable;

.7 Any cost not specifically and expressly described in Sections 7.1 to 7.7;

.8 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded; and

.9 Costs for services incurred during the Preconstruction Phase.

ARTICLE 8 DISCOUNTS, REBATES, AND REFUNDS

§ 8.1 Cash discounts obtained on payments made by the Construction Manager shall accrue to the Owner if (1) before making the payment, the Construction Manager included the amount to be paid, less such discount, in an Application for Payment and received payment from the Owner, or (2) the Owner has deposited funds with the Construction Manager with which to make payments; otherwise, cash discounts shall accrue to the Construction Manager. Trade discounts, rebates, refunds, and amounts received from sales of surplus materials and equipment

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shall accrue to the Owner, and the Construction Manager shall make provisions so that they can be obtained.

§ 8.2 Amounts that accrue to the Owner in accordance with the provisions of Section 8.1 shall be credited to the Owner as a deduction from the Cost of the Work.

ARTICLE 9 SUBCONTRACTS AND OTHER AGREEMENTS

§ 9.1 Those portions of the Work that the Construction Manager does not customarily perform with the Construction Manager's own personnel shall be performed under subcontracts or other appropriate agreements with the Construction Manager. The Owner may designate specific persons from whom, or entities from which, the Construction Manager shall obtain bids. The Construction Manager shall obtain bids from Subcontractors, and from suppliers of materials or equipment fabricated especially for the Work, who are qualified to perform that portion of the Work in accordance with the requirements of the Contract Documents. The Construction Manager shall deliver such bids to the Architect and Owner with an indication as to which bids the Construction Manager intends to accept. The Owner then has the right to review the Construction Manager's list of proposed subcontractors and suppliers in consultation with the Architect and, subject to Section 9.1.1, to object to any subcontractor or supplier. Any advice of the Architect, or approval or objection by the Owner, shall not relieve the Construction Manager of its responsibility to perform the Work in accordance with the Contract Documents. The Construction Manager shall not be required to contract with anyone to whom the Construction Manager has reasonable objection.

§ 9.1.1 When a specific subcontractor or supplier (1) is recommended to the Owner by the Construction Manager; (2) is qualified to perform that portion of the Work; and (3) has submitted a bid that conforms to the requirements of the Contract Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Construction Manager may require that a Change Order be issued to adjust the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Construction Manager and the amount of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

§ 9.2 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement, and shall not be awarded on the basis of cost plus a fee without the Owner's prior written approval. If a subcontract is awarded on the basis of cost plus a fee, the Construction Manager shall provide in the subcontract for the Owner to receive the same audit rights with regard to the Subcontractor as the Owner receives with regard to the Construction Manager in Article 10.

ARTICLE 10 ACCOUNTING RECORDS

The Construction Manager shall keep full and detailed records and accounts related to the Cost of the Work, and exercise such controls, as may be necessary for proper financial management under this Contract and to substantiate all costs incurred. The accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy, the Construction Manager's records and accounts, including complete documentation supporting accounting entries, books, job cost reports, correspondence, instructions, drawings, receipts, subcontracts, Subcontractor's proposals, Subcontractor's invoices, purchase orders, vouchers, memoranda, and other data relating to this Contract. The Construction Manager shall preserve these records for a period of three years after final payment, or for such longer period as may be required by law.

Following an audit, the Owner retains the right to dispute any Costs charged by Contractor or its Subcontractors and demand a reduction in the amount charged by Contractor in writing ("Owner Demand for Reduction"). The Contractor shall respond to any such Owner Demand for Reduction in writing within five (5) business days, or it shall waive its right to dispute the Owner Demand for Reduction. If the Owner and Contractor cannot come to an agreement regarding the Owner Demand for Reduction within 10 business days, Owner and Contractor shall submit the dispute to the Initial Decision Maker. If either party rejects the Initial Decision Maker's decision, the Owner, at its discretion, may withhold the entire disputed amount in the Owner Demand for Reduction up to a maximum of 3% of the contract price until Contractor achieves Substantial Completion. Following Substantial Completion, Owner and Contractor's dispute shall follow the Article 12 dispute resolution procedure. Contractor and Owner agree to toll any causes of action and stay any litigation that relates to or arises from an audit or the Owner Demand for Reduction until the date of Substantial Completion.

ARTICLE 11 PAYMENTS FOR CONSTRUCTION PHASE SERVICES

§ 11.1 Progress Payments

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§ 11.1.1 Based upon Applications for Payment submitted to the Architect by the Construction Manager, and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum, to the Construction Manager, as provided below and elsewhere in the Contract Documents.

§ 11.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

Period shall end on the 25th day of the month

§ 11.1.3 Provided that an Application for Payment is received by the Architect not later than the 25th day of a month, the Owner shall make payment of the amount certified to the Construction Manager not later than the last day of the following month. If an Application for Payment is received by the Architect after the application date fixed above, payment of the amount certified shall be made by the Owner not later than Twenty-Five (25) days after the Architect receives the Application for Payment.
(Federal, state or local laws may require payment within a certain period of time.)

§ 11.1.4 With each Application for Payment, the Construction Manager shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner or Architect to demonstrate that payments already made by the Construction Manager on account of the Cost of the Work equal or exceed progress payments already received by the Construction Manager, plus payrolls for the period covered by the present Application for Payment, less that portion of the progress payments attributable to the Construction Manager's Fee.

§ 11.1.5 Each Application for Payment shall be based on the most recent schedule of values submitted by the Construction Manager in accordance with the Contract Documents. The schedule of values shall allocate the entire Guaranteed Maximum Price among: (1) the various portions of the Work; (2) any contingency for costs that are included in the Guaranteed Maximum Price but not otherwise allocated to another line item or included in a Change Order; and (3) the Construction Manager's Fee.

§ 11.1.5.1 The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. The schedule of values shall be used as a basis for reviewing the Construction Manager's Applications for Payment.

§ 11.1.5.2 The allocation of the Guaranteed Maximum Price under this Section 11.1.5 shall not constitute a separate guaranteed maximum price for the Cost of the Work of each individual line item in the schedule of values.

§ 11.1.5.3 When the Construction Manager allocates costs from a contingency to another line item in the schedule of values, the Construction Manager shall submit supporting documentation to the Architect.

§ 11.1.6 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed, or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Construction Manager on account of that portion of the Work and for which the Construction Manager has made payment or intends to make payment prior to the next Application for Payment, by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

§ 11.1.7 In accordance with AIA Document A201–2017 and subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

§ 11.1.7.1 The amount of each progress payment shall first include:

.1 That portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the most recent schedule of values;

.2 That portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction or, if approved in writing in advance by the Owner, suitably stored off the site at a location agreed

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upon in writing;

.3 That portion of Construction Change Directives that the Architect determines, in the Architect's professional judgment, to be reasonably justified; and

.4 The Construction Manager's Fee, computed upon the Cost of the Work described in the preceding Sections 11.1.7.1.1 and 11.1.7.1.2 at the rate stated in Section 6.1.2 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work included in Sections 11.1.7.1.1 and 11.1.7.1.2 bears to a reasonable estimate of the probable Cost of the Work upon its completion.

§ 11.1.7.2 The amount of each progress payment shall then be reduced by:

.1 The aggregate of any amounts previously paid by the Owner;

.2 The amount, if any, for Work that remains uncorrected and for which the Architect has previously withheld a Certificate for Payment as provided in Article 9 of AIA Document A201–2017;

.3 Any amount for which the Construction Manager does not intend to pay a Subcontractor or material supplier, unless the Work has been performed by others the Construction Manager intends to pay;

.4 For Work performed or defects discovered since the last payment application, any amount for which the Architect may withhold payment, or nullify a Certificate of Payment in whole or in part, as provided in Article 9 of AIA Document A201–2017;

.5 The shortfall, if any, indicated by the Construction Manager in the documentation required by Section 11.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner's auditors in such documentation; and

.6 Retainage withheld pursuant to Section 11.1.8.

§ 11.1.8 Retainage

§ 11.1.8.1 For each progress payment made prior to Substantial Completion of the Work, the Owner may withhold the following amount, as retainage, from the payment otherwise due:
(Insert a percentage or amount to be withheld as retainage from each Application for Payment. The amount of retainage may be limited by governing law.)

Five percent (5%)

§ 11.1.8.1.1 The following items are not subject to retainage:
(Insert any items not subject to the withholding of retainage, such as general conditions, insurance, etc.)

General Conditions and Construction Manager's fee are not subject to retainage

§ 11.1.8.2 Reduction or limitation of retainage, if any, shall be as follows:
(If the retainage established in Section 11.1.8.1 is to be modified prior to Substantial Completion of the entire Work, insert provisions for such modification.)

Retainage shall not be reduced prior to Substantial Completion of the entire Work

§ 11.1.8.3 Except as set forth in this Section 11.1.8.3, upon Substantial Completion of the Work, the Construction Manager may submit an Application for Payment that includes the retainage withheld from prior Applications for Payment pursuant to this Section 11.1.8. The Application for Payment submitted at Substantial Completion shall not include retainage as follows:
(Insert any other conditions for release of retainage, such as upon completion of the Owner's audit and reconciliation, upon Substantial Completion.)

§ 11.1.9 If final completion of the Work is materially delayed through no fault of the Construction Manager, the Owner shall pay the Construction Manager any additional amounts in accordance with Article 9 of AIA Document A201–2017.

§ 11.1.10 Except with the Owner's prior written approval, the Construction Manager shall not make advance payments to suppliers for materials or equipment which have not been delivered and suitably stored at the site.

§ 11.1.11 The Owner and the Construction Manager shall agree upon a mutually acceptable procedure for review

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and approval of payments to Subcontractors, and the percentage of retainage held on Subcontracts, and the Construction Manager shall execute subcontracts in accordance with those agreements.

§ 11.1.12 In taking action on the Construction Manager's Applications for Payment the Architect shall be entitled to rely on the accuracy and completeness of the information furnished by the Construction Manager, and such action shall not be deemed to be a representation that (1) the Architect has made a detailed examination, audit, or arithmetic verification, of the documentation submitted in accordance with Section 11.1.4 or other supporting data; (2) that the Architect has made exhaustive or continuous on-site inspections; or (3) that the Architect has made examinations to ascertain how or for what purposes the Construction Manager has used amounts previously paid on account of the Contract. Such examinations, audits, and verifications, if required by the Owner, will be performed by the Owner's auditors acting in the sole interest of the Owner.

§ 11.2 Final Payment

§ 11.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Construction Manager when

.1 the Construction Manager has fully performed the Contract, except for the Construction Manager's responsibility to correct Work as provided in Article 12 of AIA Document A201–2017, and to satisfy other requirements, if any, which extend beyond final payment;

.2 the Construction Manager has submitted a final accounting for the Cost of the Work and a final Application for Payment; and

.3 a final Certificate for Payment has been issued by the Architect in accordance with Section 11.2.2.2.

§ 11.2.2 Within 30 days of the Owner's receipt of the Construction Manager's final accounting for the Cost of the Work, the Owner shall conduct an audit of the Cost of the Work or notify the Architect that it will not conduct an audit.

§ 11.2.2.1 If the Owner conducts an audit of the Cost of the Work, the Owner shall, within 10 days after completion of the audit, submit a written report based upon the auditors' findings to the Architect.

§ 11.2.2.2 Within seven days after receipt of the written report described in Section 11.2.2.1, or receipt of notice that the Owner will not conduct an audit, and provided that the other conditions of Section 11.2.1 have been met, the Architect will either issue to the Owner a final Certificate for Payment with a copy to the Construction Manager, or notify the Construction Manager and Owner in writing of the Architect's reasons for withholding a certificate as provided in Article 9 of AIA Document A201–2017. The time periods stated in this Section 11.2.2 supersede those stated in Article 9 of AIA Document A201–2017. The Architect is not responsible for verifying the accuracy of the Construction Manager's final accounting.

§ 11.2.2.3 If the Owner's auditors' report concludes that the Cost of the Work, as substantiated by the Construction Manager's final accounting, is less than claimed by the Construction Manager, the Construction Manager shall be entitled to request mediation of the disputed amount without seeking an initial decision pursuant to Article 15 of AIA Document A201–2017. A request for mediation shall be made by the Construction Manager within 30 days after the Construction Manager's receipt of a copy of the Architect's final Certificate for Payment. Failure to request mediation within this 30-day period shall result in the substantiated amount reported by the Owner's auditors becoming binding on the Construction Manager. Pending a final resolution of the disputed amount, the Owner shall pay the Construction Manager the amount certified in the Architect's final Certificate for Payment.

§ 11.2.3 The Owner's final payment to the Construction Manager shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

Final Payment shall be made within 10 days following Final Acceptance of the project at a regularly scheduled meeting of the Hernando County School Board. All close out documents, warranties, inspections, etc. must be approved & completed prior to issuance of final payment

§ 11.2.4 If, subsequent to final payment, and at the Owner's request, the Construction Manager incurs costs, described in Sections 7.1 through 7.7, and not excluded by Section 7.9, to correct defective or nonconforming Work, the Owner shall reimburse the Construction Manager for such costs, and the Construction Manager's Fee applicable thereto, on the same basis as if such costs had been incurred prior to final payment, but not in excess of the Guaranteed Maximum Price. If adjustments to the Contract Sum are provided for in Section 6.1.7, the amount of those adjustments shall be recalculated, taking into account any reimbursements made pursuant to this Section

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11.2.4 in determining the net amount to be paid by the Owner to the Construction Manager.

§ 11.3 Interest

Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon, if any.)

2 % Two-percent

ARTICLE 12 DISPUTE RESOLUTION

§ 12.1 Initial Decision Maker

§ 12.1.1 Any Claim between the Owner and Construction Manager shall be resolved in accordance with the provisions set forth in this Article 12 and Article 15 of A201–2017. However, for Claims arising from or relating to the Construction Manager's Preconstruction Phase services, no decision by the Initial Decision Maker shall be required as a condition precedent to mediation or binding dispute resolution, and Section 12.1.2 of this Agreement shall not apply.

§ 12.1.2 The Architect will serve as the Initial Decision Maker pursuant to Article 15 of AIA Document A201–2017 for Claims arising from or relating to the Construction Manager's Construction Phase services, unless the parties appoint below another individual, not a party to the Agreement, to serve as the Initial Decision Maker.

(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)

§ 12.2 Binding Dispute Resolution

For any Claim subject to, but not resolved by mediation pursuant to Article 15 of AIA Document A201–2017, the method of binding dispute resolution shall be as follows:

(Check the appropriate box.)

[ ] Arbitration pursuant to Article 15 of AIA Document A201–2017

[X] Litigation in a court of competent jurisdiction

[ ] Other: *(Specify)*

If the Owner and Construction Manager do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.

ARTICLE 13 TERMINATION OR SUSPENSION

§ 13.1 Termination Prior to Execution of the Guaranteed Maximum Price Amendment

§ 13.1.1 If the Owner and the Construction Manager do not reach an agreement on the Guaranteed Maximum Price, the Owner may terminate this Agreement upon not less than seven days' written notice to the Construction Manager, and the Construction Manager may terminate this Agreement, upon not less than seven days' written notice to the Owner.

§ 13.1.2 In the event of termination of this Agreement pursuant to Section 13.1.1, the Construction Manager shall be compensated for Preconstruction Phase services and Work performed prior to receipt of a notice of termination, in accordance with the terms of this Agreement. In no event shall the Construction Manager's compensation under this Section exceed the compensation set forth in Section 5.1.

§ 13.1.3 Prior to the execution of the Guaranteed Maximum Price Amendment, the Owner may terminate this

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Agreement upon not less than seven days' written notice to the Construction Manager for the Owner's convenience and without cause, and the Construction Manager may terminate this Agreement, upon not less than seven days' written notice to the Owner, for the reasons set forth in Article 14 of A201–2017.

§ 13.1.4 In the event of termination of this Agreement pursuant to Section 13.1.3, the Construction Manager shall be equitably compensated for Preconstruction Phase services and Work performed prior to receipt of a notice of termination. In no event shall the Construction Manager's compensation under this Section exceed the compensation set forth in Section 5.1.

§ 13.1.5 If the Owner terminates the Contract pursuant to Section 13.1.3 after the commencement of the Construction Phase but prior to the execution of the Guaranteed Maximum Price Amendment, the Owner shall pay to the Construction Manager an amount calculated as follows, which amount shall be in addition to any compensation paid to the Construction Manager under Section 13.1.4:

.1 Take the Cost of the Work incurred by the Construction Manager to the date of termination;

.2 Add the Construction Manager's Fee computed upon the Cost of the Work to the date of termination at the rate stated in Section 6.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion; and

.3 Subtract the aggregate of previous payments made by the Owner for Construction Phase services.

§ 13.1.6 The Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager that the Owner elects to retain and that is not otherwise included in the Cost of the Work under Section 13.1.5.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 13, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction Manager under such subcontracts or purchase orders. All Subcontracts, purchase orders and rental agreements entered into by the Construction Manager will contain provisions allowing for assignment to the Owner as described above.

§ 13.1.6.1 If the Owner accepts assignment of subcontracts, purchase orders or rental agreements as described above, the Owner will reimburse or indemnify the Construction Manager for all costs arising under the subcontract, purchase order or rental agreement, if those costs would have been reimbursable as Cost of the Work if the contract had not been terminated. If the Owner chooses not to accept assignment of any subcontract, purchase order or rental agreement that would have constituted a Cost of the Work had this agreement not been terminated, the Construction Manager will terminate the subcontract, purchase order or rental agreement and the Owner will pay the Construction Manager the costs necessarily incurred by the Construction Manager because of such termination.

§ 13.2 Termination or Suspension Following Execution of the Guaranteed Maximum Price Amendment

§ 13.2.1 Termination

The Contract may be terminated by the Owner or the Construction Manager as provided in Article 14 of AIA Document A201–2017.

§ 13.2.2 Termination by the Owner for Cause

§ 13.2.2.1 If the Owner terminates the Contract for cause as provided in Article 14 of AIA Document A201–2017, the amount, if any, to be paid to the Construction Manager under Article 14 of AIA Document A201–2017 shall not cause the Guaranteed Maximum Price to be exceeded, nor shall it exceed an amount calculated as follows:

.1 Take the Cost of the Work incurred by the Construction Manager to the date of termination;

.2 Add the Construction Manager's Fee, computed upon the Cost of the Work to the date of termination at the rate stated in Section 6.1 or, if the Construction Manager' Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion;

.3 Subtract the aggregate of previous payments made by the Owner; and

.4 Subtract the costs and damages incurred, or to be incurred, by the Owner under Article 14 of AIA Document A201–2017.

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§ 13.2.2.2 The Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager that the Owner elects to retain and that is not otherwise included in the Cost of the Work under Section 13.2.2.1.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 13, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction Manager under such subcontracts or purchase orders.

§ 13.2.3 Termination by the Owner for Convenience

If the Owner terminates the Contract for convenience in accordance with Article 14 of AIA Document A201–2017, then the Owner shall pay the Construction Manager a termination fee as follows:
(Insert the amount of or method for determining the fee, if any, payable to the Construction Manager following a termination for the Owner's convenience.)

Zero Dollars ($0.00)

§ 13.3 Suspension

The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2017; in such case, the Guaranteed Maximum Price and Contract Time shall be increased as provided in Article 14 of AIA Document A201–2017, except that the term "profit" shall be understood to mean the Construction Manager's Fee as described in Sections 6.1 and 6.3.5 of this Agreement.

ARTICLE 14 MISCELLANEOUS PROVISIONS

§ 14.1 Terms in this Agreement shall have the same meaning as those in A201–2017. Where reference is made in this Agreement to a provision of AIA Document A201–2017 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 14.2 Successors and Assigns

§ 14.2.1 The Owner and Construction Manager, respectively, bind themselves, their partners, successors, assigns and legal representatives to covenants, agreements, and obligations contained in the Contract Documents. Except as provided in Section 14.2.2 of this Agreement, and in Section 13.2.2 of A201–2017, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 14.2.2 The Owner may, without consent of the Construction Manager, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Construction Manager shall execute all consents reasonably required to facilitate the assignment.

§ 14.3 Insurance and Bonds

§ 14.3.1 Preconstruction Phase

The Construction Manager shall maintain the following insurance for the duration of the Preconstruction Services performed under this Agreement. If any of the requirements set forth below exceed the types and limits the Construction Manager normally maintains, the Owner shall reimburse the Construction Manager for any additional cost.

§ 14.3.1.1 Commercial General Liability with policy limits of not less than One-million dollars ($ 1,000,000) for each occurrence and Two-million dollars ($ 2,000,000) in the aggregate for bodily injury and property damage.

§ 14.3.1.2 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Construction Manager with policy limits of not less than One-million dollars ($ 1,000,000) per accident for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles, along with any other statutorily required automobile coverage.

§ 14.3.1.3 The Construction Manager may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance,

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provided that such primary and excess or umbrella liability insurance policies result in the same or greater coverage as the coverages required under Sections 14.3.1.1 and 14.3.1.2, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers.

§ 14.3.1.4 Workers' Compensation at statutory limits and Employers Liability with policy limits not less than One-million dollars ($ 1,000,000) each accident, One-million dollars ($ 1,000,000) each employee, and One-million dollars ($ 1,000,000) policy limit.

§ 14.3.1.5 Professional Liability covering negligent acts, errors and omissions in the performance of professional services, with policy limits of not less than Five-hundred thousand dollars ($ 500,000) per claim and Five-hundred thousand dollars ($ 500,000) in the aggregate.

§ 14.3.1.6 Other Insurance
(List below any other insurance coverage to be provided by the Construction Manager and any applicable limits.)

Coverage	Limits
Builder's Risk	Per Attached Exhibit C
Other Insurance Requirements	Per Attached Exhibit C

§ 14.3.1.7 Additional Insured Obligations. To the fullest extent permitted by law, the Construction Manager shall cause the primary and excess or umbrella policies for Commercial General Liability and Automobile Liability to include the Owner as an additional insured for claims caused in whole or in part by the Construction Manager's negligent acts or omissions. The additional insured coverage shall be primary and non-contributory to any of the Owner's insurance policies and shall apply to both ongoing and completed operations.

§ 14.3.1.8 The Construction Manager shall provide certificates of insurance to the Owner that evidence compliance with the requirements in this Section 14.3.1.

§ 14.3.2 Construction Phase
After execution of the Guaranteed Maximum Price Amendment, the Owner and the Construction Manager shall purchase and maintain insurance as set forth in AIA Document A133™–2019, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price, Exhibit B, Insurance and Bonds, and elsewhere in the Contract Documents.

§ 14.3.2.1 The Construction Manager shall provide bonds as set forth in AIA Document A133™–2019 Exhibit B, and elsewhere in the Contract Documents.

§ 14.4 Notice in electronic format, pursuant to Article 1 of AIA Document A201–2017, may be given in accordance with a building information modeling exhibit, if completed, or as otherwise set forth below:
(If other than in accordance with a building information modeling exhibit, insert requirements for delivering notice in electronic format such as name, title, and email address of the recipient and whether and how the system will be required to generate a read receipt for the transmission.)

§ 14.5 Other provisions:

The Owner shall pay for the Building Permit and inspections conducted by the Building Official and Fire Official. The Construction Manager shall apply for the Building Permit via the Owner's application process and shall schedule and coordinate all inspections. Any permits, fees, licenses and inspections by other government agencies shall be included in the Cost of The Work. This shall amend Article 3.7.1 of the AIA A201-2017 General Conditions of the Contract for Construction

««**§ 14.5.1** The performance of construction phase services is contingent upon obtaining all necessary zoning and permits for the Project and written notice to proceed with the Work from the Owner to the Construction Manager.

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§ 14.5.2 The Owner, in order to take advantage of its tax exemption, shall provide the Construction Manager with a copy of its current Tax Exemption letter and shall execute and deliver to the Construction Manager an original Project Exemption Certificate for use by Construction Manager, contractors, subcontractors, and suppliers in the purchase of materials, equipment and other property for the Project. The sales and/or use tax saved by use of Owner's Tax Exemption will not be included in the Guaranteed Maximum Price established under this Agreement.

« »

.

§ 14.5.4 CONSTRUCTION MANAGER PAYMENT INSTRUCTIONS –
Construction Manager shall provide Owner with payment instructions in writing on Construction Manager's letterhead after the parties execute this Agreement. Owner acknowledges that Construction Manager does not change its bank routing or account numbers. Owner shall not accept or rely on emails or correspondence requesting changes to these payment instructions. The payment instructions provided by Construction Manager in accordance with this Section 14.5.4 may only be altered in a fully executed Change Order

ARTICLE 15 SCOPE OF THE AGREEMENT

§ 15.1 This Agreement represents the entire and integrated agreement between the Owner and the Construction Manager and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Construction Manager.

§ 15.2 The following documents comprise the Agreement:

.1 AIA Document A133™–2019, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price

.2 AIA Document A133™-2019, Exhibit A, Guaranteed Maximum Price Amendment, if executed

.3 AIA Document A133™–2019, Exhibit B, Insurance and Bonds

.4 AIA Document A201™–2017, General Conditions of the Contract for Construction

.5 Building Information Modeling Exhibit, if completed:

N/A

.6 Other Exhibits:
(Check all boxes that apply.)

[ ] AIA Document E234™–2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, dated as indicated below:
(Insert the date of the E234-2019 incorporated into this Agreement.)

N/A

[X] Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages
AIA-A133 GMP Amendment	Exhibit 'A'	2019	5
AIA Insurance and Bonds	Exhibit 'B'	2019	7
HCSB Insurance and Bonds	Exhibit 'C'	11-09-2020	6
HCSB Standard Addendum	Exhibit 'D'	2022	5
HCSB Conflict of Interest Form	Exhibit 'E'	08-25-2015	2015
HCSB Construction Manager Guidelines	Exhibit 'F'	08-14-2023	25

.7 Other documents, if any, listed below:
(List here any additional documents that are intended to form part of the Contract Documents. AIA

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Document A201–2017 provides that the advertisement or invitation to bid, Instructions to Bidders, sample forms, the Construction Manager's bid or proposal, portions of Addenda relating to bidding or proposal requirements, and other information furnished by the Owner in anticipation of receiving bids or proposals, are not part of the Contract Documents unless enumerated in this Agreement. Any such documents should be listed here only if intended to be part of the Contract Documents.)

Hernando County School District Construction Manager Guidelines (Exhibit F)
AIA A201-2017 General Conditions of the Contract for Construction

This Agreement is entered into as of the day and year first written above.

OWNER *(Signature)*	**CONSTRUCTION MANAGER** *(Signature)*
	CURTIS DELADWIL, VICE PRESIDENT
(Printed name and title)	*(Printed name and title)*

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Additions and Deletions Report for
AIA® Document A133® – 2019

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

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Changes to original AIA text

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PAGE 6

§ 3.1.3.2 The Construction Manager shall advise the Owner and Architect on proposed site use and improvements, selection of materials, building systems, and equipment. The Construction Manager shall also provide recommendations to the Owner and Architect, consistent with the Project requirements, on constructability; availability of materials and labor; time requirements for procurement, installation and construction; prefabrication; and factors related to construction cost including, but not limited to, costs of alternative designs or materials, preliminary budgets, life-cycle data, and possible cost reductions. The Construction Manager shall consult with the Architect regarding professional services to be provided by the Construction Manager during the Construction Phase. Owner and Construction Manager agree that Construction Manager is not an architect or engineer and that Construction Manager is not providing design services as part of the Agreement, unless otherwise specifically provided in the Contract Documents. Any recommendations or input by Construction Manager relating to the design, Drawings and Specifications, including from Construction Manager's participation in value engineering or other cost and constructability efforts, are intended as suggestions only for the consideration of Owner, Architect, and their engineers and consultants. Such recommendations and input from the Construction Manager shall be independently reviewed, evaluated and, if accepted and approved by Owner, Architect, and their engineers and consultants, the Owner and Architect or their consultants shall be responsible for the confirmation of compliance with applicable laws, statutes, ordinances, codes, rules and regulation, or lawful orders of public authorities and incorporation of such recommendations and input into the Contract Documents. Construction Manager makes not representation or warranties that its recommendations or input relating to value engineering, design, or Drawings and Specifications complies with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, or with the Owner's or its Architect's design or design intent, or that such recommendations or input are suitable or compatible with the design intent

PAGE 11

§ 5.1.3 If the Preconstruction Phase services covered by this Agreement have not been completed within Twelve (12) months of the date of this Agreement, through no fault of the Construction Manager, the Construction Manager's compensation for Preconstruction Phase services shall be equitably adjusted.

§ 5.2.1 ~~Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed.~~ Based upon Applications for Payment submitted to the Architect by the Construction Manager and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Construction Manager as provided below and elsewhere in the Contract Documents

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§ 5.2.2 Provided that an Application for Payment is received by the Architect not later than the twenty-fifth day of a month, the Owner shall make payment of the amount certified to the Construction Manager not later than the last day of the following month. If an Application for Payment is received by the Architect after the application date fixed above, payment of the amount certified shall be made by the Owner not later than forty-five (45) days after the Architect receives the Application for Payment

~~Payments are due and payable upon presentation of the Construction Manager's invoice.~~ Amounts unpaid Ninety (90) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Construction Manager.

(Insert rate of monthly or annual interest agreed upon.)

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§ 6.1.5 Rental rates for Construction Manager-owned equipment shall not exceed One-hundred percent (100 %) of the standard rental rate paid at the place of the Project.

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§ 7.2.5 If agreed rates for labor costs, in lieu of actual costs, are provided in this Agreement, the rates shall remain unchanged throughout the duration of this Agreement, unless the parties execute a Modification. Notwithstanding the forgoing, any such agreed rates may still be audited and reduced at the option of Owner.

PAGE 14

§ 7.6.1 ~~Premiums~~Amounts for ~~that portion of insurance and bonds required by the Contract Documents that can be directly attributed to this Contract.~~

~~§ 7.6.1.1 Costs for self-insurance, for either full or partial amounts of the coverages required by the Contract Documents, with the Owner's prior approval.~~

~~§ 7.6.1.2 Costs for insurance through a captive insurer owned or controlled by the Construction Manager, with the Owner's prior approval.~~

(1) Construction Manager's insurance coverage program, including, but not limited to, General Liability Insurance and other insurance at the rate of one percent (1%) of the Contract Sum for coverage of Construction Manager and enrolled subcontractors (as defined in the CIP Manual); (2) Construction Manager's Payment and Performance Bonds at the rate of seventy-five hundredths percent (0.75%) of the Contract Sum, if required; (3) Premiums for Builders' Risk insurance and deductibles incurred for Builders' Risk claims, if applicable; and (4) Construction Manager's subcontractor default program at the rate of one and half percent (1.5%) of the value of the subcontract and material agreements

PAGE 17

Following an audit, the Owner retains the right to dispute any Costs charged by Contractor or its Subcontractors and demand a reduction in the amount charged by Contractor in writing ("Owner Demand for Reduction"). The Contractor shall respond to any such Owner Demand for Reduction in writing within five (5) business days, or it shall waive its right to dispute the Owner Demand for Reduction. If the Owner and Contractor cannot come to an agreement regarding the Owner Demand for Reduction within 10 business days, Owner and Contractor shall submit the dispute to the Initial Decision Maker. If either party rejects the Initial Decision Maker's decision, the Owner, at its discretion, may withhold the entire disputed amount in the Owner Demand for Reduction up to a maximum of 3% of the contract price until Contractor achieves Substantial Completion. Following Substantial Completion, Owner and Contractor's dispute shall follow the Article 12 dispute resolution procedure. Contractor and Owner agree to toll any causes of action and stay any litigation that relates to or arises from an audit or the Owner Demand for Reduction until the date of Substantial Completion.

§ 11.1.3 Provided that an Application for Payment is received by the Architect not later than the 25th day of a

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month, the Owner shall make payment of the amount certified to the Construction Manager not later than the last day of the following month. If an Application for Payment is received by the Architect after the application date fixed above, payment of the amount certified shall be made by the Owner not later than Twenty-Five (25) days after the Architect receives the Application for Payment.

PAGE 22

§ 14.3.1.1 Commercial General Liability with policy limits of not less than One-million dollars ($ 1,000,000) for each occurrence and Two-million dollars ($ 2,000,000) in the aggregate for bodily injury and property damage.

§ 14.3.1.2 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Construction Manager with policy limits of not less than One-million dollars ($ 1,000,000) per accident for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles, along with any other statutorily required automobile coverage.

§ 14.3.1.4 Workers' Compensation at statutory limits and Employers Liability with policy limits not less than One-million dollars ($ 1,000,000) each accident, One-million dollars ($ 1,000,000) each employee, and One-million dollars ($ 1,000,000) policy limit.

§ 14.3.1.5 Professional Liability covering negligent acts, errors and omissions in the performance of professional services, with policy limits of not less than Five-hundred thousand dollars ($ 500,000) per claim and Five-hundred thousand dollars ($ 500,000) in the aggregate.

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Coverage	Limits
Builder's Risk	Per Attached Exhibit C
Other Insurance Requirements	Per Attached Exhibit C

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Document	Title	Date	Pages
AIA-A133 GMP Amendment	Exhibit 'A'	2019	5
AIA Insurance and Bonds	Exhibit 'B'	2019	7
HCSB Insurance and Bonds	Exhibit 'C'	11-09-2020	6
HCSB Standard Addendum	Exhibit 'D'	2022	5
HCSB Conflict of Interest Form	Exhibit 'E'	08-25-2015	2015
HCSB Construction Manager Guidelines	Exhibit 'F'	08-14-2023	25

Variable Information

PAGE 1

AGREEMENT made as of the Twenty-seventh day of January in the year Two Thousand Twenty-Six

Hernando County School District

8016 Mobley Road

Brooksville, FL 34601

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J. E. Dunn Construction Company

5411 Sky Center Drive, Suite 200
Tampa, FL 33607

Weeki Wachee High School Play Court Relocation

12150 Vespa Way
Weeki Wachee, FL 34614

Relocate play courts that were removed for construction of the new 30 Classroom Building project

PBK

5201 W. Kennedy Blvd. Suite 515
Tampa, FL 33609

PAGE 2

Relocation and replacement of 6 play courts to be a combination of tennis and/or basketball. Courts to be located in one or more locations on campus and may be constructed of concrete, asphalt or post-tension concrete TBD in the design phase.

TBD during design phase

Owner's TOTAL Construction Budget: $ 1,000,000.00

PAGE 3

Less Preconstruction Phase Services: $10,000.00

Guaranteed Maximum Price Budget: $990,000.00

Construction Documents Completed January 2026

TBD

TBD as negotiated in the GMP Amendment

Courts to be completed for use prior to 2026-27 school year

TBD

N/A

Construction Manager shall plan the Work to avoid disruption of school activities, teaching and learning. The Construction Manager shall schedule the Work with the input of the school principal and/or site administrator and the Facilities Representative, to ensure that work activities are coordinated with the school's schedule. This contract is being awarded under the District's Continuing CM RFQ# 9009-234-2301

Brian Ragan

8016 Mobley RdBrooksville, FL 34601

352-797-7050

ragan_b@hcsb.k12.fl.us

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Owner's Fire Official and Building Official

TBD

TBD

TBD

Philip Trezza

5201 W. Kennedy Blvd.

Tampa, FL 33609

Curtis DeLaquil

5411 Sky Center Drive, Suite 200

Tampa, FL 33607

The Construction Manager is expected to represent the Owner's interest in soliciting competitive bids, including: A) Soliciting a sufficient number of bids to ensure that at least three (3) bids are submitted for each bid package; B) Obtaining prior approval from the Owner for any Work that the CM proposes to self-perform; C) Obtaining a minimum of three (3) bids for each bid package, unless exempted elsewhere in this Agreement; D) Delaying the opening of bids for any bid package until three (3) or more bids are received, unless Owner directs otherwise

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« Construction Manager may be required to procure (or allow owner to procure) materials by means of the Owner's Direct Purchase Program or Owner's Pre-Purchase Program. Any materials procured by these methods, in which the Construction Manager includes in the Cost of The Work, shall be treated in the same manner as materials purchased directly by the Construction Manager. Scheduling & accepting delivery, storage, installation, returns and warranties remain the responsibility of the Construction Manager and nothing in this Article shall alter any other conditions of this contract.

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Basis for compensation shall be the actual time spent multiplied by the hourly billing rates stated in Article 5.1.2, plus the actual cost for materials, plus two-percent (2%) for overhead and profit. Construction Manager shall furnish a detailed accounting of time and materials when submitting a request for payment for Preconstruction Services. Total compensation for Preconstruction Phase Services shall not exceed $ 10,000.00 or 1% of total Cost of the Work

Rates listed herein are for Pre-Construction Services only and are not to be assumed as approved for compensation for Construction Phase Services

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§ 5.1.3 If the Preconstruction Phase services covered by this Agreement have not been completed within Twelve (12) months of the date of this Agreement, through no fault of the Construction Manager, the Construction Manager's compensation for Preconstruction Phase services shall be equitably adjusted.

~~Payments are due and payable upon presentation of the Construction Manager's invoice.~~ Amounts unpaid

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Ninety (90) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Construction Manager.

2 % Two Percent

$25,000 - $100,000 10.00% - 9.50% $600,000 - $750,000 6.50% - 5.50% $3.0M - $4.0M 4.50% - 4.25%

$100,000 - $200,000 9.50% - 9.00% $750,000 - $1.0M 5.50% - 5.25%

$200,000 - $300,000 9.00% - 8.00% $1.0M - $1.5M 5.25% - 5.00%

$300,000 - $400,000 8.00% - 7.00% $1.5M - $2.0M 5.00% - 4.75%

$400,000 - $600,000 7.00% - 6.50% $2.0M - $3.0M 4.75% - 4.50%

The Construction Manager's Fee shall not be adjusted for changes in Work, including contingency expenditures, unless the amount of the GMP has been increased or decreased by a Change Order. Any adjustments of the Construction Manager's Fee shall be clearly identified in the Change Order and shall be commensurate with the percentages of the Cost of the Work stated in Article 6.1.2. Construction Manager's fee shall include the actual cost of items & equipment that are directly purchased by owner but installed by Construction Manager

For each Subcontractor or Sub-subcontractor, for Work performed by that Subcontractor's or Sub-subcontractor's own forces: Total OH&P = Ten percent (10%) of the cost of the Work. For each Subcontractor, for Work performed by the Subcontactor's Sub-subcontractors: Total OH&P = Five percent (5%) of the amount due the Sub-subcontractor. No further tiering of Sub-subcontractors' overhead and profit shall be allowed for increases in the cost of the Work

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Should the Contractor fail to substantially complete the Work on or before the date stipulated as

the Substantial Completion Date in Section 1.1.4.3 above, (or such later date as may result from a written extension of time granted by the Owner), the Contractor shall pay the Owner, as

liquidated damages, the sum of $750.00 for each consecutive calendar day that terms of the

Contract remain unfulfilled beyond the date allowed by the Contract, which sum is agreed upon as a reasonable and proper measure of damages which the Owner will sustain per day by failure of the Contractor to complete within time as stipulated; it being recognized by the Owner and the

Contractor that the injury to the Owner which could result from a failure of the Contractor to

complete on schedule is uncertain and cannot be computed exactly. In no way shall cost for

liquidated damages be construed as a penalty on the Contractor. The above referenced liquidated damages shall provide the sole and exclusive remedy for the Owner for damages incurred as a result of the Contractor's delay in completing the Work as described in Contract Documents. However, the Owner retains all rights to seek and recover its actual damages for all other injuries that may arise, including but not limited to construction defects.

Construction Manager's overhead and profit for increases in the cost of Work performed by its own forces shall be limited to ten percent (10%) of the cost of the self-performed Work. All self-performed work shall be fully auditable by the Owner's auditors per Article 10.

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N/A

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Period shall end on the 25th day of the month

§ 11.1.3 Provided that an Application for Payment is received by the Architect not later than the 25th day of a month, the Owner shall make payment of the amount certified to the Construction Manager not later than the last day of the following month. If an Application for Payment is received by the Architect after the application date fixed above, payment of the amount certified shall be made by the Owner not later than Twenty-Five (25) days after the Architect receives the Application for Payment.

PAGE 18

Five percent (5%)

General Conditions and Construction Manager's fee are not subject to retainage

Retainage shall not be reduced prior to Substantial Completion of the entire Work

PAGE 19

Final Payment shall be made within 10 days following Final Acceptance of the project at a regularly scheduled meeting of the Hernando County School Board. All close out documents, warranties, inspections, etc. must be approved & completed prior to issuance of final payment

PAGE 20

2 % Two-percent

[x] Litigation in a court of competent jurisdiction

PAGE 22

Zero Dollars ($0.00)

§ 14.3.1.1 Commercial General Liability with policy limits of not less than One-million dollars ($ 1,000,000) for each occurrence and Two-million dollars ($ 2,000,000) in the aggregate for bodily injury and property damage.

§ 14.3.1.2 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Construction Manager with policy limits of not less than One-million dollars ($ 1,000,000) per accident for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles, along with any other statutorily required automobile coverage.

§ 14.3.1.5 Professional Liability covering negligent acts, errors and omissions in the performance of professional services, with policy limits of not less than Five-hundred thousand dollars ($ 500,000) per claim and Five-hundred thousand dollars ($ 500,000) in the aggregate.

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The Owner shall pay for the Building Permit and inspections conducted by the Building Official and Fire Official. The Construction Manager shall apply for the Building Permit via the Owner's application process and shall schedule and coordinate all inspections. Any permits, fees, licenses and inspections by other government agencies

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shall be included in the Cost of The Work. This shall amend Article 3.7.1 of the AIA A201-2017 General Conditions of the Contract for Construction

««§ 14.5.1 The performance of construction phase services is contingent upon obtaining all necessary zoning and permits for the Project and written notice to proceed with the Work from the Owner to the Construction Manager.

§ 14.5.2 The Owner, in order to take advantage of its tax exemption, shall provide the Construction Manager with a copy of its current Tax Exemption letter and shall execute and deliver to the Construction Manager an original Project Exemption Certificate for use by Construction Manager, contractors, subcontractors, and suppliers in the purchase of materials, equipment and other property for the Project. The sales and/or use tax saved by use of Owner's Tax Exemption will not be included in the Guaranteed Maximum Price established under this Agreement.

« »

.

§ 14.5.4 CONSTRUCTION MANAGER PAYMENT INSTRUCTIONS –

Construction Manager shall provide Owner with payment instructions in writing on Construction Manager's letterhead after the parties execute this Agreement. Owner acknowledges that Construction Manager does not change its bank routing or account numbers. Owner shall not accept or rely on emails or correspondence requesting changes to these payment instructions. The payment instructions provided by Construction Manager in accordance with this Section 14.5.4 may only be altered in a fully executed Change Order

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N/A

N/A

[x] Supplementary and other Conditions of the Contract:

Hernando County School District Construction Manager Guidelines (Exhibit F)

AIA A201-2017 General Conditions of the Contract for Construction

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Certification of Document's Authenticity

AIA® Document D401™ – 2003

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_____

(Signed)

_____

(Title)

_____

(Dated)

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AIA® Document A201® – 2017

General Conditions of the Contract for Construction

for the following PROJECT:
(Name and location or address)

Weeki Wachee High School Play Court Relocation
12150 Vespa Way
Weeki Wachee, FL 34614

THE OWNER:
(Name, legal status and address)

Hernando County School District
8016 Mobley Road
Brooksville, FL 34601

THE ARCHITECT:
(Name, legal status and address)

J. E. Dunn Construction Company
5411 Sky Center Drive, Suite 200
Tampa, FL 33607

ADDITIONS AND DELETIONS:
The author of this document may have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

For guidance in modifying this document to include supplementary conditions, see AIA Document A503™–2017, Guide for Supplementary Conditions.

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ARTICLE 1 GENERAL PROVISIONS

§ 1.1 Basic Definitions

§ 1.1.1 The Contract Documents

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement, and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive, or (4) a written order for a minor change in the Work issued by the Architect. Unless specifically enumerated in the Agreement, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding or proposal requirements.

§ 1.1.2 The Contract

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Architect or the Architect's consultants, or (4) between any persons or entities other than the Owner and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties.

§ 1.1.3 The Work

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment, and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

§ 1.1.4 The Project

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by Separate Contractors.

§ 1.1.5 The Drawings

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules, and diagrams.

§ 1.1.6 The Specifications

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

§ 1.1.7 Instruments of Service

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 Initial Decision Maker

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2. The Initial Decision Maker shall not show partiality to the Owner or Contractor and shall not be liable for results of interpretations or decisions rendered in good faith.

§ 1.2 Correlation and Intent of the Contract Documents

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.

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§ 1.2.1.1 The invalidity of any provision of the Contract Documents shall not invalidate the Contract or its remaining provisions. If it is determined that any provision of the Contract Documents violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable. In such case the Contract Documents shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Contract.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

§ 1.2.3 Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.3 Capitalization

Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles, or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 Interpretation

In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.5 Ownership and Use of Drawings, Specifications, and Other Instruments of Service

§ 1.5.1 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and retain all common law, statutory, and other reserved rights in their Instruments of Service, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with the Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' reserved rights.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors, and suppliers are authorized to use and reproduce the Instruments of Service provided to them, subject to any protocols established pursuant to Sections 1.7 and 1.8, solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and suppliers may not use the Instruments of Service on other projects or for additions to the Project outside the scope of the Work without the specific written consent of the Owner, Architect, and the Architect's consultants.

§ 1.6 Notice

§ 1.6.1 Except as otherwise provided in Section 1.6.2, where the Contract Documents require one party to notify or give notice to the other party, such notice shall be provided in writing to the designated representative of the party to whom the notice is addressed and shall be deemed to have been duly served if delivered in person, by mail, by courier, or by electronic transmission if a method for electronic transmission is set forth in the Agreement.

§ 1.6.2 Notice of Claims as provided in Section 15.1.3 shall be provided in writing and shall be deemed to have been duly served only if delivered to the designated representative of the party to whom the notice is addressed by certified or registered mail, or by courier providing proof of delivery.

§ 1.7 Digital Data Use and Transmission

The parties shall agree upon written protocols governing the transmission and use of, and reliance on, Instruments of Service or any other information or documentation in digital form.

§ 1.8 Building Information Models Use and Reliance

Any use of, or reliance on, all or a portion of a building information model without agreement to written protocols governing the use of, and reliance on, the information contained in the model shall be at the using or relying party's sole risk and without liability to the other party and its contractors or consultants, the authors of, or contributors to, the building information model, and each of their agents and employees.

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ARTICLE 2 OWNER

§ 2.1 General

§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner's approval or authorization. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 2.1.2 The Owner shall furnish to the Contractor, within fifteen days after receipt of a written request, information necessary and relevant for the Contractor to evaluate, give notice of, or enforce mechanic's lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner's interest therein.

§ 2.2 Evidence of the Owner's Financial Arrangements

§ 2.2.1 Prior to commencement of the Work and upon written request by the Contractor, the Owner shall furnish to the Contractor reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. The Contractor shall have no obligation to commence the Work until the Owner provides such evidence. If commencement of the Work is delayed under this Section 2.2.1, the Contract Time shall be extended appropriately.

§ 2.2.2 Following commencement of the Work and upon written request by the Contractor, the Owner shall furnish to the Contractor reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract only if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) the Contractor identifies in writing a reasonable concern regarding the Owner's ability to make payment when due; or (3) a change in the Work materially changes the Contract Sum. If the Owner fails to provide such evidence, as required, within fourteen days of the Contractor's request, the Contractor may immediately stop the Work and, in that event, shall notify the Owner that the Work has stopped. However, if the request is made because a change in the Work materially changes the Contract Sum under (3) above, the Contractor may immediately stop only that portion of the Work affected by the change until reasonable evidence is provided. If the Work is stopped under this Section 2.2.2, the Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, plus interest as provided in the Contract Documents.

§ 2.2.3 After the Owner furnishes evidence of financial arrangements under this Section 2.2, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

§ 2.2.4 Where the Owner has designated information furnished under this Section 2.2 as "confidential," the Contractor shall keep the information confidential and shall not disclose it to any other person. However, the Contractor may disclose "confidential" information, after seven (7) days' notice to the Owner, where disclosure is required by law, including a subpoena or other form of compulsory legal process issued by a court or governmental entity, or by court or arbitrator(s) order. The Contractor may also disclose "confidential" information to its employees, consultants, sureties, Subcontractors and their employees, Sub-subcontractors, and others who need to know the content of such information solely and exclusively for the Project and who agree to maintain the confidentiality of such information.

§ 2.3 Information and Services Required of the Owner

§ 2.3.1 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.3.2 The Owner shall retain an architect lawfully licensed to practice architecture, or an entity lawfully practicing architecture, in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 2.3.3 If the employment of the Architect terminates, the Owner shall employ a successor to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

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§ 2.3.4 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 2.3.5 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services.

§ 2.3.6 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2.

§ 2.4 Owner's Right to Stop the Work

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3.

§ 2.5 Owner's Right to Carry Out the Work

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten-day period after receipt of notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such default or neglect. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect and the Architect may, pursuant to Section 9.5.1, withhold or nullify a Certificate for Payment in whole or in part, to the extent reasonably necessary to reimburse the Owner for the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect, or failure. If current and future payments are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner. If the Contractor disagrees with the actions of the Owner or the Architect, or the amounts claimed as costs to the Owner, the Contractor may file a Claim pursuant to Article 15.

ARTICLE 3 CONTRACTOR

§ 3.1 General

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative.

§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents.

§ 3.1.3 The Contractor shall not be relieved of its obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

§ 3.2 Review of Contract Documents and Field Conditions by Contractor

§ 3.2.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed, and correlated personal observations with requirements of the Contract Documents.

§ 3.2.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.3.4, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the

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purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for information in such form as the Architect may require. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents.

§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect may require.

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall submit Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner, subject to Section 15.1.7, as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities.

§ 3.3 Supervision and Construction Procedures

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences, and procedures, and for coordinating all portions of the Work under the Contract. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences, or procedures, the Contractor shall evaluate the jobsite safety thereof and shall be solely responsible for the jobsite safety of such means, methods, techniques, sequences, or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely notice to the Owner and Architect, and shall propose alternative means, methods, techniques, sequences, or procedures. The Architect shall evaluate the proposed alternative solely for conformance with the design intent for the completed construction. Unless the Architect objects to the Contractor's proposed alternative, the Contractor shall perform the Work using its alternative means, methods, techniques, sequences, or procedures.

§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.4 Labor and Materials

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 3.4.2 Except in the case of minor changes in the Work approved by the Architect in accordance with Section 3.12.8 or ordered by the Architect in accordance with Section 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

§ 3.5 Warranty

§ 3.5.1 The Contractor warrants to the Owner and Architect that materials and equipment furnished under the

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Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

§ 3.5.2 All material, equipment, or other special warranties required by the Contract Documents shall be issued in the name of the Owner, or shall be transferable to the Owner, and shall commence in accordance with Section 9.8.4.

§ 3.6 Taxes

The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.7 Permits, Fees, Notices and Compliance with Laws

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work.

§ 3.7.3 If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.7.4 Concealed or Unknown Conditions

If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than 14 days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend that an equitable adjustment be made in the Contract Sum or Contract Time, or both. If the Architect determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall promptly notify the Owner and Contractor, stating the reasons. If either party disputes the Architect's determination or recommendation, that party may submit a Claim as provided in Article 15.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 3.8 Allowances

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

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§ 3.8.2 Unless otherwise provided in the Contract Documents,

.1 allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;

.2 Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit, and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and

.3 whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness.

§ 3.9 Superintendent

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor.

§ 3.9.2 The Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Architect of the name and qualifications of a proposed superintendent. Within 14 days of receipt of the information, the Architect may notify the Contractor, stating whether the Owner or the Architect (1) has reasonable objection to the proposed superintendent or (2) requires additional time for review. Failure of the Architect to provide notice within the 14-day period shall constitute notice of no reasonable objection.

§ 3.9.3 The Contractor shall not employ a proposed superintendent to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not change the superintendent without the Owner's consent, which shall not unreasonably be withheld or delayed.

§ 3.10 Contractor's Construction and Submittal Schedules

§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall contain detail appropriate for the Project, including (1) the date of commencement of the Work, interim schedule milestone dates, and the date of Substantial Completion; (2) an apportionment of the Work by construction activity; and (3) the time required for completion of each portion of the Work. The schedule shall provide for the orderly progression of the Work to completion and shall not exceed time limits current under the Contract Documents. The schedule shall be revised at appropriate intervals as required by the conditions of the Work and Project.

§ 3.10.2 The Contractor, promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule, shall submit a submittal schedule for the Architect's approval. The Architect's approval shall not be unreasonably delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, and (2) allow the Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule, or fails to provide submittals in accordance with the approved submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect.

§ 3.11 Documents and Samples at the Site

The Contractor shall make available, at the Project site, the Contract Documents, including Change Orders, Construction Change Directives, and other Modifications, in good order and marked currently to indicate field changes and selections made during construction, and the approved Shop Drawings, Product Data, Samples, and similar required submittals. These shall be in electronic form or paper copy, available to the Architect and Owner, and delivered to the Architect for submittal to the Owner upon completion of the Work as a record of the Work as constructed.

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§ 3.12 Shop Drawings, Product Data and Samples

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules, and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier, or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples that illustrate materials, equipment, or workmanship, and establish standards by which the Work will be judged.

§ 3.12.4 Shop Drawings, Product Data, Samples, and similar submittals are not Contract Documents. Their purpose is to demonstrate how the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve, and submit to the Architect, Shop Drawings, Product Data, Samples, and similar submittals required by the Contract Documents, in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of Separate Contractors.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples, and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples, or similar submittals, until the respective submittal has been approved by the Architect.

§ 3.12.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from the requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples, or similar submittals, unless the Contractor has specifically notified the Architect of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples, or similar submittals, by the Architect's approval thereof.

§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples, or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such notice, the Architect's approval of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences, and procedures. The Contractor shall not be required to provide professional services in violation of applicable law.

§ 3.12.10.1 If professional design services or certifications by a design professional related to systems, materials, or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall be entitled to rely upon the adequacy and accuracy of the performance and design criteria provided in the Contract Documents. The Contractor shall cause such services or certifications to be provided by an appropriately licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop

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Drawings, and other submittals prepared by such professional. Shop Drawings, and other submittals related to the Work, designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy and accuracy of the services, certifications, and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor the performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review and approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents.

§ 3.12.10.2 If the Contract Documents require the Contractor's design professional to certify that the Work has been performed in accordance with the design criteria, the Contractor shall furnish such certifications to the Architect at the time and in the form specified by the Architect.

§ 3.13 Use of Site

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, lawful orders of public authorities, and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 3.14 Cutting and Patching

§ 3.14.1 The Contractor shall be responsible for cutting, fitting, or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting, or patching shall be restored to the condition existing prior to the cutting, fitting, or patching, unless otherwise required by the Contract Documents.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or Separate Contractors by cutting, patching, or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter construction by the Owner or a Separate Contractor except with written consent of the Owner and of the Separate Contractor. Consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold, from the Owner or a Separate Contractor, its consent to cutting or otherwise altering the Work.

§ 3.15 Cleaning Up

§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials and rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery, and surplus materials from and about the Project.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and the Owner shall be entitled to reimbursement from the Contractor.

§ 3.16 Access to Work

The Contractor shall provide the Owner and Architect with access to the Work in preparation and progress wherever located.

§ 3.17 Royalties, Patents and Copyrights

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for defense or loss when a particular design, process, or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications, or other documents prepared by the Owner or Architect. However, if an infringement of a copyright or patent is discovered by, or made known to, the Contractor, the Contractor shall be responsible for the loss unless the information is promptly furnished to the Architect.

§ 3.18 Indemnification

§ 3.18.1 To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants, and agents and employees of any of them from and against claims, damages, losses, and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss, or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the

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negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Section 3.18.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation, or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts, or other employee benefit acts.

ARTICLE 4 ARCHITECT

§ 4.1 General

§ 4.1.1 The Architect is the person or entity retained by the Owner pursuant to Section 2.3.2 and identified as such in the Agreement.

§ 4.1.2 Duties, responsibilities, and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified, or extended without written consent of the Owner, Contractor, and Architect. Consent shall not be unreasonably withheld.

§ 4.2 Administration of the Contract

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be an Owner's representative during construction until the date the Architect issues the final Certificate for Payment. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 4.2.2 The Architect will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents.

§ 4.2.3 On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and promptly report to the Owner (1) known deviations from the Contract Documents, (2) known deviations from the most recent construction schedule submitted by the Contractor, and (3) defects and deficiencies observed in the Work. The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of, and will not be responsible for acts or omissions of, the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

§ 4.2.4 Communications

The Owner and Contractor shall include the Architect in all communications that relate to or affect the Architect's services or professional responsibilities. The Owner shall promptly notify the Architect of the substance of any direct communications between the Owner and the Contractor otherwise relating to the Project. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and suppliers shall be through the Contractor. Communications by and with Separate Contractors shall be through the Owner. The Contract Documents may specify other communication protocols.

§ 4.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect has authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the Work in accordance with Sections 13.4.2 and 13.4.3, whether or not the Work is fabricated, installed or completed.

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However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data, and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5, and 3.12. The Architect's review shall not constitute approval of safety precautions or of any construction means, methods, techniques, sequences, or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Architect will prepare Change Orders and Construction Change Directives, and may order minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more Project representatives to assist in carrying out the Architect's responsibilities at the site. The Owner shall notify the Contractor of any change in the duties, responsibilities and limitations of authority of the Project representatives.

§ 4.2.11 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 4.2.12 Interpretations and decisions of the Architect will be consistent with the intent of, and reasonably inferable from, the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either, and will not be liable for results of interpretations or decisions rendered in good faith.

§ 4.2.13 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

ARTICLE 5 SUBCONTRACTORS

§ 5.1 Definitions

§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a Separate Contractor or the subcontractors of a Separate Contractor.

§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-

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subcontractor.

§ 5.2 Award of Subcontracts and Other Contracts for Portions of the Work

§ 5.2.1 Unless otherwise stated in the Contract Documents, the Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Architect of the persons or entities proposed for each principal portion of the Work, including those who are to furnish materials or equipment fabricated to a special design. Within 14 days of receipt of the information, the Architect may notify the Contractor whether the Owner or the Architect (1) has reasonable objection to any such proposed person or entity or (2) requires additional time for review. Failure of the Architect to provide notice within the 14-day period shall constitute notice of no reasonable objection.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person, or entity for one previously selected if the Owner or Architect makes reasonable objection to such substitution.

§ 5.3 Subcontractual Relations

By appropriate written agreement, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work that the Contractor, by these Contract Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies, and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.4 Contingent Assignment of Subcontracts

§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

.1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor; and

.2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation shall be equitably adjusted for increases in cost resulting from the suspension.

§ 5.4.3 Upon assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a

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successor contractor or other entity. If the Owner assigns the subcontract to a successor contractor or other entity, the Owner shall nevertheless remain legally responsible for all of the successor contractor's obligations under the subcontract.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 6.1 Owner's Right to Perform Construction and to Award Separate Contracts

§ 6.1.1 The term "Separate Contractor(s)" shall mean other contractors retained by the Owner under separate agreements. The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and with Separate Contractors retained under Conditions of the Contract substantially similar to those of this Contract, including those provisions of the Conditions of the Contract related to insurance and waiver of subrogation.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each Separate Contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with any Separate Contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to its construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, Separate Contractors, and the Owner until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces or with Separate Contractors, the Owner or its Separate Contractors shall have the same obligations and rights that the Contractor has under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6, and Articles 10, 11, and 12.

§ 6.2 Mutual Responsibility

§ 6.2.1 The Contractor shall afford the Owner and Separate Contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a Separate Contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly notify the Architect of apparent discrepancies or defects in the construction or operations by the Owner or Separate Contractor that would render it unsuitable for proper execution and results of the Contractor's Work. Failure of the Contractor to notify the Architect of apparent discrepancies or defects prior to proceeding with the Work shall constitute an acknowledgment that the Owner's or Separate Contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work. The Contractor shall not be responsible for discrepancies or defects in the construction or operations by the Owner or Separate Contractor that are not apparent.

§ 6.2.3 The Contractor shall reimburse the Owner for costs the Owner incurs that are payable to a Separate Contractor because of the Contractor's delays, improperly timed activities or defective construction. The Owner shall be responsible to the Contractor for costs the Contractor incurs because of a Separate Contractor's delays, improperly timed activities, damage to the Work or defective construction.

§ 6.2.4 The Contractor shall promptly remedy damage that the Contractor wrongfully causes to completed or partially completed construction or to property of the Owner or Separate Contractor as provided in Section 10.2.5.

§ 6.2.5 The Owner and each Separate Contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

§ 6.3 Owner's Right to Clean Up

If a dispute arises among the Contractor, Separate Contractors, and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Architect will allocate the cost among those responsible.

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ARTICLE 7 CHANGES IN THE WORK

§ 7.1 General

§ 7.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner, Contractor, and Architect. A Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor. An order for a minor change in the Work may be issued by the Architect alone.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents. The Contractor shall proceed promptly with changes in the Work, unless otherwise provided in the Change Order, Construction Change Directive, or order for a minor change in the Work.

§ 7.2 Change Orders

§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor, and Architect stating their agreement upon all of the following:

.1 The change in the Work;

.2 The amount of the adjustment, if any, in the Contract Sum; and

.3 The extent of the adjustment, if any, in the Contract Time.

§ 7.3 Construction Change Directives

§ 7.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions, or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

.1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;

.2 Unit prices stated in the Contract Documents or subsequently agreed upon;

.3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or

.4 As provided in Section 7.3.4.

§ 7.3.4 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Architect shall determine the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.4 shall be limited to the following:

.1 Costs of labor, including applicable payroll taxes, fringe benefits required by agreement or custom, workers' compensation insurance, and other employee costs approved by the Architect;

.2 Costs of materials, supplies, and equipment, including cost of transportation, whether incorporated or consumed;

.3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;

.4 Costs of premiums for all bonds and insurance, permit fees, and sales, use, or similar taxes, directly related to the change; and

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.5 Costs of supervision and field office personnel directly attributable to the change.

§ 7.3.5 If the Contractor disagrees with the adjustment in the Contract Time, the Contractor may make a Claim in accordance with applicable provisions of Article 15.

§ 7.3.6 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.7 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be reasonably justified. The Architect's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner and Contractor agree with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Architect will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

§ 7.4 Minor Changes in the Work

The Architect may order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. The Architect's order for minor changes shall be in writing. If the Contractor believes that the proposed minor change in the Work will affect the Contract Sum or Contract Time, the Contractor shall notify the Architect and shall not proceed to implement the change in the Work. If the Contractor performs the Work set forth in the Architect's order for a minor change without prior notice to the Architect that such change will affect the Contract Sum or Contract Time, the Contractor waives any adjustment to the Contract Sum or extension of the Contract Time.

ARTICLE 8 TIME

§ 8.1 Definitions

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 8.2 Progress and Completion

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement, the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, commence

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the Work prior to the effective date of insurance required to be furnished by the Contractor and Owner.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ 8.3 Delays and Extensions of Time

§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by (1) an act or neglect of the Owner or Architect, of an employee of either, or of a Separate Contractor; (2) by changes ordered in the Work; (3) by labor disputes, fire, unusual delay in deliveries, unavoidable casualties, adverse weather conditions documented in accordance with Section 15.1.6.2, or other causes beyond the Contractor's control; (4) by delay authorized by the Owner pending mediation and binding dispute resolution; or (5) by other causes that the Contractor asserts, and the Architect determines, justify delay, then the Contract Time shall be extended for such reasonable time as the Architect may determine.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 Contract Sum

§ 9.1.1 The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 9.1.2 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed so that application of such unit prices to the actual quantities causes substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 9.2 Schedule of Values

Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit a schedule of values to the Architect before the first Application for Payment, allocating the entire Contract Sum to the various portions of the Work. The schedule of values shall be prepared in the form, and supported by the data to substantiate its accuracy, required by the Architect. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment. Any changes to the schedule of values shall be submitted to the Architect and supported by such data to substantiate its accuracy as the Architect may require, and unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's subsequent Applications for Payment.

§ 9.3 Applications for Payment

§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment prepared in accordance with the schedule of values, if required under Section 9.2, for completed portions of the Work. The application shall be notarized, if required, and supported by all data substantiating the Contractor's right to payment that the Owner or Architect require, such as copies of requisitions, and releases and waivers of liens from Subcontractors and suppliers, and shall reflect retainage if provided for in the Contract Documents.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

§ 9.3.1.2 Applications for Payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or supplier, unless such Work has been performed by others whom the Contractor intends to pay.

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon

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compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage, and transportation to the site, for such materials and equipment stored off the site.

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information, and belief, be free and clear of liens, claims, security interests, or encumbrances, in favor of the Contractor, Subcontractors, suppliers, or other persons or entities that provided labor, materials, and equipment relating to the Work.

§ 9.4 Certificates for Payment

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either (1) issue to the Owner a Certificate for Payment in the full amount of the Application for Payment, with a copy to the Contractor; or (2) issue to the Owner a Certificate for Payment for such amount as the Architect determines is properly due, and notify the Contractor and Owner of the Architect's reasons for withholding certification in part as provided in Section 9.5.1; or (3) withhold certification of the entire Application for Payment, and notify the Contractor and Owner of the Architect's reason for withholding certification in whole as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and the data in the Application for Payment, that, to the best of the Architect's knowledge, information, and belief, the Work has progressed to the point indicated, the quality of the Work is in accordance with the Contract Documents, and that the Contractor is entitled to payment in the amount certified. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion, and to specific qualifications expressed by the Architect. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work; (2) reviewed construction means, methods, techniques, sequences, or procedures; (3) reviewed copies of requisitions received from Subcontractors and suppliers and other data requested by the Owner to substantiate the Contractor's right to payment; or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 9.5 Decisions to Withhold Certification

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

- .1 defective Work not remedied;
- .2 third party claims filed or reasonable evidence indicating probable filing of such claims, unless security acceptable to the Owner is provided by the Contractor;
- .3 failure of the Contractor to make payments properly to Subcontractors or suppliers for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or a Separate Contractor;
- .6 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- .7 repeated failure to carry out the Work in accordance with the Contract Documents.

§ 9.5.2 When either party disputes the Architect's decision regarding a Certificate for Payment under Section 9.5.1, in whole or in part, that party may submit a Claim in accordance with Article 15.

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§ 9.5.3 When the reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.5.4 If the Architect withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or supplier to whom the Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Architect and the Contractor shall reflect such payment on its next Application for Payment.

§ 9.6 Progress Payments

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect.

§ 9.6.2 The Contractor shall pay each Subcontractor, no later than seven days after receipt of payment from the Owner, the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

§ 9.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors and suppliers to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay, or to see to the payment of money to, a Subcontractor or supplier, except as may otherwise be required by law.

§ 9.6.5 The Contractor's payments to suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 Unless the Contractor provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Contractor for Work properly performed by Subcontractors or provided by suppliers shall be held by the Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with the Contractor for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor, create any fiduciary liability or tort liability on the part of the Contractor for breach of trust, or entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

§ 9.6.8 Provided the Owner has fulfilled its payment obligations under the Contract Documents, the Contractor shall defend and indemnify the Owner from all loss, liability, damage or expense, including reasonable attorney's fees and litigation expenses, arising out of any lien claim or other claim for payment by any Subcontractor or supplier of any tier. Upon receipt of notice of a lien claim or other claim for payment, the Owner shall notify the Contractor. If approved by the applicable court, when required, the Contractor may substitute a surety bond for the property against which the lien or other claim for payment has been asserted.

§ 9.7 Failure of Payment

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within seven days after the date established in the Contract Documents, the amount certified by the Architect or awarded by binding dispute resolution, then the Contractor may, upon seven additional days' notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and

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the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.8 Substantial Completion

§ 9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

§ 9.8.3 Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion; establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance; and fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in the Certificate. Upon such acceptance, and consent of surety if any, the Owner shall make payment of retainage applying to the Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§ 9.9 Partial Occupancy or Use

§ 9.9.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consented to by the insurer and authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor, and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

§ 9.10 Final Completion and Final Payment

§ 9.10.1 Upon receipt of the Contractor's notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection. When the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and

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belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect, (3) a written statement that the Contractor knows of no reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment, (5) documentation of any special warranties, such as manufacturers' warranties or specific Subcontractor warranties, and (6) if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts and releases and waivers of liens, claims, security interests, or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien, claim, security interest, or encumbrance. If a lien, claim, security interest, or encumbrance remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging the lien, claim, security interest, or encumbrance, including all costs and reasonable attorneys' fees.

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed, corrected, and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of the surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of Claims.

§ 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

- **.1** liens, Claims, security interests, or encumbrances arising out of the Contract and unsettled;
- **.2** failure of the Work to comply with the requirements of the Contract Documents;
- **.3** terms of special warranties required by the Contract Documents; or
- **.4** audits performed by the Owner, if permitted by the Contract Documents, after final payment.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor, or a supplier, shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1 Safety Precautions and Programs

The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Contract.

§ 10.2 Safety of Persons and Property

§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury, or loss to

- **.1** employees on the Work and other persons who may be affected thereby;
- **.2** the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody, or control of the Contractor, a Subcontractor, or a Sub-subcontractor; and
- **.3** other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures, and utilities not designated for removal, relocation, or replacement in the course of construction.

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§ 10.2.2 The Contractor shall comply with, and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities, bearing on safety of persons or property or their protection from damage, injury, or loss.

§ 10.2.3 The Contractor shall implement, erect, and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards; promulgating safety regulations; and notifying the owners and users of adjacent sites and utilities of the safeguards.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment, or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ 10.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3. The Contractor may make a Claim for the cost to remedy the damage or loss to the extent such damage or loss is attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.

§ 10.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

§ 10.2.7 The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 Injury or Damage to Person or Property

If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, notice of the injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ 10.3 Hazardous Materials and Substances

§ 10.3.1 The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials or substances. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and notify the Owner and Architect of the condition.

§ 10.3.2 Upon receipt of the Contractor's notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of the material or substance or who are to perform the task of removal or safe containment of the material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable additional costs of shutdown, delay, and start-up.

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§ 10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Architect, Architect's consultants, and agents and employees of any of them from and against claims, damages, losses, and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area if in fact the material or substance presents the risk of bodily injury or death as described in Section 10.3.1 and has not been rendered harmless, provided that such claim, damage, loss, or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), except to the extent that such damage, loss, or expense is due to the fault or negligence of the party seeking indemnity.

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for hazardous materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents. The Owner shall be responsible for hazardous materials or substances required by the Contract Documents, except to the extent of the Contractor's fault or negligence in the use and handling of such materials or substances.

§ 10.3.5 The Contractor shall reimburse the Owner for the cost and expense the Owner incurs (1) for remediation of hazardous materials or substances the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

§ 10.3.6 If, without negligence on the part of the Contractor, the Contractor is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall reimburse the Contractor for all cost and expense thereby incurred.

§ 10.4 Emergencies

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury, or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 Contractor's Insurance and Bonds

§ 11.1.1 The Contractor shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in the Agreement or elsewhere in the Contract Documents. The Contractor shall purchase and maintain the required insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Owner, Architect, and Architect's consultants shall be named as additional insureds under the Contractor's commercial general liability policy or as otherwise described in the Contract Documents.

§ 11.1.2 The Contractor shall provide surety bonds of the types, for such penal sums, and subject to such terms and conditions as required by the Contract Documents. The Contractor shall purchase and maintain the required bonds from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located.

§ 11.1.3 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

§ 11.1.4 Notice of Cancellation or Expiration of Contractor's Required Insurance. Within three (3) business days of the date the Contractor becomes aware of an impending or actual cancellation or expiration of any insurance required by the Contract Documents, the Contractor shall provide notice to the Owner of such impending or actual cancellation or expiration. Upon receipt of notice from the Contractor, the Owner shall, unless the lapse in coverage arises from an act or omission of the Owner, have the right to stop the Work until the lapse in coverage has been cured by the procurement of replacement coverage by the Contractor. The furnishing of notice by the Contractor shall not relieve the Contractor of any contractual obligation to provide any required coverage.

§ 11.2 Owner's Insurance

§ 11.2.1 The Owner shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in the Agreement or elsewhere in the Contract Documents. The Owner shall purchase and maintain the required insurance from an insurance company or insurance

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companies lawfully authorized to issue insurance in the jurisdiction where the Project is located.

§ 11.2.2 Failure to Purchase Required Property Insurance. If the Owner fails to purchase and maintain the required property insurance, with all of the coverages and in the amounts described in the Agreement or elsewhere in the Contract Documents, the Owner shall inform the Contractor in writing prior to commencement of the Work. Upon receipt of notice from the Owner, the Contractor may delay commencement of the Work and may obtain insurance that will protect the interests of the Contractor, Subcontractors, and Sub-Subcontractors in the Work. When the failure to provide coverage has been cured or resolved, the Contract Sum and Contract Time shall be equitably adjusted. In the event the Owner fails to procure coverage, the Owner waives all rights against the Contractor, Subcontractors, and Sub-subcontractors to the extent the loss to the Owner would have been covered by the insurance to have been procured by the Owner. The cost of the insurance shall be charged to the Owner by a Change Order. If the Owner does not provide written notice, and the Contractor is damaged by the failure or neglect of the Owner to purchase or maintain the required insurance, the Owner shall reimburse the Contractor for all reasonable costs and damages attributable thereto.

§ 11.2.3 Notice of Cancellation or Expiration of Owner's Required Property Insurance. Within three (3) business days of the date the Owner becomes aware of an impending or actual cancellation or expiration of any property insurance required by the Contract Documents, the Owner shall provide notice to the Contractor of such impending or actual cancellation or expiration. Unless the lapse in coverage arises from an act or omission of the Contractor: (1) the Contractor, upon receipt of notice from the Owner, shall have the right to stop the Work until the lapse in coverage has been cured by the procurement of replacement coverage by either the Owner or the Contractor; (2) the Contract Time and Contract Sum shall be equitably adjusted; and (3) the Owner waives all rights against the Contractor, Subcontractors, and Sub-subcontractors to the extent any loss to the Owner would have been covered by the insurance had it not expired or been cancelled. If the Contractor purchases replacement coverage, the cost of the insurance shall be charged to the Owner by an appropriate Change Order. The furnishing of notice by the Owner shall not relieve the Owner of any contractual obligation to provide required insurance.

§ 11.3 Waivers of Subrogation

§ 11.3.1 The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents, and employees, each of the other; (2) the Architect and Architect's consultants; and (3) Separate Contractors, if any, and any of their subcontractors, sub-subcontractors, agents, and employees, for damages caused by fire, or other causes of loss, to the extent those losses are covered by property insurance required by the Agreement or other property insurance applicable to the Project, except such rights as they have to proceeds of such insurance. The Owner or Contractor, as appropriate, shall require similar written waivers in favor of the individuals and entities identified above from the Architect, Architect's consultants, Separate Contractors, subcontractors, and sub-subcontractors. The policies of insurance purchased and maintained by each person or entity agreeing to waive claims pursuant to this section 11.3.1 shall not prohibit this waiver of subrogation. This waiver of subrogation shall be effective as to a person or entity (1) even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, (2) even though that person or entity did not pay the insurance premium directly or indirectly, or (3) whether or not the person or entity had an insurable interest in the damaged property.

§ 11.3.2 If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, to the extent permissible by such policies, the Owner waives all rights in accordance with the terms of Section 11.3.1 for damages caused by fire or other causes of loss covered by this separate property insurance.

§ 11.4 Loss of Use, Business Interruption, and Delay in Completion Insurance

The Owner, at the Owner's option, may purchase and maintain insurance that will protect the Owner against loss of use of the Owner's property, or the inability to conduct normal operations, due to fire or other causes of loss. The Owner waives all rights of action against the Contractor and Architect for loss of use of the Owner's property, due to fire or other hazards however caused.

§11.5 Adjustment and Settlement of Insured Loss

§ 11.5.1 A loss insured under the property insurance required by the Agreement shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.5.2. The Owner shall pay the Architect and

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Contractor their just shares of insurance proceeds received by the Owner, and by appropriate agreements the Architect and Contractor shall make payments to their consultants and Subcontractors in similar manner.

§ 11.5.2 Prior to settlement of an insured loss, the Owner shall notify the Contractor of the terms of the proposed settlement as well as the proposed allocation of the insurance proceeds. The Contractor shall have 14 days from receipt of notice to object to the proposed settlement or allocation of the proceeds. If the Contractor does not object, the Owner shall settle the loss and the Contractor shall be bound by the settlement and allocation. Upon receipt, the Owner shall deposit the insurance proceeds in a separate account and make the appropriate distributions. Thereafter, if no other agreement is made or the Owner does not terminate the Contract for convenience, the Owner and Contractor shall execute a Change Order for reconstruction of the damaged or destroyed Work in the amount allocated for that purpose. If the Contractor timely objects to either the terms of the proposed settlement or the allocation of the proceeds, the Owner may proceed to settle the insured loss, and any dispute between the Owner and Contractor arising out of the settlement or allocation of the proceeds shall be resolved pursuant to Article 15. Pending resolution of any dispute, the Owner may issue a Construction Change Directive for the reconstruction of the damaged or destroyed Work.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§ 12.1 Uncovering of Work

§ 12.1.1 If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time.

§ 12.1.2 If a portion of the Work has been covered that the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, the Contractor shall be entitled to an equitable adjustment to the Contract Sum and Contract Time as may be appropriate. If such Work is not in accordance with the Contract Documents, the costs of uncovering the Work, and the cost of correction, shall be at the Contractor's expense.

§ 12.2 Correction of Work

§ 12.2.1 Before Substantial Completion

The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, discovered before Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

§ 12.2.2 After Substantial Completion

§ 12.2.2.1 In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of any applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of notice from the Owner to do so, unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.5.

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

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§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction of the Owner or Separate Contractors, whether completed or partially completed, caused by the Contractor's correction or removal of Work that is not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

§ 12.3 Acceptance of Nonconforming Work

If the Owner prefers to accept Work that is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§ 13.1 Governing Law

The Contract shall be governed by the law of the place where the Project is located, excluding that jurisdiction's choice of law rules. If the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 15.4.

§ 13.2 Successors and Assigns

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns, and legal representatives to covenants, agreements, and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate the assignment.

§ 13.3 Rights and Remedies

§ 13.3.1 Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights, and remedies otherwise imposed or available by law.

§ 13.3.2 No action or failure to act by the Owner, Architect, or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed upon in writing.

§ 13.4 Tests and Inspections

§ 13.4.1 Tests, inspections, and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules, and regulations or lawful orders of public authorities. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections, and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections, and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of tests, inspections, or approvals that do not become requirements until after bids are received or negotiations concluded. The Owner shall directly arrange and pay for tests, inspections, or approvals where building codes or applicable laws or regulations so require.

§ 13.4.2 If the Architect, Owner, or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection, or approval not included under Section 13.4.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection, or approval, by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of

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when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.4.3, shall be at the Owner's expense.

§ 13.4.3 If procedures for testing, inspection, or approval under Sections 13.4.1 and 13.4.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary by such failure, including those of repeated procedures and compensation for the Architect's services and expenses, shall be at the Contractor's expense.

§ 13.4.4 Required certificates of testing, inspection, or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

§ 13.4.5 If the Architect is to observe tests, inspections, or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.4.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.5 Interest

Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at the rate the parties agree upon in writing or, in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

§ 14.1 Termination by the Contractor

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, for any of the following reasons:

.1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;

.2 An act of government, such as a declaration of national emergency, that requires all Work to be stopped;

.3 Because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Section 9.4.1, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents; or

.4 The Owner has failed to furnish to the Contractor reasonable evidence as required by Section 2.2.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, repeated suspensions, delays, or interruptions of the entire Work by the Owner as described in Section 14.3, constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days' notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed, as well as reasonable overhead and profit on Work not executed, and costs incurred by reason of such termination.

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, or their agents or employees or any other persons or entities performing portions of the Work because the Owner has repeatedly failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

§ 14.2 Termination by the Owner for Cause

§ 14.2.1 The Owner may terminate the Contract if the Contractor

.1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;

.2 fails to make payment to Subcontractors or suppliers in accordance with the respective agreements

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between the Contractor and the Subcontractors or suppliers;

.3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or

.4 otherwise is guilty of substantial breach of a provision of the Contract Documents.

§ 14.2.2 When any of the reasons described in Section 14.2.1 exist, and upon certification by the Architect that sufficient cause exists to justify such action, the Owner may, without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

.1 Exclude the Contractor from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;

.2 Accept assignment of subcontracts pursuant to Section 5.4; and

.3 Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Initial Decision Maker, upon application, and this obligation for payment shall survive termination of the Contract.

§ 14.3 Suspension by the Owner for Convenience

§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work, in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay, or interruption under Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent

.1 that performance is, was, or would have been, so suspended, delayed, or interrupted, by another cause for which the Contractor is responsible; or

.2 that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 Termination by the Owner for Convenience

§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

§ 14.4.2 Upon receipt of notice from the Owner of such termination for the Owner's convenience, the Contractor shall

.1 cease operations as directed by the Owner in the notice;

.2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and

.3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

§ 14.4.3 In case of such termination for the Owner's convenience, the Owner shall pay the Contractor for Work properly executed; costs incurred by reason of the termination, including costs attributable to termination of Subcontracts; and the termination fee, if any, set forth in the Agreement.

ARTICLE 15 CLAIMS AND DISPUTES

§ 15.1 Claims

§ 15.1.1 Definition

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A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, a change in the Contract Time, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim. This Section 15.1.1 does not require the Owner to file a Claim in order to impose liquidated damages in accordance with the Contract Documents.

§ 15.1.2 Time Limits on Claims

The Owner and Contractor shall commence all Claims and causes of action against the other and arising out of or related to the Contract, whether in contract, tort, breach of warranty or otherwise, in accordance with the requirements of the binding dispute resolution method selected in the Agreement and within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Contractor waive all Claims and causes of action not commenced in accordance with this Section 15.1.2.

§ 15.1.3 Notice of Claims

§ 15.1.3.1 Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered prior to expiration of the period for correction of the Work set forth in Section 12.2.2, shall be initiated by notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party under this Section 15.1.3.1 shall be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later.

§ 15.1.3.2 Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered after expiration of the period for correction of the Work set forth in Section 12.2.2, shall be initiated by notice to the other party. In such event, no decision by the Initial Decision Maker is required.

§ 15.1.4 Continuing Contract Performance

§ 15.1.4.1 Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents.

§ 15.1.4.2 The Contract Sum and Contract Time shall be adjusted in accordance with the Initial Decision Maker's decision, subject to the right of either party to proceed in accordance with this Article 15. The Architect will issue Certificates for Payment in accordance with the decision of the Initial Decision Maker.

§ 15.1.5 Claims for Additional Cost

If the Contractor wishes to make a Claim for an increase in the Contract Sum, notice as provided in Section 15.1.3 shall be given before proceeding to execute the portion of the Work that is the subject of the Claim. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.6 Claims for Additional Time

§ 15.1.6.1 If the Contractor wishes to make a Claim for an increase in the Contract Time, notice as provided in Section 15.1.3 shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary.

§ 15.1.6.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated, and had an adverse effect on the scheduled construction.

§ 15.1.7 Waiver of Claims for Consequential Damages

The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes

.1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and

.2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit, except anticipated profit arising directly from the Work.

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This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 15.1.7 shall be deemed to preclude assessment of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

§ 15.2 Initial Decision

§ 15.2.1 Claims, excluding those where the condition giving rise to the Claim is first discovered after expiration of the period for correction of the Work set forth in Section 12.2.2 or arising under Sections 10.3, 10.4, and 11.5, shall be referred to the Initial Decision Maker for initial decision. The Architect will serve as the Initial Decision Maker, unless otherwise indicated in the Agreement. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a condition precedent to mediation of any Claim. If an initial decision has not been rendered within 30 days after the Claim has been referred to the Initial Decision Maker, the party asserting the Claim may demand mediation and binding dispute resolution without a decision having been rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 15.2.2 The Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial Decision Maker's sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.

§ 15.2.3 In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering a decision. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner's expense.

§ 15.2.4 If the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of the request, and shall either (1) provide a response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished, or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.

§ 15.2.5 The Initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial decision shall be final and binding on the parties but subject to mediation and, if the parties fail to resolve their dispute through mediation, to binding dispute resolution.

§ 15.2.6 Either party may file for mediation of an initial decision at any time, subject to the terms of Section 15.2.6.1.

§ 15.2.6.1 Either party may, within 30 days from the date of receipt of an initial decision, demand in writing that the other party file for mediation. If such a demand is made and the party receiving the demand fails to file for mediation within 30 days after receipt thereof, then both parties waive their rights to mediate or pursue binding dispute resolution proceedings with respect to the initial decision.

§ 15.2.7 In the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ 15.2.8 If a Claim relates to or is the subject of a mechanic's lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines.

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§ 15.3 Mediation

§ 15.3.1 Claims, disputes, or other matters in controversy arising out of or related to the Contract, except those waived as provided for in Sections 9.10.4, 9.10.5, and 15.1.7, shall be subject to mediation as a condition precedent to binding dispute resolution.

§ 15.3.2 The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration is stayed pursuant to this Section 15.3.2, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 15.3.3 Either party may, within 30 days from the date that mediation has been concluded without resolution of the dispute or 60 days after mediation has been demanded without resolution of the dispute, demand in writing that the other party file for binding dispute resolution. If such a demand is made and the party receiving the demand fails to file for binding dispute resolution within 60 days after receipt thereof, then both parties waive their rights to binding dispute resolution proceedings with respect to the initial decision.

§ 15.3.4 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 15.4 Arbitration

§ 15.4.1 If the parties have selected arbitration as the method for binding dispute resolution in the Agreement, any Claim subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement. The Arbitration shall be conducted in the place where the Project is located, unless another location is mutually agreed upon. A demand for arbitration shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.

§ 15.4.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the Claim.

§ 15.4.2 The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

§ 15.4.3 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement, shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

§ 15.4.4 Consolidation or Joinder

§ 15.4.4.1 Subject to the rules of the American Arbitration Association or other applicable arbitration rules, either party may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation, (2) the arbitrations to be consolidated substantially involve common questions of law or fact, and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 15.4.4.2 Subject to the rules of the American Arbitration Association or other applicable arbitration rules, either party may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined

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consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

§ 15.4.4.3 The Owner and Contractor grant to any person or entity made a party to an arbitration conducted under this Section 15.4, whether by joinder or consolidation, the same rights of joinder and consolidation as those of the Owner and Contractor under this Agreement.

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Additions and Deletions Report for
AIA® Document A201® – 2017

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

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Changes to original AIA text

There are no edits to the original text

Variable Information

PAGE 1

Weeki Wachee High School Play Court Relocation

12150 Vespa Way
Weeki Wachee, FL 34614

Hernando County School District

8016 Mobley Road
Brooksville, FL 34601

J. E. Dunn Construction Company

5411 Sky Center Drive, Suite 200
Tampa, FL 33607

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Certification of Document's Authenticity

AIA® Document D401™ – 2003

I, , hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with its associated Additions and Deletions Report and this certification at 16:18:08 EST on 01/05/2026 under Order No. 20250152486 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document A201™ - 2017, General Conditions of the Contract for Construction, other than those additions and deletions shown in the associated Additions and Deletions Report.

_____

(Signed)

_____

(Title)

_____

(Dated)

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AIA® Document A133® – 2019 Exhibit B

Insurance and Bonds

This Insurance and Bonds Exhibit is part of the Agreement, between the Owner and the Construction Manager, dated the Thirteenth day of January in the year Two Thousand Twenty-Six
(In words, indicate day, month and year.)

for the following **PROJECT**:
(Name and location or address)

Weeki Wachee High School Play Court Relocation
12150 Vespa Way
Weeki Wachee, FL 34614

THE OWNER:
(Name, legal status, and address)

Hernando County School District
8016 Mobley Road
Brooksville, FL 34607

THE CONSTRUCTION MANAGER:
(Name, legal status, and address)

J. E. Dunn Construction Company
5411 Sky Center Drive, Suite 200
Tampa, FL 33607

TABLE OF ARTICLES

B.1 GENERAL

B.2 OWNER'S INSURANCE

B.3 CONSTRUCTION MANAGER'S INSURANCE AND BONDS

B.4 SPECIAL TERMS AND CONDITIONS

ADDITIONS AND DELETIONS:
The author of this document may have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

This document is intended to be used in conjunction with AIA Document A201™–2017, General Conditions of the Contract for Construction. Article 11 of A201™–2017 contains additional insurance provisions.

ARTICLE B.1 GENERAL

The Owner and Construction Manager shall purchase and maintain insurance, and provide bonds, as set forth in this Exhibit. As used in this Exhibit, the term General Conditions refers to AIA Document A201™–2017, General Conditions of the Contract for Construction.

ARTICLE B.2 OWNER'S INSURANCE

§ B.2.1 General

Prior to commencement of the Work, the Owner shall secure the insurance, and provide evidence of the coverage, required under this Article B.2 and, upon the Construction Manager's request, provide a copy of the property insurance policy or policies required by Section B.2.3. The copy of the policy or policies provided shall contain all applicable conditions, definitions, exclusions, and endorsements.

§ B.2.2 Liability Insurance

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The Owner shall be responsible for purchasing and maintaining the Owner's usual general liability insurance.

§ B.2.3 Required Property Insurance

§ B.2.3.1 Unless this obligation is placed on the Construction Manager pursuant to Section B.3.3.2.1, the Owner shall purchase and maintain, from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located, property insurance written on a builder's risk "all-risks" completed value or equivalent policy form and sufficient to cover the total value of the entire Project on a replacement cost basis. The Owner's property insurance coverage shall be no less than the amount of the initial Contract Sum, plus the value of subsequent Modifications and labor performed and materials or equipment supplied by others. The property insurance shall be maintained until Substantial Completion and thereafter as provided in Section B.2.3.1.3, unless otherwise provided in the Contract Documents or otherwise agreed in writing by the parties to this Agreement. This insurance shall include the interests of the Owner, Construction Manager, Subcontractors, and Sub-subcontractors in the Project as insureds. This insurance shall include the interests of mortgagees as loss payees.

§ B.2.3.1.1 Causes of Loss. The insurance required by this Section B.2.3.1 shall provide coverage for direct physical loss or damage, and shall not exclude the risks of fire, explosion, theft, vandalism, malicious mischief, collapse, earthquake, flood, or windstorm. The insurance shall also provide coverage for ensuing loss or resulting damage from error, omission, or deficiency in construction methods, design, specifications, workmanship, or materials. Sub-limits, if any, are as follows:
(Indicate below the cause of loss and any applicable sub-limit.)

Cause of Loss	Sub-Limit

§ B.2.3.1.2 Specific Required Coverages. The insurance required by this Section B.2.3.1 shall provide coverage for loss or damage to falsework and other temporary structures, and to building systems from testing and startup. The insurance shall also cover debris removal, including demolition occasioned by enforcement of any applicable legal requirements, and reasonable compensation for the Architect's and Construction Manager's services and expenses required as a result of such insured loss, including claim preparation expenses. Sub-limits, if any, are as follows:
(Indicate below type of coverage and any applicable sub-limit for specific required coverages.)

Coverage	Sub-Limit

§ B.2.3.1.3 Unless the parties agree otherwise, upon Substantial Completion, the Owner shall continue the insurance required by Section B.2.3.1 or, if necessary, replace the insurance policy required under Section B.2.3.1 with property insurance written for the total value of the Project that shall remain in effect until expiration of the period for correction of the Work set forth in Section 12.2.2 of the General Conditions.

§ B.2.3.1.4 Deductibles and Self-Insured Retentions. If the insurance required by this Section B.2.3 is subject to deductibles or self-insured retentions, the Owner shall be responsible for all loss not covered because of such deductibles or retentions.

§ B.2.3.2 Occupancy or Use Prior to Substantial Completion. The Owner's occupancy or use of any completed or partially completed portion of the Work prior to Substantial Completion shall not commence until the insurance company or companies providing the insurance under Section B.2.3.1 have consented in writing to the continuance of coverage. The Owner and the Construction Manager shall take no action with respect to partial occupancy or use that would cause cancellation, lapse, or reduction of insurance, unless they agree otherwise in writing.

§ B.2.3.3 Insurance for Existing Structures

If the Work involves remodeling an existing structure or constructing an addition to an existing structure, the Owner shall purchase and maintain, until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, "all-risks" property insurance, on a replacement cost basis, protecting the existing structure against direct physical loss or damage from the causes of loss identified in Section B.2.3.1, notwithstanding the undertaking of the Work. The Owner shall be responsible for all co-insurance penalties.

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§ B.2.4 Optional Extended Property Insurance.
The Owner shall purchase and maintain the insurance selected and described below.
(Select the types of insurance the Owner is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance. For each type of insurance selected, indicate applicable limits of coverage or other conditions in the fill point below the selected item.)

[ ] **§ B.2.4.1 Loss of Use, Business Interruption, and Delay in Completion Insurance**, to reimburse the Owner for loss of use of the Owner's property, or the inability to conduct normal operations due to a covered cause of loss.

[ ] **§ B.2.4.2 Ordinance or Law Insurance**, for the reasonable and necessary costs to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of the Project.

[ ] **§ B.2.4.3 Expediting Cost Insurance**, for the reasonable and necessary costs for the temporary repair of damage to insured property, and to expedite the permanent repair or replacement of the damaged property.

[ ] **§ B.2.4.4 Extra Expense Insurance**, to provide reimbursement of the reasonable and necessary excess costs incurred during the period of restoration or repair of the damaged property that are over and above the total costs that would normally have been incurred during the same period of time had no loss or damage occurred.

[ ] **§ B.2.4.5 Civil Authority Insurance**, for losses or costs arising from an order of a civil authority prohibiting access to the Project, provided such order is the direct result of physical damage covered under the required property insurance.

[ ] **§ B.2.4.6 Ingress/Egress Insurance**, for loss due to the necessary interruption of the insured's business due to physical prevention of ingress to, or egress from, the Project as a direct result of physical damage.

[ ] **§ B.2.4.7 Soft Costs Insurance**, to reimburse the Owner for costs due to the delay of completion of the Work, arising out of physical loss or damage covered by the required property insurance: including construction loan fees; leasing and marketing expenses; additional fees, including those of architects, engineers, consultants, attorneys and accountants, needed for the completion of the construction, repairs, or reconstruction; and carrying costs such as property taxes, building permits, additional interest on loans, realty taxes, and insurance premiums over and above normal expenses.

§ B.2.5 Other Optional Insurance.
The Owner shall purchase and maintain the insurance selected below.
(Select the types of insurance the Owner is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance.)

[ ] **§ B.2.5.1 Cyber Security Insurance** for loss to the Owner due to data security and privacy breach, including costs of investigating a potential or actual breach of confidential or private information.

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(Indicate applicable limits of coverage or other conditions in the fill point below.)

[ ] **§ B.2.5.2 Other Insurance**
(List below any other insurance coverage to be provided by the Owner and any applicable limits.)

Coverage	Limits

ARTICLE B.3 CONSTRUCTION MANAGER'S INSURANCE AND BONDS

§ B.3.1 General

§ B.3.1.1 Certificates of Insurance. The Construction Manager shall provide certificates of insurance acceptable to the Owner evidencing compliance with the requirements in this Article B.3 at the following times: (1) prior to commencement of the Work; (2) upon renewal or replacement of each required policy of insurance; and (3) upon the Owner's written request. An additional certificate evidencing continuation of commercial liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment and thereafter upon renewal or replacement of such coverage until the expiration of the periods required by Section B.3.2.1 and Section B.3.3.1. The certificates will show the Owner as an additional insured on the Construction Manager's Commercial General Liability and excess or umbrella liability policy or policies.

§ B.3.1.2 Deductibles and Self-Insured Retentions. The Construction Manager shall disclose to the Owner any deductible or self- insured retentions applicable to any insurance required to be provided by the Construction Manager.

§ B.3.1.3 Additional Insured Obligations. To the fullest extent permitted by law, the Construction Manager shall cause the commercial general liability coverage to include (1) the Owner, the Architect, and the Architect's consultants as additional insureds for claims caused in whole or in part by the Construction Manager's negligent acts or omissions during the Construction Manager's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Construction Manager's negligent acts or omissions for which loss occurs during completed operations. The additional insured coverage shall be primary and non-contributory to any of the Owner's general liability insurance policies and shall apply to both ongoing and completed operations. To the extent commercially available, the additional insured coverage shall be no less than that provided by Insurance Services Office, Inc. (ISO) forms CG 20 10 07 04, CG 20 37 07 04, and, with respect to the Architect and the Architect's consultants, CG 20 32 07 04.

§ B.3.2 Construction Manager's Required Insurance Coverage

§ B.3.2.1 The Construction Manager shall purchase and maintain the following types and limits of insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Construction Manager shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below:
(If the Construction Manager is required to maintain insurance for a duration other than the expiration of the period for correction of Work, state the duration.)

§ B.3.2.2 Commercial General Liability

§ B.3.2.2.1 Commercial General Liability insurance for the Project written on an occurrence form with policy limits of not less than One-million dollars ($ 1,000,000.00) each occurrence, Two-million dollars ($ 2,000,000.00) general aggregate, and Two-million dollars ($ 2,000,000.00) aggregate for products-completed operations hazard, providing coverage for claims including

.1 damages because of bodily injury, sickness or disease, including occupational sickness or disease, and death of any person;
.2 personal injury and advertising injury;
.3 damages because of physical damage to or destruction of tangible property, including the loss of use of such property;
.4 bodily injury or property damage arising out of completed operations; and
.5 the Construction Manager's indemnity obligations under Section 3.18 of the General Conditions.

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§ B.3.2.2.2 The Construction Manager's Commercial General Liability policy under this Section B.3.2.2 shall not contain an exclusion or restriction of coverage for the following:

.1 Claims by one insured against another insured, if the exclusion or restriction is based solely on the fact that the claimant is an insured, and there would otherwise be coverage for the claim.

.2 Claims for property damage to the Construction Manager's Work arising out of the products-completed operations hazard where the damaged Work or the Work out of which the damage arises was performed by a Subcontractor.

.3 Claims for bodily injury other than to employees of the insured.

.4 Claims for indemnity under Section 3.18 of the General Conditions arising out of injury to employees of the insured.

.5 Claims or loss excluded under a prior work endorsement or other similar exclusionary language.

.6 Claims or loss due to physical damage under a prior injury endorsement or similar exclusionary language.

.7 Claims related to residential, multi-family, or other habitational projects, if the Work is to be performed on such a project.

.8 Claims related to roofing, if the Work involves roofing.

.9 Claims related to exterior insulation finish systems (EIFS), synthetic stucco or similar exterior coatings or surfaces, if the Work involves such coatings or surfaces.

.10 Claims related to earth subsidence or movement, where the Work involves such hazards.

.11 Claims related to explosion, collapse and underground hazards, where the Work involves such hazards.

§ B.3.2.3 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Construction Manager, with policy limits of not less thanOne-million dollars ($ 1,000,000.00) per accident, for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles along with any other statutorily required automobile coverage.

§ B.3.2.4 The Construction Manager may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided such primary and excess or umbrella insurance policies result in the same or greater coverage as the coverages required under Section B.3.2.2 and B.3.2.3, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers.

§ B.3.2.5 Workers' Compensation at statutory limits.

§ B.3.2.6 Employers' Liability with policy limits not less than ($) each accident, ($) each employee, and ($) policy limit.

§ B.3.2.7 Jones Act, and the Longshore & Harbor Workers' Compensation Act, as required, if the Work involves hazards arising from work on or near navigable waterways, including vessels and docks

§ B.3.2.8 If the Construction Manager is required to furnish professional services as part of the Work, the Construction Manager shall procure Professional Liability insurance covering performance of the professional services, with policy limits of not less than ($) per claim and ($) in the aggregate.

§ B.3.2.9 If the Work involves the transport, dissemination, use, or release of pollutants, the Construction Manager shall procure Pollution Liability insurance, with policy limits of not less than One-million dollars ($ 1,000,000.00) per claim and One-million dollars ($ 1,000,000.00) in the aggregate.

§ B.3.2.10 Coverage under Sections B.3.2.8 and B.3.2.9 may be procured through a Combined Professional Liability and Pollution Liability insurance policy, with combined policy limits of not less than ($) per claim and ($) in the aggregate.

§ B.3.2.11 Insurance for maritime liability risks associated with the operation of a vessel, if the Work requires such activities, with policy limits of not less than ($) per claim and ($) in the aggregate.

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§ B.3.2.12 Insurance for the use or operation of manned or unmanned aircraft, if the Work requires such activities, with policy limits of not less than ($) per claim and ($) in the aggregate.

§ B.3.3 Construction Manager's Other Insurance Coverage

§ B.3.3.1 Insurance selected and described in this Section B.3.3 shall be purchased from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Construction Manager shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below:
(If the Construction Manager is required to maintain any of the types of insurance selected below for a duration other than the expiration of the period for correction of Work, state the duration.)

Construction Manager shall maintain insurance as set forth in "Exhibit C - Construction Contractor's Insurance and Bond Requirements." If there are conflicts between requirements in this Exhibit and Exhibit C, the most stringent requirement shall apply x

§ B.3.3.2 The Construction Manager shall purchase and maintain the following types and limits of insurance in accordance with Section B.3.3.1.
(Select the types of insurance the Construction Manager is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance. Where policy limits are provided, include the policy limit in the appropriate fill point.)

[X] **§ B.3.3.2.1** Property insurance of the same type and scope satisfying the requirements identified in Section B.2.3, which, if selected in this Section B.3.3.2.1, relieves the Owner of the responsibility to purchase and maintain such insurance except insurance required by Section B.2.3.1.3 and Section B.2.3.3. The Construction Manager shall comply with all obligations of the Owner under Section B.2.3 except to the extent provided below. The Construction Manager shall disclose to the Owner the amount of any deductible, and the Owner shall be responsible for losses within the deductible. Upon request, the Construction Manager shall provide the Owner with a copy of the property insurance policy or policies required. The Owner shall adjust and settle the loss with the insurer and be the trustee of the proceeds of the property insurance in accordance with Article 11 of the General Conditions unless otherwise set forth below:
(Where the Construction Manager's obligation to provide property insurance differs from the Owner's obligations as described under Section B.2.3, indicate such differences in the space below. Additionally, if a party other than the Owner will be responsible for adjusting and settling a loss with the insurer and acting as the trustee of the proceeds of property insurance in accordance with Article 11 of the General Conditions, indicate the responsible party below.)

« Construction Manager shall maintain insurance as set forth in "Exhibit C - Construction Contractor's Insurance and Bond Requirements." If there are conflicts between requirements in this Exhibit and Exhibit C, the most stringent requirement shall apply

[ ] **§ B.3.3.2.2 Railroad Protective Liability Insurance**, with policy limits of not less than ($) per claim and ($) in the aggregate, for Work within fifty (50) feet of railroad property.

[ ] **§ B.3.3.2.3 Asbestos Abatement Liability Insurance**, with policy limits of not less than ($) per claim and ($) in the aggregate, for liability arising from the encapsulation, removal, handling, storage, transportation, and disposal of asbestos-containing materials.

[ ] **§ B.3.3.2.4** Insurance for physical damage to property while it is in storage and in transit to the construction site on an "all-risks" completed value form.

[ ] **§ B.3.3.2.5** Property insurance on an "all-risks" completed value form, covering property owned by the Construction Manager and used on the Project, including scaffolding and other equipment.

[ ] **§ B.3.3.2.6 Other Insurance**
(List below any other insurance coverage to be provided by the Construction Manager and any applicable limits.)

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Coverage	Limits

§ B.3.4 Performance Bond and Payment Bond
The Construction Manager shall provide surety bonds, from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located, as follows:
(Specify type and penal sum of bonds.)

Type	Penal Sum ($0.00)
Payment Bond	100% of Guaranteed Maximum Price
Performance Bond	100% of Guaranteed Maximum Price

Payment and Performance Bonds shall be AIA Document A312™, Payment Bond and Performance Bond, or contain provisions identical to AIA Document A312™, current as of the date of this Agreement.

ARTICLE B.4 SPECIAL TERMS AND CONDITIONS
Special terms and conditions that modify this Insurance and Bonds Exhibit, if any, are as follows:

Construction Manager shall maintain insurance as set forth in "Exhibit C - Construction Contractor's Insurance and Bond Requirements." If there are conflicts between requirements in this Exhibit and Exhibit C, the most stringent requirement shall apply

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Additions and Deletions Report for
AIA® Document A133® – 2019 Exhibit B

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

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Changes to original AIA text

PAGE 4

§ B.3.2.2.1 Commercial General Liability insurance for the Project written on an occurrence form with policy limits of not less than One-million dollars ($ 1,000,000.00) each occurrence, Two-million dollars ($ 2,000,000.00) general aggregate, and Two-million dollars ($ 2,000,000.00) aggregate for products-completed operations hazard, providing coverage for claims including

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§ B.3.2.3 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Construction Manager, with policy limits of not less ~~than~~ thanOne-million dollars ($ 1,000,000.00) per accident, for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles along with any other statutorily required automobile coverage.

§ B.3.2.9 If the Work involves the transport, dissemination, use, or release of pollutants, the Construction Manager shall procure Pollution Liability insurance, with policy limits of not less than One-million dollars ($ 1,000,000.00) per claim and One-million dollars ($ 1,000,000.00) in the aggregate.

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[x] **§ B.3.3.2.1** Property insurance of the same type and scope satisfying the requirements identified in Section B.2.3, which, if selected in this Section B.3.3.2.1, relieves the Owner of the responsibility to purchase and maintain such insurance except insurance required by Section B.2.3.1.3 and Section B.2.3.3. The Construction Manager shall comply with all obligations of the Owner under Section B.2.3 except to the extent provided below. The Construction Manager shall disclose to the Owner the amount of any deductible, and the Owner shall be responsible for losses within the deductible. Upon request, the Construction Manager shall provide the Owner with a copy of the property insurance policy or policies required. The Owner shall adjust and settle the loss with the insurer and be the trustee of the proceeds of the property insurance in accordance with Article 11 of the General Conditions unless otherwise set forth below:

Type	Penal Sum ($0.00)
Payment Bond	100% of Guaranteed Maximum Price
Performance Bond	100% of Guaranteed Maximum Price

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Variable Information

PAGE 1

This Insurance and Bonds Exhibit is part of the Agreement, between the Owner and the Construction Manager, dated the Thirteenth day of January in the year Two Thousand Twenty-Six

Weeki Wachee High School Play Court Relocation

12150 Vespa Way
Weeki Wachee, FL 34614

Hernando County School District

8016 Mobley Road
Brooksville, FL 34607

J. E. Dunn Construction Company

5411 Sky Center Drive, Suite 200
Tampa, FL 33607

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§ **B.3.2.2.1** Commercial General Liability insurance for the Project written on an occurrence form with policy limits of not less than One-million dollars ($ 1,000,000.00) each occurrence, Two-million dollars ($ 2,000,000.00) general aggregate, and Two-million dollars ($ 2,000,000.00) aggregate for products-completed operations hazard, providing coverage for claims including

PAGE 5

§ **B.3.2.9** If the Work involves the transport, dissemination, use, or release of pollutants, the Construction Manager shall procure Pollution Liability insurance, with policy limits of not less than One-million dollars ($ 1,000,000.00) per claim and One-million dollars ($ 1,000,000.00) in the aggregate.

Construction Manager shall maintain insurance as set forth in "Exhibit C - Construction Contractor's Insurance and Bond Requirements." If there are conflicts between requirements in this Exhibit and Exhibit C, the most stringent requirement shall apply x

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« Construction Manager shall maintain insurance as set forth in "Exhibit C - Construction Contractor's Insurance and Bond Requirements." If there are conflicts between requirements in this Exhibit and Exhibit C, the most stringent requirement shall apply

PAGE 7

Construction Manager shall maintain insurance as set forth in "Exhibit C - Construction Contractor's Insurance and Bond Requirements." If there are conflicts between requirements in this Exhibit and Exhibit C, the most stringent requirement shall apply

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HERNANDO COUNTY SCHOOL BOARD EXHIBIT C
CONSTRUCTION CONTRACTOR'S INSURANCE AND BOND REQUIREMENTS

A. GENERAL

1. The Contractor shall procure and maintain all insurance requirements and limits, as set forth below, at his or her own expense, until completion of the project or as specified herein. The Contractor shall continue to provide evidence of such coverage to Hernando County School Board on an annual basis during the aforementioned period including all of the terms of the insurance and indemnification requirements of this agreement. All below insurance policies shall include a provision preventing cancellation without thirty (30) days' prior notice by certified mail. A completed Certificate of Insurance shall be filed with the Facilities & Construction Representative within ten (10) days after the date of the Notice of Award, said Certificate to specifically Owner the inclusion of the coverages and provisions set forth herein and shall Owner whether the coverage is "claims made" or "per occurrence".

B. COMMERCIAL GENERAL LIABILITY INSURANCE (CGL)

1. This insurance must protect the Contractor from all claims for bodily injury, including death and all claims for destruction of or damage to property (other than the Work itself), arising out of or in connection with any operations under this Contract, whether such operations be by the Contractor or by any Subcontractor under him or anyone directly or indirectly employed by the Contractor or by a Subcontractor. All such insurance shall be written with limits and coverages as specified below and shall be written on an occurrence form.

a.	General Aggregate	$2,000,000
b.	Products – Completed Operations Aggregate	$2,000,000
c.	Each Occurrence	$1,000,000
d.	Personal Injury	$1,000,000

2. The following coverages shall be included in the CGL:
   a. Per project general aggregate (CG 25 03 or similar)
   b. Additional Insured status in favor of the Hernando County School Board and any other parties as outlined in The Contract and must include both ONGOING Operations AND COMPLETED Operations per CG 20 10 10/01 and CG 20 37 10/01 or equivalent as permitted by law.
   c. The policy shall be endorsed to be primary and non-contributory with any insurance maintained by Additional Insureds.
   d. A waiver of Subrogation in favor of all Additional Insured parties.
   e. Personal Injury Liability
   f. Contractual Liability coverage to support indemnification obligation per Article 53.I
   g. Explosion, collapse and underground (xcu)

3. The following exclusionary endorsements are prohibited in the CGL policy:
    a. Damage to Work performed by Subcontract/Vendor (CG 22-94 or similar)
    b. Contractual Liability Coverage Exclusion modifying or deleting the definition of an "insured contract" from the unaltered SO CG 0001 1001 policy from (CG 24 26 or similar)
    c. If applicable to the Work to be performed: Residential or multi-family
    d. If applicable to the Work to be performed: Exterior insulation finish systems
    e. If applicable to the Work to be performed: Subsidence or Earth Movement

4. The Contractor shall maintain general liability coverage including Products and Completed Operations insurance, and the Additional Insured with primary and non-contributory coverage as specified in this Contract for three (3) years after completion of the project.

C. AUTOMOBILE LIABILITY INSURANCE – Includes business auto liability covering liability arising out of any auto (including owned, hired and non-owned autos.

1. Combined Bodily Injury and Property Damage Liability
    a. Combined Single Limit (each accident): $1,000,000

    b. Coverages: Specific waiver of subrogation

D. WORKERS' COMPENSATION INSURANCE

1. The Contractor shall procure and maintain Workers' Compensation Insurance at his or her own expense during the life of this Contract, including occupational disease provisions for all employees per statutory requirements. Policy shall contain a waiver of subrogation in favor of the Hernando County School Board.

2. The Contractor shall also require each Subcontractor to furnish Workers' Compensation Insurance, including occupational disease provisions for all of the latter's employees, and to the extent not furnished, the Contractor accepts full liability and responsibility for Subcontractor's employees.

3. In cases where any class of employees engaged in hazardous work under this Contract at the site of the Project is not protected under the Workers' Compensation statute, the Contractor shall provide, and shall cause each Subcontractor to provide, adequate and suitable insurance for the protection of employees not otherwise protected.

E. UMBRELLA LIABILITY INSURANCE – For construction projects exceeding $10,000,000, provide the following coverage:

1. The Contractor shall maintain umbrella/excess liability insurance on an occurrence basis in excess of the underlying insurance described in Section B-D above. Coverage shall follow the terms of the underlying insurance, included the additional insured and waiver of subrogation provisions. The amounts of insurance required in Sections above may be satisfied by the Contractor purchasing coverage for the limits specified or by any combination of underlying and umbrella limits, so long as the total amount of insurance is not less than the limits specified in each section previously mentioned.

    a. Each occurrence $5,000,000
    b. Aggregate $5,000,000

F. BUILDER'S RISK INSURANCE – For any construction project, provide the following coverage:

1. Unless waived in writing by the Facilities & Construction Representative, the Contractor shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance written on a builder's risk "all-risk" or equivalent policy form in the amount of the initial Contract Sum, plus value of subsequent Contract Modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis. Such property insurance shall be maintained, unless otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made and no person or entity other than the Owner has an insurable interest in the property, or the date of substantial completion specified on the fully signed and executed Certificate of Substantial Completion (AIA G704).

    a. This insurance shall include interests of the Owner, the Contractor, Subcontractors and Sub- subcontractors in the Project as additional insureds.
    b. All associated deductibles shall be the responsibility of the Contractor. Such policy may have a deductible clause.
    c. Property insurance shall be on an "all risk" or equivalent policy form and shall include insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, false work, testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect's and Contractor's services and expenses required as a result of such insured loss.

2. Contractor shall maintain Builders Risk coverage including partial use by Owner.

3. The Contractor and Owner shall waive all rights of subrogation against each other, including but not limited to the Hernando County School Board and the Owner, its officials, its officers, its agents and its employees, all while acting within the scope and

course of their employment For damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to this Section or other property insurance applicable to the Work. The Contractor shall require all Subcontractors at any tier to similarly waive all such rights of subrogation and shall expressly include such a waiver in all subcontracts.

4. Upon request, the amount of such insurance shall be increased to include the cost of any additional work to be done on the Project, or materials or equipment to be incorporated in the Project, under other independent contracts let or to be let. In such event, the Contractor shall be reimbursed for this cost as his or her share of the insurance in the same ratio as the ratio of the insurance represented by such independent contracts let or to be let to the total insurance carried.

5. The Contractor, shall have the power to adjust and settle any loss. Unless it is agreed otherwise, all monies received shall be applied first on rebuilding or repairing the destroyed or injured work.

G. POLLUTION LIABILITY INSURANCE

1. If Contractor is providing directly or indirectly work with pollution/environmental hazards, the Contractor must provide or cause those conducting the work to provide Pollution Liability Insurance coverage.
    a. Pollution Liability policy must include contractual liability coverage.
    b. Hernando County School Board must be included as additional insureds on the policy.
    c. The policy limits shall be in the amount of $1,000,000 with per occurrence and in the aggregate deductible to be paid by the Subcontractor/Vendor.

H. ADDITIONAL MISCELLANEOUS INSURANCE PROVISIONS – Certificates of Insurance and/or insurance policies required under this Contract shall be subject to the following stipulations and additional requirements:

1. Any and all deductibles or self-insured retentions contained in any Insurance policy shall be assumed by and at the sole risk of the Contractor;

2. If any of the said policies shall fail at any time to meet the requirements of the Contract Documents as to form or substance, or if a company issuing any such policy shall be or at any time cease to be approved by the Division of Insurance of the Hernando County School Board, or be or cease to be in compliance with any stricter requirements of the Contract Documents, the Contractor shall promptly obtain a new policy, submit the same to the Owner and Owner Building Programs for approval if requested, and submit a Certificate of Insurance as hereinbefore provided. Upon failure of the Contractor to furnish, deliver and maintain such insurance as provided herein, this Contract, in the sole

discretion of the Hernando County School Board, may be immediately declared suspended, discontinued, or terminated. Failure of the Contractor in obtaining and/or maintaining any required insurance shall not relieve the Contractor from any liability under the Contract, nor shall the insurance requirements be construed to conflict with the obligations of the Contractor concerning indemnification;

3. All requisite insurance shall be obtained from financially responsible insurance companies, authorized to do business in the State of Florida and acceptable to the Owner;

4. Receipt, review or acceptance by the Facilities & Construction Representative of any insurance policies or certificates of insurance required by this Contract shall neither be construed as a waiver nor relieve the Contractor from its obligation to meet the insurance requirements contained herein.

I. PAYMENT AND PERFORMANCE BOND

1. The Contractor shall procure surety bonds, from a company or companies lawfully authorized to issue surety bonds in the state of Florida and listed in the Federal Register of the U.S. Department of Treasury for Surety Companies Acceptable on Federal Bonds, as follows:

    a. Before commencing the Work on any individual project having a Contract Sum of $200,000 or more, the Contractor shall execute and record in the public records of Hernando County, Florida, a payment and performance bond. The bond must state on its front page:
        i. The names, principal business addresses, and phone numbers of the Contractor, the surety, and the Owner
        ii. The project number assigned by the Owner
        iii. The bond number assigned by the surety
        iv. A description of the project sufficient to identify it, such as a legal description or the street address of the property being improved, and a general description of the improvement

    b. The amount of the bond shall equal the full amount of the Contract Sum.

    c. The bond shall be conditioned upon the contractor's performance of the Work in the time and manner prescribed in the contract and promptly making payments to all persons who furnish labor, services, or materials for the Work provided for in the contract.

    d. A copy of the recorded bond shall be filed with the Facilities & Construction Representative prior to issuance of any payment.

e. If, prior to completion of the Work, the Contractor receives a notice that the company or companies that issued the bond has lost or had revoked its license or authority to do business in Florida as a surety insurer, the Contractor shall, within ten (10) calendar days following receipt of such notice, execute and record in the public records a replacement payment and performance bond from a duly authorized surety. The amount of the replacement bond shall equal the full amount of the Contract Sum less the value of the Work in place and accepted at the time such bond is issued.

STANDARD ADDENDUM TO AGREEMENTS WITH THE HERNANDO COUNTY SCHOOL BOARD

WHEREAS, the undersigned has entered into an Agreement or Contract (hereinafter Agreement) with the Hernando County School Board; and,

WHEREAS, the Agreement sets forth the general terms and conditions of the relationship between the parties; and,

WHEREAS, the undersigned acknowledges that the School Board is the contracting authority for the Hernando County School Board and there are certain standard contract terms expected to be in every agreement by the School Board; and,

WHEREAS, the undersigned hereby agrees that these standard terms are part of the Agreement with the School Board.

1. The Contractor hereby agrees to indemnify, defend and hold the School Board harmless from and against any and all damages of any nature whatsoever which are caused or materially contributed to by the negligent, reckless or intentional acts of the Indemnifying Party.

2. To the extent that the agreement requires the School Board to indemnify Contractor, it shall only be to the extent of the limits set forth in section 768.28(5), Florida Statutes. and then only for the negligent or wrongful act or omission of any officer or employee of the School Board acting within the scope of the officer's/employee's office or employment under circumstances in which the state or such agency or subdivision, if a private person, would be liable to the claimant. Further, except as specifically provided herein, the School Board does not waive any defense of sovereign immunity. It is further understood and agreed by the parties to this agreement that no officer or employee may be held personally liable except as provided by section 768.28 (9), Florida Statutes. Notwithstanding the foregoing, the School Board intends to avail itself of the benefits of section 768.28 and of other statutes and common law governing sovereign immunity to the fullest extent possible. However, in no event will the School Board's liability under this provision exceed the sum of the lesser of the following: (a) the amount paid by the School Board to Contractor or (b) the amounts identified as statutory limits pursuant to section 768.28, Florida Statutes. if applicable. Nothing in this Agreement is intended to inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the doctrine of sovereign immunity or by operation of law.

3. The parties agree to each pay their own attorneys' fees and costs relating to the negotiation of the Agreement and this Addendum and in relation to any action to enforce the terms of either document.

4. As may be applicable, all persons providing goods or services to the School Board pursuant the Agreement shall undergo the necessary background screening described in section 1012.465, Florida Statutes at their own cost before coming onto School Board property.

5. If the Agreement requires the expenditure of funds for more than one fiscal year, the Agreement shall be subject to termination by the School Board without cause upon a thirty (30) day notice.

6. Any conflict between the terms of this Addendum and the parties original Agreement or subsequent modifications thereof are to be resolved in favor of this Addendum.

7. The Agreement and this Addendum are to be construed in accordance with the laws of the State of Florida, and the parties hereby agree that performance of the terms and provisions of the Agreement are to be performed solely within the State of Florida. The Parties agree that the Circuit Court for the Fifth Judicial Circuit, Hernando County, Florida (hereinafter "Court"), shall have sole and exclusive jurisdiction to enforce the terms of this Agreement, notwithstanding any provisions in the Agreement to the contrary, and the Parties further agree that they will present any disputes under this Agreement, including, without limitation, any claims for breach or enforcement of this Agreement, exclusively to the Court.

8. The payment obligation of the School Board created by the Agreement is conditioned upon the availability of funds that are appropriated or allocated for the payment of services or products. If such funds are not allocated and available, the Agreement may be terminated by the School Board at the end of the period for which funds are available. The School Board shall notify the Contractor at the earliest possible time before such termination. No penalty shall accrue to the School Board in the event this provision is exercised, and the School Board shall not be obligated or liable for any future payments due or for any damages as a result of such termination.

9. If, and to the extent the agreement provides for the payment of any applicable sales taxes, the Parties acknowledge that the School Board is an entity which is exempt from the same as provided by section 212.08(6), Florida Statutes.

10. The Parties agree that in the event Contractor files for bankruptcy, insolvency or receivership during the term of this agreement, the School Board may, at its option, terminate and cancel said contract, in which event all rights hereunder shall immediately cease and terminate.

11. Neither party shall be liable to the other, nor deemed in default under this Agreement to the extent that such party's performance under this Agreement is rendered impossible, impractical, or prevented by reason of force majeure. For purposes of this Agreement, the term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without fault or negligence on behalf of either party. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; labor disputes; civil disorders; fires; floods; hurricanes, epidemics, pandemics, government regulations, and the issuance or extension of existing government orders of the United States, the State of Florida, or local county and municipal governing bodies, which prevents performance of the contract for all or part of the term of the Agreement.

12. Notwithstanding any provision to the contrary in the agreement, all payments due from the School Board for non-construction services hereunder shall be governed by the provisions

of Chapter 218, Florida Statutes.

13. If, and to the extent that the agreement provides for reimbursement of travel and related expenses, the Parties agree that such reimbursements shall be subject to the reimbursement schedules contained in Section 112.061, Florida Statutes.

14. Contractor confirms that neither it nor its principals are suspended, debarred, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract by any governmental department or agency. This certification is a material representation of fact upon which reliance will be placed when the School Board executes this agreement. If it is later determined that Contractor knowingly rendered an erroneous certification, in addition to the other remedies available to School Board, School Board may terminate the Agreement for default by Contractor.

15. E-Verify. Pursuant to section 448.095, Florida Statutes, Contractor shall use the U.S. Department of Homeland Security's E-Verify system https://e-verify.uscis.gov/emp, to verify the employment eligibility of all employees hired during the term of this Agreement. If Contractor enters into a contract with a subcontractor, the subcontractor must provide Contractor with an affidavit stating the subcontractor does not employ, contract with, or subcontract with an unauthorized alien and the Contractor shall provide a copy of such affidavit to the School Board upon receipt and shall maintain a copy for the duration of the Agreement. Failure to comply with this provision is a material breach of the Agreement and the School Board may choose to terminate the Agreement at its sole discretion and seek damages pursuant to Florida Statute. By signing below, Contractor affirms that it is registered with and uses the E-Verify system, is otherwise in compliance with section 448.095, Florida Statutes, and acknowledges that it is required to maintain such compliance throughout the term of any Contract entered between the parties.

16. Public records compliance provisions. Any confidentiality provisions in the Agreement shall be read in harmony with Florida's Public Records Act, Chapter 119, Florida Statutes. No provisions in the Agreement can be exercised to frustrate the requirements of the law for the release of records. The parties recognize that the School Board is a governmental entity, subject to Florida law regarding public access to records under Florida Statute, Chapter 119. As such, the Parties agree that only such information as is exempt and confidential under the provisions of law shall be considered confidential under the Term of this agreement and Any confidentiality provisions in the Agreement shall be read in harmony with Florida's Public Records Act, Chapter 119, Florida Statutes. No provisions in the Agreement can be exercised to frustrate the requirements of the law for the release of records. To the extent Contractor provides School Board any information which it believes is confidential or exempt, Contractor shall notify School Board of the specific information that it believes is confidential, as well as the basis for the exemption. Additionally, to the extent that the Contractor has any obligation to act in agency for the School Board, it shall maintain its records subject to section 119.0701, Fla. Stat. If and to the extent that contractor has access to any other confidential information regarding the School Board (such as security information as contemplated by section 119.071(c), Fla. Stat.), the Contractor agrees to use reasonable measures to maintain the confidentiality of such information.

17. To the extent Contractor maintains information that is subject to a public record request, it shall provide the public access to such records in accordance with, and subject to the applicable statutory terms and fees. Failure to do so will be considered a material breach of the original Agreement resulting in immediate termination with no penalty to School Board, and Contractor will indemnify and hold the School Board harmless for any and all damages and expenses suffered as a result of the material breach and contract termination. Contractor must comply with Florida public records laws, including but not limited to chapter 119, Florida Statutes and section 24 of article I of the Constitution of Florida, and specifically agrees to:

a. Keep and maintain public records required by the School Board in order to perform the service under this agreement; and

b. Upon request from the School Board's custodian of public records, provide the School Board with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in chapter 119, Florida Statutes, or as otherwise provided by law; and

c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the contractor does not transfer the records to the School Board; and

d. Upon completion of the contract, transfer, at no cost, to the School Board all public records in possession of the contractor or keep and maintain public records required by the School Board to perform the service. If the contractor transfers all public records to the School Board upon completion of the contract, the contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the contractor keeps and maintains public records upon completion of the contract, the contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the School Board, upon request from the School Board's custodian of public records, in a format that is compatible with the information technology systems of the School Board.

IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT 919 N. BROAD STREET, BROOKSVILLE, FL 34601, Ellerman_a@hcsb.k12.fl.us or (352) 797-7009.

Notwithstanding any other provisions of law or statutory interpretation, failure of the Contractor to abide by the terms of these public records provisions shall be deemed a material breach of this agreement and the School Board may enforce the terms of this provision in the form of a court proceeding and shall, as a prevailing party, be entitled to reimbursement of all reasonable attorney's fees and costs associated with that proceeding. This provision shall survive any termination or expiration of the contract.

18. If the Contractor receives any student information / records as a result of this agreement, it will maintain any such information / records as confidential and will not release same to any third parties without the express written approval of the School Board, except third parties who are essential to Contractor's delivery of its services to the School Board and who are bound to maintain the confidentiality of student information/records, and prohibited from unauthorized redisclosure of such information. Furthermore, Contractor agrees to maintain and utilize all such student information/records in accordance with the FERPA regulations and only as provided for in the Agreement and this Addendum. If student information/records are requested by way of subpoena or court order, Contractor shall notify the School Board of such request in writing including a copy of the subpoena or order and shall otherwise comply with the FERPA regulations.

19. Contractor agrees to execute an Affidavit Regarding the Use of Coercion for Labor and Services as required by section 787.06(13), Florida Statutes.

20. If the Contractor receives access to an individual s personal identifying information as a result of this agreement, Contractor agrees to provide the School Board with an affidavit signed by an officer or representative of the Contractor under penalty of perjury attesting that the Contractor does not meet any of the criteria in section 287.138(2)(a) to (c), Florida Statutes.

21. Contractor acknowledges that it will comply with all applicable Florida and Federal laws, ordinances, rules and regulations.

Signed and dated by authorized representatives as provided below:

Contractor:

Printed Name: CURTIS DELACRUIX
Title: VICE PRESIDENT
Date: 1/7/2026

Approved as to Content & Form
Caroline Mocker, Esq.
Staff Counsel, HCSD
8:55 am, 04/24/2025

State of Florida

Affidavit Regarding the Use of Coercion for Labor and Services

Respondent Vendor Name: JE Dunn Construction Company

Vendor FEIN: 44-0224405

Vendor's Authorized Representative Name and Title: Curtis Delaquil

Address: 5411 Skyconder Drive Ste 200

City: Tampa State: FL ZIP: 34695

Phone Number: 813-940-3248

Email Address: curtis.delaquil@jedunn.com

Section 787.06(13), Florida Statutes requires all nongovernmental entities executing, renewing, or extending a contract with a governmental entity to provide an affidavit signed by an officer or representative of the nongovernmental entity under penalty of perjury that the nongovernmental entity does not use coercion for labor or services as defined in that statute.

The Hernando County School District, Florida is a governmental entity for purposes of this statute.

As the person authorized to sign on behalf of Respondent, I certify that the company identified does not:

- Use or threaten to use physical force against any person;
- Restrain, isolate, or confine or threaten to restrain, isolate, or confine any person without lawful authority and against her or his will;
- Use lending or other credit methods to establish a debt by any person when labor or services are pledged as a security for the debt, if the value of the labor or services as reasonably assessed is not applied toward the liquidation of the debt, the length and nature of the labor or services are not respectively limited and defined;
- Destroy, conceal, remove, confiscate, withhold, or possess any actual or purported passport, visa, or other immigration document, or any other actual or purported government identification document, of any person;
- Cause or threaten to cause financial harm to any person;
- Entice or lure any person by fraud or deceit; or
- Provide a controlled substance as outlined in Schedule I or Schedule II of s. 893.03 to any person for the purpose of exploitation of that person.

Under penalties of perjury, I declare that I have read the foregoing document and that the facts stated in it are true.

By: _____

AUTHORIZED SIGNATURE

Print Name and Title: CURTIS DELAQUIL, VICE PRESIDENT

Date: 1/7/2026

Approved as to Content & Form
Caroline Mocker, Esq.
Staff Counsel, HCSD

FOREIGN COUNTRY OF CONCERN ATTESTATION
(PUR 1355)

This form must be completed by an officer or representative of an entity submitting a bid, proposal, or reply to, or entering into, renewing, or extending, a contract with a Governmental Entity which would grant the entity access to an individual's Personal Identifying Information. Capitalized terms used herein have the definitions ascribed in Rule 60A-1.020, F.A.C.

Name of entity is not owned by the government of a Foreign Country of Concern, is not organized under the laws of nor has its Principal Place of Business in a Foreign Country of Concern, and the government of a Foreign Country of Concern does not have a Controlling Interest in the entity.

Under penalties of perjury, I declare that I have read the foregoing statement and that the facts stated in it are true.

Printed Name: CURTIS DELACRUIC

Title: VICE PRESIDENT

Signature:

Date: 1/7/2026

Approved as to Content & Form

Caroline Mocker, Esq.

Staff Counsel, HCSD

8:49 am, 04/25/2025

CONFLICT OF INTEREST

Bidder must execute either Section I or Section II hereunder, relative to Florida State Statute 112. Failure to execute either section may result in rejection of your bid/proposal. All Proposers must disclose, with their bid/proposal, the name of any officer, director, or agent who is also an employee of the Hernando County School District. Further, all Proposers must disclose the name of any HCSB employee(s) who own directly, or indirectly, an interest in the Proposer or any of its branches or subsidiaries.

SECTION I

I hereby certify that no official or employee of Hernando County School Board, requiring the goods or services described in these specifications, has a material financial interest in this company.

Signature of Officer/Agent authorized

J E Dunn Construction Company
Company Name

Curtis DeLacruil
Print Name

5411 Skycenter Drive, Suite 200
Business Address

Tampa, FL 33607
City, State, Zip Code

SECTION II

Approved as to form
Nancy McClain Alfonso
General Counsel, HCSB

I hereby certify that the following named Hernando County School Board official(s) and/or employee(s) having material financial interest(s) in this company. *(Please use separate sheet if needed)*

Name

Title or Position

Name

Title or Position

Signature of Officer/Agent authorized

Company Name

Print Name

Business Address

City, State, Zip Code

Revised: 04/23/20

EXHIBIT F
CONSTRUCTION MANAGER STANDARD SPECIFICATIONS

HERNANDO SCHOOL DISTRICT

Learn it. Love it. Live it.

HERNANDO COUNTY SCHOOL DISTRICT 8016 MOBLEY RD. BROOKSVILLE, FL 134601

Updated 02/03/2025

SECTION 00 43 20 – CONSTRUCTION MANAGER'S SUBCONTRACT BID PROCEDURE

PART 1 - GENERAL

1.1 RELATED DOCUMENTS

A. Drawings and general provisions of the Contract, including General and Supplementary Conditions and other Division 01 Specification Sections, apply to this Section.

1.2 SUMMARY

A. Section includes administrative and procedural requirements governing the subcontractor bidding process.

1. The Construction Manager is expected to represent the Owner's interest in soliciting competitive bids, including:
   a. Soliciting a sufficient number of bids to ensure that at least three (3) bids are submitted for each bid package
   b. Obtaining **prior written approval** from the Owner for any Work that the CM proposes to self-perform.
   c. Soliciting competitive bids on all biddable scopes of Work.
   d. Obtaining a minimum of three (3) bids for each bid package, unless specifically exempted in the CM Agreement.
   e. Delaying the opening of bids for any bid package until three (3) or more bids are received, unless directed otherwise by the Owner **in writing**.

B. Related Requirements:

1. Section 00 43 30 "GMP Submittal" for procedures governing itemization and breakdown of scopes of work.

1.3 PROPOSED BIDDERS LIST

A. Prior to soliciting bids, the Construction Manager shall submit a list of proposed bidders to the Owner and Architect/Engineer. **The list must be approved in writing, by the Owner and Architect/Engineer, prior to distribution of the Bid Documents to the proposed bidders.** Once approved, the list may be modified only with the written consent of the Owner and Architect/Engineer.

1.4 INSTRUCTIONS TO BIDDERS

A. The Construction Manager's Instructions to Bidders shall specify the level of breakdown that the low bidder must provide prior to award of contract. At a minimum, the bid must be broken down into materials and labor, as well as into line items corresponding with the GMP Breakdown.

B. The Construction Manager shall include in the Instructions to Bidders a complete listing of plans & specifications. Construction Manager shall distribute the complete set of plans, specifications and addenda to all subcontract bidders. **The subcontractor's bids shall include the listing of plans/specifications/addenda along with a signed statement acknowledging receipt of all listed documents. The bid shall also acknowledge receipt of all addenda and supplemental instructions at the time of the bid.**

1.5 BID OPENING

A. The Owner and Architect must be **invited (at least 48 hours in advance)** to attend each bid opening. Bid openings for all trades should be conducted at the same time and date unless extenuating circumstances exist and approved by the Architect and Owner.

B. All sub-contractor bids must be submitted to the Construction Manager in a sealed envelope, unless specifically exempted in the CM Agreement. Bids from subcontractors who are not listed on the Proposed Bidder List must not be opened, unless authorized by the Owner. Electronic bid submission & opening is acceptable if prior written approval is given by the Owner and provisions are made for the Design Professional and Owner to observe the opening.

C. All bidding subcontractors are to list their proposed sub-subcontractor(s) in their bid proposal.

1.6 EVALUATION AND AWARD

A. The Construction Manager is to evaluate the bids and then submit results for the Owner and Architect/Engineer to review. For each bid package, submit the following documents in a single *.pdf* file:

1. *Recommendation Letter* – Provide a cover letter which summarizes the scope of work and the recommended bid, including the subcontractor and total amount requested. This amount must match the amount shown on the GMP breakdown.

2. *Bid Scoping Spreadsheet* – This shall be in the format shown in the attached Sample Bid Spreadsheet, no exceptions. The recommended bidder shall be listed first.

3. *Subcontractor Bids* – Attach the recommended bid first, followed by all remaining bids.
   a. Mark each page of each bid in the upper right hand corner to indicate the bidder's name.
   b. Attach a written statement from invited bidders who declined to bid.
   c. Any adjustments to the subcontractor bids made during the bid scoping process must be itemized on the Bid Scoping Spreadsheet and substantiated with a written statement from the bidder attached to their original bid.

d. In the event multiple bidders excluded scope from their bid, each bidder **must** be given an opportunity to quote the additional work. This opportunity must be given to the bidder in writing.

4. *Instructions to Bidders* – Include any addenda and informal instructions provided to prospective bidders. Attach any documents issued to prospective bidders which were NOT included with the drawings and specifications as issued by the Architect/Engineer. **Include signed statement from each bidder per Section 1.4 B**

B. The Architect/Engineer will review the submitted documents for compliance with the requirements of the Drawings and Specifications and then issue to the Owner a written recommendation to either accept or reject the Construction Manager's recommendation for award. The Architect/Engineer review will be coordinated by the Construction Manager and submitted to the Owner by the Construction Manager.

C. The Owner will then review the Architect's/Engineer's recommendation for final approval.

1.7 ISSUANCE OF SUBCONTRACTS

A. The Construction Manager shall issue subcontracts for the exact amount approved by the Owner, no exceptions. Any subsequent adjustments to subcontracts must be itemized for the Owner's review on the Schedule of Values and noted as an "After-Bid Adjustment" or "Sub-Change Order."

B. Provide Owner with a copy of all executed subcontracts prior to the first pay application.

1.8 CLOSEOUT

A. Upon Final Completion, the Construction Manager shall submit to the Owner a tabulation of the final contract amounts for all awarded subcontracts, including subcontractor change orders and adjustments to allowances.

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION (Not Used)

ATTACHMENTS:

1. Sample Bid Scoping Spreadsheet

SAMPLE BID SPREADSHEET

Bid Package: Gypsum Board	Bidder 1 [name]	Bidder 2 [name]	Bidder 3 [name]	Bidder 4 [name]
Furnish/Install Gypsum Board as specified	$384,494[1]	$390,000[1]	$401,333[1]	$420,890[1]
Cold formed metal framing	Yes	Yes	Yes	Yes
Building insulation	Yes	Yes	Yes	Yes
Furring and lathing	Yes	Yes	Yes	Yes
Portland cement plaster	Yes	Yes	Yes	Yes
Gypsum wallboard systems	Yes	Yes	Yes	Yes
Install frames	$12,000[2]	Yes	Yes	Yes
MR gypsum board	Yes	Yes	Yes	Yes
Gyp board column wrapping	Yes	Yes	Yes	Yes
Rated wall assemblies	Yes	Yes	Yes	Yes
Acoustical sealants	Yes	Yes	Yes	Yes
Level 4 finish	Yes	Yes	Yes	Yes
Install access panels	Yes	$4,100[2]	Yes	Yes
Operation/Maint manuals	Yes	Yes	Yes	Yes
Bonds	Yes	Yes	Yes	Yes
Total to GMP	**$396,494[3]**	$394,100	$401,333	$420,890

[1] must match the base bid shown on the attached original bid proposal forms from each bidder
[2] must be documented and attached
[3] this amount to match the amount being requested on the attached approval letter
[4] this amount to match amount shown on GMP breakdown or last approved cost estimate

SECTION 00 43 30 –COST ESTIMATING, GMP SUBMITTAL AND SCHEDULE OF VALUES

PART 4 - GENERAL

4.1 RELATED DOCUMENTS

A. Drawings and general provisions of the Contract, including General and Supplementary Conditions and other Division 01 Specification Sections, apply to this Section.

4.2 SUMMARY

A. Section includes administrative and procedural requirements governing Cost Estimating, GMP Submittal and Schedule of Values

1. To set Owner expectations and provide guidance for cost estimates, Guaranteed Maximum Price submissions and the project's Schedule of Values

B. Related Requirements:

1. Section 00 43 20 "Construction Manager's Subcontract Bid Procedure" for procedures governing Construction Manager's bidding.

4.3 COST ESTIMATING

Schematic Design, Design Development, and 60% Construction Document Cost Estimates
Cost estimates are to be submitted in the attached format. Extraordinary costs, such as offsite work, are to be included within the appropriate line item so that a total project cost is shown on the TOTAL line. Extraordinary costs are also to be itemized separately at the end of the form.

The CM is expected to take applicable codes, statutes, SREF and HCSD standards into account when estimating costs as part of Preconstruction Services, in addition to the information provided on the design documents.

Provide the level of detail that is appropriate at each design phase.

The CM is expected to work with the Design Professional and **simultaneously** present a budget at the time each phase of the design documents are delivered to the Owner for review. The CM shall have a representative present at all Design Owner-Architect-Contractor (OAC) meetings which will typically be held bi-weekly.

Pre-construction Services are further addressed in the AIA Contract. The CM shall also provide documentation of the expenses for Pre-Construction Services and shall only bill for the actual costs incurred. This amount shall not exceed the amount listed in the Contract without prior written approval by the Director of Facilities and Construction.

4.4 GUARANTEED MAXIMUM PRICE (GMP)

The GMP is to be provided to the HCSD Project Manager and Design Professional in the format established in the CM Agreement and below. The CM is to submit one original signed copy and one signed digital copy for review by the HCSD Project Manager and Design Professional. After review and approval by both the HCSD Project Manager and Design Professional the CM will execute the AIA GMP Amendment, which shall be prepared by the Director of Facilities & Construction or his designee. The GMP document will be referenced in the GMP Amendment. The GMP Amendment will be placed on a Board agenda for approval. Upon Board approval of the GMP Amendment the Board Chair will execute the amendment. **The Owner may elect to conduct a pre-audit of the GMP using a third-party auditor. ALL RATES USED IN THE GMP MUST BE APPROVED BY THE OWNER AND OWNER'S AUDITOR AND ARE SUBJECT TO VERIFICATION OF ACTUAL COSTS. THIS INCLUDES LABOR BURDEN, ALL INSURANCE, BONDS, "SUB-GUARD"/DEFAULT INSURANCE, SOFTWARE & TECHNOLOGY COSTS, WORKMENS COMPENSATION, EQUIPMENT & TRAVEL COSTS, ETC. CONTRARY TO ANY OTHER STATEMENTS IN THE CONTRACT OR GMP DOCUMENTS THESE ITEMS ARE SUBJECT TO VERIFICATION OF ACTUAL COSTS.**

The CM will be given a copy of the HCSD Board meeting schedule (with agenda due dates) by the HCSD Project Manager. The CM shall submit the final GMP to the Owner in ample time, prior to the agenda due date, to allow review by the Design Professional, Auditor and HCSD personnel. This shall be two weeks at a minimum or longer if requested by the District.

The cost breakdown in the attached format is to be included with the GMP Amendment. Extraordinary costs, such as offsite work, are to be included within the appropriate line item so that the TOTAL line represents the total guaranteed maximum cost. Extraordinary costs are also to be itemized separately at the end of the form.

The format included herein is intended to capture the actual subcontract values. The CM is required to modify the attached format as needed to reflect the bid packages for the specific project. For example, if Plaster and Gypsum Board are bid as a single package, show these together in one section on the GMP cost breakdown.

Line items may be added and deleted as needed for the specific project scope. Delete line items that don't apply to the project instead of marking them "not applicable".

The format included herein represents the expected minimum level of detail for the GMP breakdown. Where a line item does apply to a specific project, they may not be combined with other lines. For example, do not enter "included in amount above" or similar language on any line item.

The CM is expected to gather this information with the bids.

GMP Amendment exhibits are invalid and will be rejected in cases where they are not consistent with the requirements of the construction documents or the conditions of the CM Agreement.

Exhibit 1: List of Drawings and Specifications: Provide a list of each drawing, specification section and addendum on which the GMP is based, including the date of each document. The Design Professional is specifically required to review and approve Exhibit 1.

Exhibit 2: Alternates: Prior to preparation of the GMP, acceptable alternates will be incorporated into the base scope of the project by addendum. Exhibit 2 is to list the final status of each alternate.

Exhibit 3: Allowances: Allowances are not to be included in the Guaranteed Maximum Price breakdown unless the cost of the work cannot be accurately estimated due to concealed conditions. Allowances are to include the cost for all work that can be reasonably anticipated. **Allowances must be specifically approved in writing by the Owner and Design Professional prior to submittal of the GMP.**

Exhibit 4: Schedule of Values: GMP cost breakdown. See additional information in this standard related to the required format.

Exhibit 5: List of Itemized General Conditions: CM's proposed staffing and general conditions cost is to be approved prior to submittal of the GMP. **Lump sum General Conditions will not be allowed without prior written approval of the Director of Facilities & Construction**. This includes fixed labor and insurance rates.

Exhibit 6: Completion Schedule: Provide a detailed critical path schedule ending on the contract completion date, as well as milestone events and phases scheduled to complete earlier.

Pay Applications

HCSD will make payment in accordance with the AIA contract and Florida Statutes. Processing begins when the correct and complete pay application is received. The pay application is to be certified and sealed by the Design Professional. **Submit all original pay applications and invoices to the attention of Tiffany Parnell in the Facilities & Construction office copying the HCSD Project Manager.** Delivery to any other office will delay processing.

Facilities & Construction cannot correct minor math errors in order to expedite processing. Corrections must be made by the GC/CM and re-certified by the Design Professional if they deem necessary.

CM/GC Projects – unapproved or pending change orders and Owner Contingency Authorizations are not to be listed on the pay application. Pending changes are not to be recorded on the pay application until executed by the Owner and Design Professional.

CM/GC Projects - Expenditures from the Owner Contingency account are to be itemized and the amounts are to be cross referenced as shown on the attached sample. These expenditures must be approved in advance by the Owner & Design Professional, using the HCSD Owner's Contingency Authorization form.

CM Projects - The Schedule of Values is to be formatted in accordance with the attached Sample.

CM Projects - Submit 1 digital copy to HCSD, with complete back-up documentation in the form of receipts, invoices, subcontractor pay applications, etc., for **every** expenditure with the exception of fee and general conditions. Ensure that the Design Professional has a complete copy (either paper or electronic) in case questions arise during processing.

CM Projects - General Conditions shall be invoiced based on percent complete of the project.

CM Projects - Back up documentation is to be attached in the same order as listed on the Schedule of Values and clearly marked with the line item to which it pertains.

CM Projects - Invoices for reimbursable expenses are to be itemized and sub-totaled for each category on a summary sheet and included in the back-up.

CM Projects – Subcontractor change orders for Owner direct-purchased materials are to be recorded on the Schedule of Values on the pay application or an attached spreadsheet following issuance of the purchase order.

CM Projects - Sub-change orders for direct purchased materials are to be invoiced (credited) in the "this period" column at the same percentage as the percent complete of the overall subcontract to avoid the possibility of overpaying on the lines that include both materials and labor. See attached sample.

CM Projects - Expenditures from the CM Contingency are to be itemized and cross-referenced to the affected subcontract(s).

CM Projects – **ALL** expenditures are subject to audit. General Conditions expenditures will be reviewed at the completion of the project by District staff or District provided third party auditor or CPA and are subject to verification of actual costs. **Owner reserves the right to conduct a pre-audit of the GMP by a third party auditor prior to Board approval. Hourly rates approved for pre-construction services do not apply to construction phase services unless approved in the District's pre-audit of the GMP.**

ATTACHMENTS:
Cost Estimate / GMP Breakdown format
Schedule of Values sample format

[Phase ____COST ESTIMATE] [GMP BREAKDOWN]
School Name
Date
[note: see Instructions on page 1]

General:	
General Conditions Allowance	
CM Fee [enter amount shown in CM Agreement]	
CM Payment and Performance Bond cost	
CM Contingency	
Owner Contingency	
Reimbursable expenses listed as follows:	
Document Reproduction	
Safety Equipment	
Waste Disposal (dumpsters)	
Temporary sanitation	
Other (list):	
Subtotal Reimbursable Items:	
Total General Items	
Sitework:	
Mobilization, Engineering, Submittals	
Construction water and sanitary	
Site Clearing	
Earthwork	
Asphalt Pavement incl striping	

Traffic Signage	
Potable Water Distribution	
Natural Gas (site)	
Sanitary	
Stormwater	
Fire Suppression (site)	
Erosion Control	
Other: (list)	
Total Sitework Subcontract:	[enter amount to be awarded]
Surveying	
Surveying (breakdown as needed)	
Total Surveying Subcontract:	[enter amount to be awarded]
Material Testing	
[enter lists of required tests]	
Total Material Testing Subcontract:	[enter amount to be awarded]
Landscaping and Irrigation	
Plant Materials	
Sod	
Irrigation	
Irrigation well	
Mulch	
Total Landscaping Subcontract:	[enter amount to be awarded]

Termite Treatment	
Termite Treatment (breakdown as needed)	
Total Termite Treatment Subcontract:	[enter amount to be awarded]
Fencing	
Temporary Fencing	
Temporary Gates	
Permanent Chain Link Fencing:	
[enter breakdown of fence types]	
PE Backstops	
Decorative Fencing and gate hardware (list separately if bid separately)	
Total Fencing Subcontract:	[enter amount to be awarded]
Concrete:	
Mobilization, Engineering, Submittals	
Foundations	
Tie Beams	
Columns	
Stairs and ramps	
Slabs on grade	
Playcourts	
Covered Walkway Foundations and Sidewalk	

Misc Site Concrete (other sidewalks, bike storage, equipment pads)	
Other (list)	
Total Concrete Subcontract:	[enter amount to be awarded]
Hollowcore	
Mobilization, Engineering, Submittals	
Hollowcore	
Total Hollowcore Subcontract:	[enter amount to be awarded]
Tilt Wall	
Mobilization, Engineering, Submittals	
Tilt Wall (provide breakdown as needed)	
Total Tilt Wall Subcontract:	[enter amount to be awarded]
Unit Masonry	
Mobilization, Engineering, Submittals	
CMU	
Waterproofing	
Insulation	
Veneer Masonry	
Total Masonry Subcontract:	[enter amount to be awarded]
Structural Steel	
Mobilization, Engineering, Submittals	
Anchor bolts and embeds	
Fabrication	
Erection	
Misc steel (ladders, etc., list)	
Other (list):	
Total Structural Steel Subcontract:	[enter amount to be awarded]
Railings, Decorative Metals	
Mobilization, Engineering, Submittals	
Railings	
Sun control devices	
Other (list):	
Total Metals Subcontract:	[enter amount to be awarded]
Roofing:	
Mobilization, Engineering, Submittals	
Lightweight Concrete	
Insulation	
Roofing	
Sheet Metal	
Total Roofing Subcontract:	[enter amount to be awarded]
Thermal and Moisture Protection:	
Insulation	
Sealants (breakdown as needed)	
Elevator Pit waterproofing	

Fluid Applied Air / Water Barrier	
Other (list):	
Total Thermal and Moisture Protection Subcontract:	[enter amount to be awarded]
Doors, Frames, Hardware (material):	
HM Doors	
Wood Doors	
Frames	
Finish Hardware	
Total Doors, Frames, Hardware Material Subcontract:	[enter amount to be awarded]
Coiling Doors (material)	
Coiling Doors and Hardware	
Total Coiling Doors Subcontract:	[enter amount to be awarded]
Doors, Frames, Hardware (installation):	
HM Doors	
Wood Doors	
Coiling Doors	
Finish Hardware	
Total Doors, Frames, Hardware Material Subcontract:	[enter amount to be awarded]
Windows and Storefront:	
Submittals	
Windows	
Misc Glass	
Other (list):	
Total Windows and Storefront Subcontract:	[enter amount to be awarded]

Framing and Gypsum Board	
Mobilization, Engineering, Submittals	
Exterior Framing and Sheathing	
Interior Framing, Gypsum Board	
Other (list):	
Total Framing and Gypsum Board Subcontract:	[enter amount to be awarded]
Plaster and Stucco	
Mobilization, Engineering, Submittals	
Lath	
Plaster and Stucco	
Scaffolding	
Other (list):	
Total Plaster and Stucco Subcontract:	[enter amount to be awarded]
Acoustical Ceilings	
Grid	
Panels	
Other (list):	
Total Acoustical Ceilings Subcontract:	[enter amount to be awarded]

Flooring - Resilient	
Floor Prep	
Carpet	
Vinyl Tile	
Waxing	
Stair accessories	
Vinyl Base	
Protection of finished floor	
Other (list):	
Total Resilient Flooring Subcontract:	[enter amount to be awarded]
Final Clean	
Final Cleaning	
Floor Waxing	
Other (list):	
Total Final Cleaning Subcontract:	[enter amount to be awarded]
Tile	
Surface Prep	
Ceramic Floor Tile	
Ceramic Wall Tile	
Quarry Tile	
Window Sills, floor transitions and Accessories	
Protection of finished floor	
Other (list):	
Total Tile Subcontract:	[enter amount to be awarded]

Painting	
Interior Walls	
Interior Ceilings	
Interior floor sealer and coatings	
Interior Exposed Structure	
Exterior Walls and Columns	
Exterior Soffits	
Traffic Toppings	
Door Frames	
Playcourt Striping	
Other (list):	
Total Painting Subcontract:	[enter amount to be awarded]
Miscellaneous Specialties (group by subcontract):	
Markerboards and Tackboards	
Exterior Louvers	
Lockers	
Fire Extinguishers and Cabinets	
Toilet Partitions and toilet accessories	
Misc (flagpole, bike racks, etc., list)	
Clocks	
PE and Athletic equip (list, ie baskeball goals, scoreboards, etc)	
Other (list)	
Total Miscellaneous Specialties Subcontract:	[enter amount to be awarded]
Signage:	
Signage	
Total Signage Subcontract:	[enter amount to be awarded]
Residential Appliances:	
Residential Appliances	
Total Residential Appliance Subcontract:	[enter amount to be awarded]
Kitchen Equipment:	
Kitchen Equipment	
Cooler / Freezer	
Exhaust Hood	
Fire Suppression System	
Metal Fabrications	
Total Kitchen Equipment Subcontract:	[enter amount to be awarded]
Library Shelving:	
Library Shelving	
Total Library Shelving Subcontract:	[enter amount to be awarded]
Stage Curtains:	
Stage Curtains	
Total Stage Curtains Subcontract:	[enter amount to be awarded]

Pre-Engineered Walkway Canopy:	
Engineering, Submittals, Mobilization	
Walkway Canopy	
Total Walkway Canopy Subcontract:	[enter amount to be awarded]
Casework:	
Casework	
Total Casework Subcontract:	[enter amount to be awarded]
Lab Equipment:	
Service Islands	
Student Tables	
Fume Hood	
Emergency Shower/eyewash	
Other (list):	
Total Lab Equipment Subcontract:	[enter amount to be awarded]
Window Treatment	
Vertical Blinds	
Total Window Treatment Subcontract:	[enter amount to be awarded]
Motorized Projection Screens:	
Projection Screens	
Total Projection Screens Subcontract:	[enter amount to be awarded]
Elevator	
Elevator	
Elevator Finishes	
12 Month Preventative Maintenance	
Total Elevator Subcontract:	[enter amount to be awarded]
Mechanical	
Engineering, Submittals, Mobilization	
HVAC Equipment	
Ductwork	
Underground Chilled Water Piping	
Above Ground Chilled Water Piping	
Controls	
Other (list)	
Total Mechanical Subcontract:	[enter amount to be awarded]
Test and Balance	
Test and Balance	
Total Test and Balance Subcontract:	[enter amount to be awarded]
Plumbing	
Natural Gas (within building)	
Fixtures	
Water	
Sanitary	

Storm	
Grease	
Condensate	
Insulation	
Total Plumbing Subcontract:	[enter amount to be awarded]
Fire Protection	
Engineering, Submittals, Mobilization	
Fire Protection	
Total Fire Protection Subcontract:	[enter amount to be awarded]
Electrical	
Temporary Construction Power and Lighting	
Power	
Lighting	
Site Lighting	
Other (specify)	
Stage sound and lighting system	
Total Electrical Subcontract:	[enter amount to be awarded]
Low Voltage Systems	
Security	
Voice/Data	
Fire Alarm	
Intercom	
AV System	
Total Low Voltage Systems Subcontract:	[enter amount to be awarded]
Total GMP:	

Extraordinary Costs included above

AIA DOCUMENT G703, APPLICATION AND CERTIFICATION FOR PAYMENT								Page 1 of 7	Pay App #
A	B	C	D	E	F	G		H	I
			WORK COMPLETED						
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	PREVIOUS APPLICATION	THIS PERIOD	MATERIAL STORED THIS PERIOD	COMPLETE & STORED TO DATE	%	BALANCE TO FINISH	RETAINAGE
1	**GENERAL CONDITIONS**	154,222.00							
2	**CM FEE**	57,000							
3	**REIMBURSABLE ITEMS**								
	1) Payment and Performance Bond	16,800.00							
	2) Dumpsters	1,500.00							
	Transfer from line 2.5	200.00							
	3) Portable toilets	$3,000.00							
	4) Job site office	$10,000.00							
	5) Printing	10,000.00							
	Transfer to line 2.2	-200.00							
4	**SITEWORK: $31,000 [SUBCONTRACTOR NAME]**								
	1) Site Clearing	7,000.00							
	2) Earthwork	10,000.00							
	3) Potable water	1,000.00							
	4) Sanitary System	13,000.00							
	Sub CO#1 – OCA 01 - additional clearing	4,000.00							
	Sub CO#2 – Owner Direct Purchase credit	-5,000.00							
	Sub CO#3 – re-grade damaged areas – xfer from line 5	700.00							
	Revised contract value:	$30,700							

Typical: amounts must match GMP

Typical: list the reimbursable amounts in the same order, same description, and same starting value as listed in the GMP, and itemize adjustments as shown

Typical: starting value to match the amount approved on the Planning and Construction database

Typical: total must match the amount in column B

AIA DOCUMENT G703, APPLICATION AND CERTIFICATION FOR PAYMENT								Page 2 of 7	Pay App #
A	B	C	D	E	F	G		H	I
			WORK COMPLETED						
ITEM	DESCRIPTION OF WORK	SCHEDULED VALUE	PREVIOUS APPLICATION	THIS PERIOD	MATERIAL STORED THIS PERIOD	COMPLETE & STORED TO DATE	%	BALANCE TO FINISH	RETAINAGE
5	**LANDSCAPE $7,000.00 [SUBCONTRACTOR NAME]**								
	1) Plant Materials	6,000.00							
	2) Irrigation	1,000.00							
	Sub CO#1 – Owner Direct Purchase Credit	-200.00							
	Sub CO#2 – backcharge for regrading – xfer to line 4	-700.00							
	Revised contract value:	**$6,100.00**							
6	**CONCRETE: $95,000.00 [SUBCONTRACTOR NAME]**								
	1) Foundation	20,000.00	15,000.00	5,000.00		15,000.00	100%	0.00	1,500.00
	2) Reinforcing Steel	14,000.00	14,000.00			14,000.00	100%	0.00	1,400.00
	3) Cast-in-place concrete	21,000.00	10,000.00			10,000.00	48%	11,000.00	1,000.00
	4) Form Work	21,000.00	21,000.00			21,000.00	100%	0.00	2,100.00
	5) Playcourt expansion	15,000.00		10,000.00		10,000.00	67%	5,000.00	1,000.00
	6) Sidewalks	4,000.00					0%	4,000.00	
	Sub CO#1 - Owner Direct Purchase credit	-30,000.00				(20,700.00)	69%	(9,300.00)	(2,070.00)
	Sub CO#2 – replace broken sidewalk – xfer from CM cont	800.00					0%	800.00	
	Revised contract value:	**$64,200.00**							
7	**MASONRY: $188,000.00 [SUBCONTRACTOR NAME]**								
	1) CMU inc. insulation	28,000.00							
	2) CMU reinforcing steel	10,000.00							
	3) Brick masonry	150,000.00							
	Sub CO#1 – Owner Direct Purchase credit	-50,000.00							
	Revised contract value:	**138,000.00**							

Typical: backcharge subcontractors where appropriate

Typical: percent complete for direct purchase credit must equal or exceed the percent complete of the work, where material and labor costs are combined in the line items of the breakdown

AIA DOCUMENT G703, APPLICATION AND CERTIFICATION FOR PAYMENT								Page 3 of 7	Pay App #
A	B	C	D	E	F	G		H	I
			WORK COMPLETED						
ITEM	DESCRIPTION OF WORK	SCHEDULED VALUE	PREVIOUS APPLICATION	THIS PERIOD	MATERIAL STORED THIS PERIOD	COMPLETE & STORED TO DATE	%	BALANCE TO FINISH	RETAINAGE
8	**STEEL $121,000.00 [SUBCONTRACTOR NAME]**								
	1) Elevated Floor & Roof Framing	10,000.00							
	2) Steel Joists	12,000.00							
	3) Steel Columns	33,000.00							
	4) Steel Beams	66,000.00							
	Sub CO#1 – Owner Direct Purchase credit	-50,000.00							
	Revised contract value:	**71,000.00**							
9	**CARPENTRY: $12,000 [SUBCONTRACTOR NAME]**								
	Rough Carpentry, misc	12,000.00							
	Sub CO#1 – additional blocking – xfer from buyout	300.00	← Typical: itemize all adjustments and note funding source						
	Revised contract value:	**12,300.00**							
10	**ROOFING $46,000.00 [SUBCONTRACTOR NAME]**								
	1) Insulation	10,000.00							
	2) Built Up Roofing	34,000.00							
	3) Preformed Metal Roofing	2,000.00							
	Sub CO#1 – OCA 02 – repair existing roof drains	1,000.00							
	Sub CO#2 – Owner Direct Purchase credit	-10,300.00							
	Revised contract value	**36,700.00**							
11	**DOORS, FRAMES & HRDWE $19,600 [SUBCONTRACTOR NAME]**								
	1) Hollow Metal Frames	5,000.00							
	2) Wood Doors	2,000.00							

	3) Finish Hardware	10,000.00							
	4) Door Installation	2,600.00							
	Sub CO#1 – Owner Direct Purchase credit	-10,000.00							
	Revised contract value:	**9,600.00**							
AIA DOCUMENT G703, APPLICATION AND CERTIFICATION FOR PAYMENT								Page 4 of 7	Pay App #
A	B	C	D	E	F	G		H	I
			WORK COMPLETED						
ITEM	DESCRIPTION OF WORK	SCHEDULED VALUE	PREVIOUS APPLICATION	THIS PERIOD	MATERIAL STORED THIS PERIOD	COMPLETE & STORED TO DATE	%	BALANCE TO FINISH	RETAINAGE
12	**FLOORING $15,000.00 [SUBCONTRACTOR NAME]**								
	1) Hard Tile	4,000.00							
	2) VCT	11,000.00							
	Revised contract value:	**15,000.00**							
13	**GYP BOARD & FRAMING – 140,000.00 [SUBCONTRACTOR NAME]**								
	1) Gyp Board Systems	100,000.00							
	2) Metal Framing & Gyp boards	40,000.00							
	Sub CO#1 - Owner Direct Purchase credit	-40,000.00							
	Revised contract value:	**100,000.00**							
14	**ACOUSTICAL CEILINGS $7,800.00 [SUBCONTRACTOR NAME]**								
	1) Acoustical Ceilings	7,800.00							
	Revised contract value:	**7,800.00**							
15	**PLASTER & STUCCO $104,000.00 [SUBCONTRACTOR NAME]**								
	1) Stucco	100,000.00							
	2) Plaster Ceilings	4,000.00							
	Sub CO#1 – Owner Direct Purchase credit	-3,000.00							
	Revised contract value:	**101,000.00**							

16	**PAINTING $31,000.00 [SUBCONTRACTOR NAME]**								
	1) Exterior Painting	14,000.00							
	2) Interior Painting	17,000.00							
	Sub CO#1 - caulk exterior expansion joints – xfer from buyout	1,000.00							
	Revised contract value:	**32,000.00**							

AIA DOCUMENT G703, APPLICATION AND CERTIFICATION FOR PAYMENT								Page 5 of 7	Pay App #
A	B	C	D	E	F	G		H	I
			WORK COMPLETED						
ITEM	DESCRIPTION OF WORK	SCHEDULED VALUE	PREVIOUS APPLICATION	THIS PERIOD	MATERIAL STORED THIS PERIOD	COMPLETE & STORED TO DATE	%	BALANCE TO FINISH	RETAINAGE
17	**CABINETRY $35,000.00 [SUBCONTRACTOR NAME]**								
	) Cabinets	35,000.00							
	Sub CO#1 – repair damage – xfer from line #21	900.00							
	Revised contract value:	**35,900.00**							
18	**MARKERBOARDS $6,800.00 [SUBCONTRACTOR NAME]**								
	) Marker boards	6,800.00							
	Sub CO#1 – Owner Direct Purchase credit	-1,000.00							
	Revised contract value:	**5,800.00**							
19	**SPECIALTIES: $5,000.00 [SUBCONTRACTOR NAME]**								
	1) All Specialties	4,700.00							
	Sub CO#1 – overtime work – xfer from CM contingency	200.00							
	Revised contract value:	4,900.00							
20	**SPRAYED FIRE RESISTIVE $14,000.00 [SUBCONTRACTOR NAME]**								
	1) Sprayed fire proofing	14,000.00							
	Sub CO#1 - patch beams – xfer from CM contingency	2,000.00							
	Revised contract value:	**16,000.00**							

AIA DOCUMENT G703, APPLICATION AND CERTIFICATION FOR PAYMENT								Page 6 of 7	Pay App #
A	B	C	D	E	F	G		H	I
			WORK COMPLETED						
ITEM	DESCRIPTION OF WORK	SCHEDULED VALUE	PREVIOUS APPLICATION	THIS PERIOD	MATERIAL STORED THIS PERIOD	COMPLETE & STORED TO DATE	%	BALANCE TO FINISH	RETAINAGE
21	**HVAC: $98,000.00 [SUBCONTRACTOR NAME]**								
	1) HVAC equipment	53,000.00							
	2) Ductwork	31,000.00							
	3) Piping	1,000.00							
	4) Controls	13,000.00							
	Sub CO#1 - Owner Direct Purchase credit	-7,000.00							
	Sub CO#2 - repair damage to cabinetry – xfer to line #17	-900.00							
	Revised contract value:	**90,100.00**							
22	**ELECTRICAL: $99,000.00 [SUBCONTRACTOR NAME]**								
	1) Power	40,000.00							
	2) Lighting	30,000.00							
	3) Security	4,000.00							
	4) Data/telephones	6,000.00							
	5) Fire alarm	6,000.00							
	6) Intercommunications	13,000.00							
	Sub CO#1 - repair fixtures at kitchen – xfer from CM cont	1,800.00							
	Sub CO#2 – Owner Direct Purchase credit	-10,000.00							
	Revised contract value:	**90,800.00**							
23	**PLUMBING $34,000.00 [SUBCONTRACTOR NAME]**								
	1) Plumbing	34,000.00							
	Revised contract value:	**34,000.00**							

AIA DOCUMENT G703, APPLICATION AND CERTIFICATION FOR PAYMENT								Page 7 of 7	Pay App #
A	B	C	D	E	F	G		H	I
			WORK COMPLETED						
ITEM	DESCRIPTION OF WORK	SCHEDULED VALUE	PREVIOUS APPLICATION	THIS PERIOD	MATERIAL STORED THIS PERIOD	COMPLETE & STORED TO DATE	%	BALANCE TO FINISH	RETAINAGE
24	**Owner Contingency $70,000.00**								
	OCA #1 – additional site clearing – to line 4	-4,000.00							
	OCA #2 – repair roof drains – to line 10	-1,000.00							
	Current Contingency Balance:	**65,000.00**							
25	**C.M. Contingency $70,000.00**								
	Transfer to Line 6 – repair broken sidewalk	-800.00							
	Transfer to Line 19 - overtime expense	-200.00							
	Transfer to Line 20 – patch beams	-2,000.00							
	Transfer to Line 22 – repair fixtures	-1,800.00							
	C.M. Contingency Balance:	$65,200.00							
26	**GMP dollars remaining (buyout balance)**	**21,939.00**							
27	Change Order #1 – Owner Direct Purchase Initial Credit	**-300,000.00**							
	Amounts recorded above as subcontractor change orders	203,500.00							
28	**TOTAL**	000.00							

List only OCAs that have been executed by the Owner, and indicate cross reference to the subcontract where the funds were transferred

This amount represents uncommitted funds. It is the sum of all amounts that are not included in Owner-Approved subcontracts, reimbursable lines, Owner and CM contingencies, CM fee, general conditions, bonds, and approved allowances. Transfers out of the buyout are not to be itemized. Balance diminishes as subcontracts are awarded.

Reconcile direct purchase adjustments shown under individual subcontracts here, to avoid duplication in the total below

This amount is to match the **current contract value** shown on the certification page

END OF SECTION 00 43 30

Complete Section A **or** B; **and** C

MUST BE COMPLETED IN FULL FOR PLACEMENT CONSIDERATION.
(For Donations, use Section B)

A. Item Currently Budgeted -

Account Name: 1/2 Cent Funding for Pre-Construction of Weeki Wachee High Play Court Project

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project
	3983E	7400	6700	0391	M2230	

Original Approved Budget	+ - Budget Amendments	- Expenditures / Encumbrances To Date	= Current Available Budget	- Present Request	= Remaining Balance Available
$ 10,000.00	$ 0.00	$ 0.00	$ 10,000.00	$ 10,000.00	$ 0.00

Account Name:

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project

Original Approved Budget	+ - Budget Amendments	- Expenditures / Encumbrances To Date	= Current Available Budget	- Present Request	= Remaining Balance Available
$	$	$	$	$	$

B. Item Currently Not Budgeted -**

Funding Source:

Account Name:

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project

Amount $

Funding Source:

Account Name:

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project

Amount $

C. History

Check one:
Prior Year Budget: ○
New for Current Year: ○

Prior Year Approved Budget:

Prior Year Actual Spent:

**** WHEN ITEM NOT CURRENTLY BUDGETED IS APPROVED BY THE SCHOOL BOARD, THIS WILL SERVE AS THE BUDGET AMENDMENT****

Hernando School District

School Board Regular Meeting

Agenda Item # 18. 26-3529 1/27/2026

Title and Board Action Requested

Approve the extension to the Piggyback of the District School Board of Pasco County, Florida - Bid No. 16-029 -DM awarded to Tri-County Locksmith and approve expenditures for an estimated annual amount of $65,000.00.

Executive Summary

The Director of Safe Schools, on behalf of the Superintendent of Schools, hereby requests the Board approve the extension to the Piggyback of the District School Board of Pasco County, Florida - Bid No. 16-029-DM awarded to Tri-County Locksmith and approve expenditures for an estimated annual amount of $65,000.00. Pasco County Schools has extended this contract for a period of 90 days.

HCSB Bid No. 16-029-24 PB RN EXT has been assigned for internal tracking purposes

My Contact

Angel Pagan
Director of Safe Schools
Pagan_a2@hcsb.k12.fl.us
(352) 797-7233 Ext 495

2023-28 Strategic Focus Area

Priority 3: Safe and Healthy Learning Environment

Financial Impact

See attached budget sheet.

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.

PURCHASING AGENDA ITEM

Hernando County School District

School Board Approval Meeting: January 27, 2026

Bid No. 16-029-24 PB RN EXT **Bid Title:** Emergency Lock & Key Services

Recommend approval of this agenda item under the specific category below:

☐Lowest Bid(s)	☐Request for Proposal(s)	☐Low Bid(s) Meeting Specification	☐Rejection/Cancellation
☐Revised Award	☐Renewal of Contract	☐Sole/Single Source	☐Re-Award (Partial/Whole)
☐Contract Termination	☐Amendments to Contract	☒Extension of Contract	☐Emergency
☐Reversed Auction	☒Piggyback: School District	☐Responsive/Responsible Bidders	

Bid Contract Period: 01/19/2026 through 04/18/2026 ☐ N/A – One Time Purchase

Contract Type: ☐ Estimated Dollar Amount ☐ Firm, Fixed Dollar Amount ☐ Firm, Fixed Unit Prices ☒ Firm, Fixed Unit Prices, Hourly Rates, Fees and/or Percentages

Renewal Options: No. of Terms Remaining ☐ Length of Each Term (month) ☐ Length of Each Term (year) ☒ None

Rationale/Reason: Piggyback the extension to the District School Board of Pasco County, Florida – Bid No. 16-029-DM awarded to Tri-County Locksmith. Pasco County Schools has extended this contract for a period of 90 days. HCSB Bid No. 16-029-24 PB RN EXT has been assigned for internal tracking purposes.

Bidders Electronically Downloaded From Bidnet Direct Website: n/a	**Bids Received:**	**No Bids:**	**Late Bids:**	**Rejected Bids:**	☒ **N/A – Bids Not Required:** Piggyback

Submitted By: Christopher Reckner
Director of Purchasing & Warehousing

School(s): District Wide

Requested By: Angel Pagan
Director of Safe Schools

Department(s): Office of Safe Schools

Recommended award: (See attached)

T/C CODE: 1624

Tri-County Locksmith (V-41823)

Item No.	Description		In-Shop East	On-Site East	In-Shop West	On-Site West	In-Shop East	On-Site East	In-Shop West	On-Site West
			REGULAR HOURS				AFTER HOURS			
1	**Re-Keying**									
	Per Cylinder		$16.00	$16.00	$16.00	$16.00	$20.00	$20.00	$20.00	$20.00
	Per 5/6-pin Key		$3.00	$3.00	$3.00	$3.00	$3.00	$3.00	$3.00	$3.00
	Trip Charge (on site only)			$75.00		$60.00		$95.00		$80.00
2	**Key Originals & Per-Impression (not per key)**									
	Impression (Alpha/Numeric)		$0	$0	$0	$0	$0	$0	$0	$0
	Duplicating 5/6-pin key		$3.00	$3.00	$3.00	$3.00	$3.00	$3.00	$3.00	$3.00
	Cut by Code		$3.00	$3.00	$3.00	$3.00	$3.00	$3.00	$3.00	$3.00
	Trip Charge (on site only)			$80.00		$65.00		$100.00		$85.00
3	**Exit Devices Installation – Each**									
	Manufacturer	**Type**								
	Russwin	Rim	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00
		Mortise	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00
	Sargent	Rim	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00
		Mortise	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00
	Yale	Rim	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00
		Mortise	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00
	Von Duprin	Rim	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00
		Mortise	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00	$45.00
	Trip Charge (on site only)			$80.00		$65.00		$100.00		$85.00
4	**Door Lock/Cylinder Sets Installation – Each**									
	Manufacturer	**Type**								
	Corbin	Cylinder knob/lever	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00
		Mortise	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00
		Rim	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00
	Schlage	Cylinder knob/lever	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00
		Mortise	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00
		Rim	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00
	Russwin	Cylinder knob/lever	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00
		Mortise	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00
		Rim	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00
	Sargent	Cylinder knob/lever	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00
		Mortise	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00
		Rim	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00
	Yale	Cylinder knob/lever	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00
		Mortise	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00
		Rim	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00
	Trip Charge (on site only)			$80.00		$65.00		$100.00		$85.00
5	**Door Closures Installation – Each**									
	Manufacturer	**Type**								
	Corbin		$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00
	LCN		$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00
	Trip Charge (on site only)			$80.00		$65.00		$100.00		$85.00
6	**Catalog/Price Discount Off**									
	Manufacturer	**Discount**								
	Schlage	10%	STANDARD KEYS: $4.00 ACROSS THE BOARD							
	Corbin	10%	PRIMUS KEYS: $8.50 ACROSS THE BOARD							
	Sargent	10%	CUT BY KEYS: $4.00 ACROSS THE BOARD							
	Yale	10%								
Hourly rate charge not covered in items 1-6		**Regular Hours**	**After Hours**							
		$75.00	$105.00							

Complete Section A **or** B; **and** C

MUST BE COMPLETED IN FULL FOR PLACEMENT CONSIDERATION.
(For Donations, use Section B)

A. Item Currently Budgeted -

Account Name: GENERAL FUND , MAINTENANCE SERVICES REPAIRS AND MAINTENANCE OFFICE OF SAFE SCHOOLS COUNTYWIDE SAFETY

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project
	1100	8100	3500	9551	M2050	

Original Approved Budget	+ -	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$ 25,000.00		$ 0.00		$ 0.00		$ 25,000.00		$ 0.00		$ 25,000.00

Account Name: GENERAL FUND , MAINTENANCE SERVICES EQUIPMENT OFFICE OF SAFE SCHOOLS COUNTYWIDE SAFETY

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project
	1100	8100	6420	9551	M2050	

Original Approved Budget	+ -	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$ 40,000.00		$ 0.00		$ 0.00		$ 40,000.00		$ 0.00		$ 40,000.00

B. Item Currently Not Budgeted -**

Funding Source:
Account Name:
Account Number: Fund | Function | Object | Cost Center | Project | Sub Project
Amount $

Funding Source:
Account Name:
Account Number: Fund | Function | Object | Cost Center | Project | Sub Project
Amount $

C. History

Check one:
Prior Year Budget: ⊗
New for Current Year: ○

Prior Year Approved Budget: $ 65,000.00
Prior Year Actual Spent: $ 9,450.00

**** WHEN ITEM NOT CURRENTLY BUDGETED IS APPROVED BY THE SCHOOL BOARD, THIS WILL SERVE AS THE BUDGET AMENDMENT****

Agenda Item # 19. 26-3534 1/27/2026

Title and Board Action Requested
Award RFP #9009-2510-505, Real Estate Appraisal Services, to CBRE Valuation and Advisory Services, Lee Pallardy, Inc., and Value Tech Realty Services, Inc., to Provide Appraisals in Hernando County, Florida for the Acquisition of Future Schools and Support Facilities, and Also for the Sale of Existing School Board Real Property and Approve the Contract and the Purchase of the Goods And/Or Services for an Estimated Annual Amount of $55,000.00.

Executive Summary
The Director of Facilities & Construction, on behalf of the Superintendent of Schools, hereby requests the Board Award RFP #9009-2510-505, Real Estate Appraisal Services, to CBRE Valuation and Advisory Services, Lee Pallardy, Inc., and Value Tech Realty Services, Inc., to Provide Appraisals in Hernando County, Florida for the Acquisition of Future Schools and Support Facilities, and Also for the Sale of Existing School Board Real Property and Approve the Contract and the Purchase of the Goods And/Or Services for an Estimated Annual Amount of $55,000.00.

The duration is for three (3) years with the option to renew for two (2) one-year periods.

My Contact
Brian Ragan
Director of Facilities & Construction
ragan_b@hcsb.k12.fl.us
(352) 797-7050

Jim Lipsey
School Planner
lipsey_j@hcsb.k12.fl.us
(352) 797-7050

2023-28 Strategic Focus Area
Priority 5: Fiscal Transparency and Capital Planning

Financial Impact
See attached budget sheet.

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.

Please Note: From time to time, addenda may be issued to this proposal. Any such addenda will be posted at www.bidnet.com

Written questions regarding REAL ESTATE APPRAISAL SERVICES – RFP #9009-2510-505
are due prior to: 4:00 PM on November 17, 2025

Written questions must be submitted via:

WWW.BIDNET.COM

NOTICE TO PROPOSERS

ALL PROPOSALS TO BE SUBMITTED TO:

THE HERNANDO COUNTY SCHOOL BOARD
8016 MOBLEY RD., BROOKSVILLE, FL 34601

Your proposal will not be considered if not received prior to stated proposal opening date and time.

Please cut along the borderline and attach this "Sealed RFP" label
to the outside of your proposal response package.

SEALED RFP - D O N O T O P E N ------ SEALED RFP - D O N O T O P E N

From: _____

Address: _____

_____

Deliver To: Facilities & Construction Department
The Hernando County School Board
8016 Mobley Road
Brooksville, FL 34601

RFP TITLE: REAL ESTATE APPRAISAL SERVICES – RFP #9009-2510-505

RFP TO BE OPENED ON: December 4, 2025 AT: 10:00 AM

SEALED RFP - D O N O T O P E N ------ SEALED RFP - D O N O T O P E N

ISSUE DATE: October 23, 2025

PROPOSAL TITLE: REAL ESTATE APPRAISAL SERVICES – RFP #9009-2510-505

PROPOSALS MUST BE RECEIVED AND TIME STAMPED PRIOR TO: **December 4, 2025 at 10:00 AM.**

SEALED PROPOSALS: Sealed proposals will be received in the Facilities & Construction Office until the date and time as indicated above. Proposals will be opened and recorded. All proposers and the general public are invited to attend. All proposals shall be submitted in sealed packages and mailed or delivered to The Hernando County School Board, Facilities & Construction Office, 8016 Mobley Road, Brooksville, FL 34601. The outside of the package shall plainly identify the proposal by: TITLE, TIME AND DATE OF PROPOSAL OPENING. It is the sole responsibility of the proposer to ensure that their proposal reaches the Facilities & Construction Office before the closing date and hour as shown above. Any failure on the part of the supplier to comply with the ensuing conditions and specifications shall be reason for termination of the contract.

Proposals received after the scheduled time for opening will not be considered. Any proposal packages received late will be returned to the proposer unopened.

POSTING: Recommended awards will be posted on www.bidnet.com on or about **December 19, 2025**.

BOARD ACTION DATE: Results will be presented for Board action at 919 North Broad Street, Brooksville, FL 34601 at the first available regularly scheduled meeting.

Chapter 120 Florida Statutes: Recommended awards will be posted for review by interested parties at the location where proposals were opened and remain posted for a period of 72 hours. Failure to file a protest within the time prescribed in Section 120.57(3), Florida Statutes, or failure to post the protest bond or other security required by School Board Rule 6326, within the time allowed for filing a bond shall constitute a waiver of proceedings under Chapter 120, Florida Statutes.

The prospective proposer certifies by submission and signature of this proposal that the proposer complies fully with the drug-free workplace certification as indicated in this Request for Proposal. Please indicate in the space provided whether or not your company meets the drug-free workplace certification.

_____ **Does** meet drug-free workplace certification.
_____ **Does not** meet the drug-free workplace certification.

Certification

The proposer hereby agrees to provide the services and/or items, at the prices quoted, pursuant to the requirements of this document.

Proposer's Signature	Proposer's Printed Name
Company Name	Telephone
Mailing Address	Fax
City	State Zip
Federal I.D.	E-mail Address
Date of Proposal	

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GENERAL TERMS AND CONDITIONS

These General Terms and Conditions apply to this competitive solicitation, and each purchase is made by any authorized method of acquisition. HCSB shall deem that each organization or entity (the "Proposer") submitting a response ("Proposal") has assented to these conditions by responding to this solicitation and accepting a request for purchase via a duly issued purchase order.

During the active solicitation process, before the due date, HCSB may incorporate additional conditions, without limitation, referenced as an addendum, attachment, appendix, or exhibit. Any conflict in terms of additional conditions, and any HCSB-issued addenda will require the following descending order of precedence: answers to HCSB-approved addenda (via www.bidnet.com), solicitation attachments (appendices, exhibits, and this solicitation. HCSB may reject Proposals that fail to accept the stated terms and conditions as "non-responsive."

Proposals will be evaluated based on the proposer's distinctive plan for performing the requirements of the Request for proposal (RFP). It is not necessary for the proposer to repeat the exact RFP language, or to present a paraphrased version, as an original idea for a technical approach.

The proposer should present a written narrative that demonstrates the method or manner in which the proposer proposes to satisfy the requirements of the Statement of Work. The language of the narrative should be straightforward and limited to facts, solutions to problems, and plans of proposed action.

In addition to the original proposal, the proposer is requested to provide additional copies as specified within the RFP Specifications of his/her proposal.

The School Board reserves the right to reject any and all proposals and waive all formalities in regard thereto.

PURPOSE: It is the purpose and intent of this request for proposal to secure proposals for services as listed herein for The Hernando County School Board, Florida, hereinafter called the School Board. Services shall be provided by the approved proposer, hereinafter, called the Contractor.

CONTRACT TERMS: A contract resulting from this document shall be governed in all respects as to validity, construction, capacity, performance, or otherwise by the laws of the State of Florida. By signing this contract, the Contractor certifies that it is in compliance with, and/or will comply with, the aforementioned terms specifically mentioned, as well as all other municipal, county, state and federal requirements and regulations.

CONTRACT DURATION: The duration of a contract resulting from this proposal shall be for a period indicated in specifications with the option to renew for two additional one-year periods based on mutual agreement of both parties, unless otherwise specified. See section 9 for more details.

CONTRACT FAILURE: Should any Contractor fail to enter into a contract with the School Board on the basis of the submitted proposal by said Contractor, Contractor acknowledges that Contractor shall be liable to the School Board for the difference between such proposal price and the price the School Board pays to secure the merchandise from another source. Failure to pay said amount to the School Board upon demand will result in the company being removed from the proposal list for a period of not less than two (2) years from date of infraction.

EXTENSION OF CONTRACT: Prior to the expiration of any contract resulting from a successful proposal, the School Board, at its discretion, may require an extension of said contract for a period which shall not exceed the original termination date by more than 90 days. The price in effect on the last day of the contract shall remain in effect for the contract extension period. Additional extensions shall be subject to agreement of both parties.

TERMINATION OF CONTRACT: This contract may be terminated without liability to the School Board in whole or in part when it is deemed to be in the best interest of the School Board to so act. Notification of termination must be in writing and issued by the Director of Facilities & Construction or designee. This contract may be terminated upon 30 day written notice. Further, at the discretion of the School Board, the contract may be terminated in a period of less than 30 days in the event of poor performance or violation of these terms.

The School Board, upon termination, shall exercise its discretion to complete the balance of the contract consistent with the best interest of the School Board.

PUBLIC ENTITY CRIMES: Per the provisions of Florida Statute 287.133(2)(a), "A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Florida Statute 287.017 for Category Two for a period of 36 months from the date of being placed on the convicted vendor list."

The prospective proposer certifies, by submission and signature of this proposal, that neither the proposer, nor its principal, its agent or its representative is presently debarred, suspended, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction or otherwise precluded by Florida Statute 287.133 from participating in this contract.

FEDERAL DEBARMENT CERTIFICATION: Certification regarding debarment, suspension, ineligibility and voluntary exclusion as required by Executive Order 12549, Debarment and Suspension, and implemented at 34 CFR Part 85, as defined at 34 CFR Part 85, Sections 85.105 and 85.110-(ED80-0013).

a. The prospective lower tier participant certifies, by submission and signature of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
b. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

PROHIBITION AGAINST CONTRACTING WITH SCRUTINIZED COMPANIES: In accordance with Section 287.135 of the Florida Statutes, "A company that, at the time of bidding or submitting a proposal for a new contract or renewal of an existing contract, is on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, created pursuant to Sections 215.4725 and 215.473 , is ineligible for, and may not bid on, submit a proposal for, or enter into or renew a contract with an agency or local governmental entity for goods or services of $1 million or more." This company is not participating in a boycott of Israel such that is not refusing to deal, terminating business activities, or taking other actions to limit commercial relations with Israel, or persons or entities doing business in Israel or in Israeli-controlled territories, in a discriminatory manner. Section 215.473 defines a company, or "affiliates of such entities or business associations, that exists for the purpose of making profit." By submitting a response to this solicitation, a respondent certifies that it and those related entities of respondent as defined above by Florida law are not on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, created pursuant to Sections 215.4725 and 215.473 and is not engaged in business operations in Cuba or Syria. Any respondent awarded a Contract as a result of this solicitation shall be required to recertify at each renewal of the Contract that it and its related entities are not on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List and is not engaged in business operations in Cuba or Syria. The School Board may terminate any Contract resulting from this solicitation if respondent or a related entity as defined above is found to have submitted a false certification or been placed on one of the aforementioned lists.

BACKGROUND SCREENING: As required by The Jessica Lunsford Act [s.21 of Ch.2005-28, L.O.F.], if any Contractors' employees/independent Contractors or Subcontractors' employees/independent Contractors **will have access to school grounds when students are present, have direct contact with students, or have access to control of school funds,** such personnel are required to be screened at Level 2, to include fingerprints, statewide criminal and juvenile justice records checks through the Florida Department of Law Enforcement and federal criminal records checks through the Federal Bureau of Investigation. [s. 1012.465, Florida Statutes]

The requirements of this law must be met in order for the School Board to contract with your company. By responding to this Request For proposal, you agree to abide by all Hernando County School Board policies and procedures in regard to The Jessica Lunsford Act. There is a fingerprinting fee associated with these procedures. Refer to the School Board website www.hernandoschools.org, Jessica Lunsford Act. This website is updated as policies and procedures are put in place.

POSSESSION/USE/UNDER THE INFLUENCE OF MIND ALTERING SUBSTANCES: Possession/use and/or being under the influence of any illegal mind altering substances, such as, but not limited to alcohol and/or substances delineated in Chapter 893, Florida Statutes, by Contractors' employees/independent Contractors or its Subcontractors' employees/independent Contractors will not be tolerated on School Board property. If any employee/independent Contractor is found to have brought and/or used or is under the influence of any illegal mind altering substances as described above on School Board property, said employee/independent contractor shall be removed and terminated from the project by the Contractor. If a Subcontractor fails to terminate said employee/independent Contractor, the Contractor shall terminate its agreement with the Subcontractor for the project. If the Contractor fails to terminate said employee/independent Contractor or fails to terminate the agreement with the Subcontractor who fails to terminate said employee/independent Contractor, this Contract may be terminated by the School Board.

DISCRIMINATION: A person or affiliate who has been placed on the State of Florida Discriminatory Vendor List or the Convicted Vendor List: following a conviction for a public entity crime may not submit a bid on a contract to provide commodities and services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit Bids on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity over the threshold amount of $35,000 for a period of 36 months following the date of being placed on the convicted vendor list.

BANKRUPTCY. At the time of Bid submission, the Proposer shall not be involved in, nor be the subject of, any proceedings relating to insolvency, bankruptcy, either voluntary or involuntary, or receivership proceedings. If the Proposer is awarded a contract for one (1) year or longer, and files for bankruptcy, insolvency, or receivership thereafter, HCSB may, at its option, terminate the contract.

EMPLOYMENT OF UNAUTHORIZED ALIENS. The employment of unauthorized aliens by the Contractor is considered a violation of Section 274A(e) of the Immigration and Nationality Act. If the Contractor knowingly employs unauthorized aliens, such violation shall be cause for unilateral cancellation of the Contract.

ASSIGNMENT. The Contractor, whether under a separate contract or not, shall not assign any part or whole of this contract to another party, subcontractor, or company nor shall they assign any money due or to become due to him hereunder, without the previous written consent of HCSB. HCSB may transfer the Agreement to any successor performing the same functions. The parties acknowledge that HCSB may transfer any or all its interest in the Agreement to any successor of HCSB.

STATEMENT OF ASSURANCE. The Contractor must comply with the regulations of Title VII of the Civil Rights Act of 1964, as amended, and the Florida Civil Rights Act of 1992, in which no person in the United States shall on the grounds of race, color, religion, sex, pregnancy, national origin, age, handicap, or marital status be excluded from participation in or be denied the proceeds of or be subject to discrimination in the performance of the Agreement. Also, all the funds, services, materials, property, etc. inclusive in the contract shall not be used in the performance of any partisan political activity or to further the election or defeat of any candidate for public office.

AMERICANS WITH DISABILITIES ACT. A Bidder who submits a Bid to HCSB for the provision of commodities and services may not exclude any person(s) from participating in; deny any person(s) the proceeds or benefits of; not otherwise subject any person(s) or subcontractor to any form of discrimination based on grounds of race, creed, color, national origin, age, sex, or disability and remain compliant with the pertinent portion of the Americans with Disabilities Act of 1990, Public Law 101-336.

TOBACCO PRODUCTS. PER BOARD POLICY 7434 - Tobacco-Free Environment, "use of tobacco" shall mean all uses of tobacco, including cigars, cigarettes, pipes, smokeless tobacco, chewing tobacco, snuff, or any other matter or substances that contain tobacco. The use of electronic, "vapor," or other substitute forms of cigarettes, clove cigarettes, or other smoking devices shall constitute the use of tobacco. HCSB prohibits the use of tobacco within any indoor facility owned, leased, contracted for, or used by the Board, including outdoor areas (practice fields, playgrounds, athletic fields, stadiums, venues, and all open areas owned, leased, contracted for, or used by the Board. HCSB also prohibits the use of tobacco by a passenger in any vehicle owned or operated by the Board, including, but not limited to, school buses, vans, trucks, station wagons, and cars.

DRUG-FREE WORKPLACE CERTIFICATION: Tie proposal preference shall be given to businesses with drug-free workplace programs whenever two or more proposals are equal with respect to price, quality, and service and are received by the state or by any political subdivision for the procurement of commodities or contractual services. Established procedures for processing tie proposals, as more fully set forth herein, will be followed if none of the tied vendors have a drug-free workplace program.

ACCEPTANCE OF PROPOSALS: The School Board shall be the sole judge as to the acceptability of any and all proposals and the terms and conditions thereof, without qualifications or explanation to proposers. In case of any doubt or difference of opinion as to the items to be furnished hereunder, the decision of the School Board shall be final and binding on both parties.

PERSONAL INJURY AND PROPERTY DAMAGE: The Contractor assumes any and all risk of personal injury and property damage attributable to the willful or negligent acts or omissions of the Contractor and the officers, employees, and agents thereof. The Contractor also assumes such risk with respect to the willful or negligent acts or omissions of persons subcontracting with the Contractor or otherwise acting or engaged to act at the instance of the Contractor in furtherance of this Contractor fulfilling the Contractor's obligations under this contract.

DEFAULT: In the event the proposer fails to enter into a contract with the School Board on the basis of the submitted proposal, such action shall constitute a default of this agreement. Further default may be declared by the School Board if the proposer: violates the terms of the proposal document in any manner

Upon default of this agreement and/or any agreement resulting from this agreement, the School Board shall be entitled to pursue all remedies available at law and/or in equity, including, but not limited to, the recovery of damages equaling the difference of the proposal price and the price the School Board subsequently pays to secure performance from other sources. Damages may be assessed and deducted against any funds due and owing to the proposer.

In the event any litigation occurs between the parties as a result of the contract, the prevailing party shall be entitled to recover reasonable attorney's fees and court costs for any such action.

At the discretion of the School Board, any proposer found in default of this agreement and/or any agreement resulting from this agreement, shall be removed from the proposal list for a period of no less than two years from the date of said default. Default under this agreement and/or any other agreement(s) in which the School Board has contracted with the proposer, may also, at the discretion of the School Board, result in termination of any other such agreement(s).

LIABILITY INSURANCE: Where proposers are required to enter or go on to School Board property to deliver materials or perform work or services as a result of a proposal award, the proposer assumes full duty, obligation and expense of obtaining all necessary licenses, permits and insurance. All proposers must comply with the insurance requirements as provided in the proposal documents.

SUBMISSION AND RECEIPT OF PROPOSALS:

a. Unless otherwise specified, proposers must use the form(s) furnished by the School Board. Failure to do so may cause the proposal to be rejected.
b. Original proposals shall include all required attachments and requested documentation. HCSB will neither review nor acknowledge receipt of a proposal before the due date and time. HCSB cannot accept any missing documents after the due date unless HCSB deems the missing document as non-material to the proposal evaluation. All missing documents must be submitted to the Procurement Officer within 72 hours of the submitted request, excluding Saturdays, Sundays, and state holidays. All communications between Purchasing Department and the Proposer shall be via email. HCSB shall not be responsible for emails that are directed to a Proposer's spam folder.
c. Proposals shall be typewritten or completed in ink.
d. Proposals having erasures or corrections MUST be initialed by the proposer in ink.
e. Proposals must be signed in ink by an officer or employee having the authority to bind the company or firm.
f. The School Board will receive sealed proposals until the date and time indicated on the proposal cover. Proposals must submitted be via BidNet.com on time. Proposals received after the date and time of the proposal opening will not be accepted**. It will be the proposers' responsibility to get the proposal submitted vis BidNet.com by the deadline.**
g. For purposes of evaluation, the proposer must indicate any variances from specifications, terms and/or conditions regardless of how slight. If variations are not stated in the proposal, it will be assumed that the product or service fully complies with the specifications, terms and conditions herein.
h. Conflict of interest: The award hereunder is subject to the provisions of Chapter 112, Florida Statutes. All proposers must disclose with their proposal the name of any officer, director or agent who is also an employee of the School Board. Further, all proposers must disclose the name of any School Board employee who owns directly or indirectly an interest in the proposer's firm and/or any affiliates thereof, in excess of 5%. Proposals not complying with the requirements of this section shall not be evaluated and shall be returned to the respective proposer. HCSB will not execute a waiver of any such conflict.
i. The Proposer must provide a list of all legal actions participated in against The School Board of Hernando County, Florida.
j. Public Inspection of Proposal: HCSB will provide a Proposer's representative with written notice if a public records request has been made for a confidential portion of their proposal in response to this solicitation. HCSB will provide for the inspection or copying of any non-exempt portions of any proposal in its possession, as required by applicable law. If a Proposer wishes to preclude the inspection or copying of any non-exempt portions of its proposal or if a dispute exists as to whether such portions are entitled to an exemption, the Proposer must obtain a protective order from a court of competent jurisdiction prohibiting the inspection or copying of the requested materials. The failure to initiate such legal proceedings on time shall constitute a waiver by the Proposer of any applicable exemption or confidential status of the requested materials. By submitting a proposal in response to this solicitation, the Proposer agrees to waive any cause of action or claim for damages it may have against HCSB for its release of records in response to a public records request, except for those that are prepared and labeled as confidential or exempt as described in this section. The Proposer agrees to hold HCSB harmless from any award to a plaintiff for damages, costs, or attorney's fees based upon HCSB' non-disclosure of portions of the Proposer's response that have been prepared and labeled as confidential or exempt from public inspection and further agrees to reimburse HCSB for any attorney fees and costs it may incur in the defense of such non-disclosure.

k. Trade Secret: If applicable, all "trade secret" information submitted in response to this solicitation must comply with §§ 119.07 and 812.081, Florida Statutes, and shall be submitted in a separate file, clearly labeled as such. A failure by the Proposer to prepare and label the confidential or exempt portions of their proposal in the manner specified herein shall constitute a waiver by the proposer of any applicable exemptions from disclosure or any confidential status, including ones that may apply to trade secrets under Florida law. If challenged, the proposer who submits the trade secret information shall bear all costs associated with defending their position.

VENDOR SANCTIONS. The Proposer certifies that it complies fully with the Federal Debarment Certification regarding debarment suspension, ineligibility, and voluntary exclusion. HCSB may, by written notice to the Contractor, immediately terminate this contract if HCSB determines that the Contractor has been disbarred, suspended, or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to being disapproved as a subcontractor of any public procurement unit or other governmental body.

SUBMITTAL OF A PROPOSAL: The Proposer is solely responsible for the on-time delivery of the proposal via Bid Net. No mailed hard copies will be accepted. HCSB will not review proposals before the due date and time. The submittal of a proposal shall constitute an irrevocable offer to contract with the School Board in accordance with the terms of said proposal. The offer may not be withdrawn or altered until or unless rejected or not accepted by the School Board except as provided below. Accuracy of all prices and statements contained in the proposals is the responsibility of the proposer, and no change or cancellation thereof may be made. The Director of Facilities & Construction or designee reserves the right to ask the proposer for clarification. In addition, facilities staff will review the line-by-line prices. Accuracy of additions and extensions, brands and compliance with all instructions will be reviewed in order to ascertain that the offer is made in accordance with the terms of the Request for Proposal. School officials who find any errors in calculations will make adjustments and corrections. Proposers shall normally be held to their proposal but in the event of an error or if an obvious omission is discovered in a proposal document, proposers may request in writing the opportunity to withdraw their proposal. Proposers shall include in their written request sufficient evidence to document that the error or omission was unintentional. Actual original copies of working papers, calculations, etc., may be required at the Director of Facilities & Construction's discretion to support such a request.

LOBBYING/CONE OF SILENCE. Board Policy #6324: The Cone of Silence prohibits any communication regarding an active solicitation between any HCSB employee or Board member and any third-party representative or lobbyist of that party, unless permitted in this section. Any Board member, the Superintendent, Evaluation Committee Member, or any HCSB employee is prohibited from having any communications concerning a solicitation for an active competitive procurement during the Cone of Silence period. Any party, representative, or lobbyist of that party is prohibited from having any communications concerning an active solicitation for a competitive procurement with any Board member, the Superintendent, any Evaluation Committee Member, or any other HCSB employee during the Cone of Silence period, regarding a solicitation for a competitive procurement. Communication by any party, representative, or lobbyist of that party, regarding an active solicitation found to violate this section may result in the rejection of their proposal and may include further sanctions. Any communications, including but not limited to matters of process, procedure, or protest, must be submitted in writing and directed to the assigned procurement officer. The Cone of Silence period shall take effect and remain in effect from the time of the solicitation's release until the Board awards the contract. At the time of issuing the solicitation, the Superintendent or designee shall provide public notice of the Cone of Silence and include this notice in any advertisement or public solicitation for commodities and contractual services, stating the requirements of this section. Unless expressly provided otherwise in the applicable solicitation document, the Cone of Silence does not apply to:

- Oral communications at the pre-proposal or pre-bid conference.
- Communications during evaluation committee meetings, including presentations, demonstrations, or interviews.
- Oral communications during any duly noticed Board meeting.

NOTICE TO PROCEED. Contracts will be awarded to selected appraisers on a rotating basis whose response to the solicitation represents the best overall value to HCSB, as determined by the Department of Facilities and Construction. When a project is selected, HCSB will issue the project to the Contractor to proceed and a purchase order has been issued. No work will be authorized until HCSB notifies the Contractor to proceed.

- All specifications in this solicitation are designed to enable a Proposer to satisfy a requirement for a product, material, process, or service. A specification may be expressed as a standard, a part of a standard, or independent of a standard. No specification is intended to unnecessarily limit competition by eliminating items capable of satisfactorily meeting HCSB' actual needs and preferences. The fact that a manufacturer or supplier chooses not to produce or supply equipment, supplies, or services to meet these specifications will not be considered sufficient cause to adjudge these specifications as restrictive.
- The Contractor agrees to furnish and pay for all management, supervision, financing, labor, materials, tools, fuel, supplies, utilities, equipment, and services of every kind and type necessary to diligently, timely, and fully perform and complete in a good workmanlike manner the goods and services required by the Contract.

PROPOSAL REJECTION: The School Board reserves the right to reject any and all proposals or parts thereof, and to request re-submission. The School Board further reserves the right to accept a proposal other than the lowest proposal, which in all other respects complies with the invitation to proposal and the proposal document, provided that, in the sole judgment and discretion of the School Board, the item offered at the higher proposal price has additional value or function, including, but not limited to: life cycle costing, product performance, quality of workmanship, or suitability for a particular purpose. Delivery dates, availability of item, or other such values or functions, may justify a difference in the price paid. All proposals shall be evaluated on all factors involved, including the foregoing price, quality, delivery schedules and the like. Purchase orders or contracts shall be awarded to the responsive and responsible proposer whose proposal is determined to be advantageous to the School Board, taking into consideration the factors set forth above and all other factors set forth in the request for proposal as "lowest or lowest and best proposal".

According to §§ 119.07(1), Florida Statutes, and 24(a), Article I of the State Constitution, HCSB may reject Proposals submitted in response to this solicitation, and such Proposals shall remain exempt from § 119.07(1), Florida Statutes, and 24(a), Article I of the State Constitution, until HCSB provides notice of an intended decision concerning the reissued solicitation or until HCSB withdraws the reissued solicitation, not to exceed twelve (12) months from the date of the Notice of Rejection.

PROPOSAL CHANGES AFTER CLOSING TIME: Proposals may not be changed after the proposal closing time.

CORRECTIONS ON PROPOSALS: Erasures are not acceptable on proposals. If changes are necessary, strike out or draw a line through the incorrect price and write the correct price above. **The proposer must initial all changes.**

ACCEPTANCE OF PROPOSALS: The School Board shall be the sole judge as to the acceptability of any and all proposals and the terms and conditions thereof, without qualifications or explanation to proposers. In case of any difference of opinion as to the items to be furnished hereunder, the decision of the School Board shall be final and binding on both parties.

INDEMNITY: By submitting an RFP response, The Contractor agrees to indemnify, hold harmless, and defend HCSB, its agents, servants, and employees servants, and employees from any and all claims, judgments, costs, and expenses including, but not limited to, reasonable attorney's fees, reasonable investigative and discovery costs, court costs, and all other sums which HCSB, its agents, servants, and employees may pay or become obligated to pay on account of any, all and every claim or demand, or assertion of liability, or any claim or action founded thereon, arising or alleged to have arisen out of the commodities and services furnished by the Contractor, its agents, servants, or employees; the Contractor's equipment, its agents, servants, or employees while such equipment is on premises owned or controlled by HCSB; or the negligence of the Contractor or the negligence of Contractor's agents when acting within the scope of their employment, whether such claims, judgements, costs, and expenses be for damages, damage to property including HCSB's property, and injury or death of any person whether employed by the Contractor, HCSB or otherwise.

AUDIT PROCEDURES: Invoices submitted by the proposer shall be in sufficient detail for a proper pre-audit and post-audit thereof. The School Board reserves the right to audit prices of items and/or services provided.

The Contractor's records shall include, but not be limited to, accounting records, payroll time sheets, audited and unaudited financial statements to substantiate payment rates and income, written policies and procedures, subcontractor's files, and any other supporting evidence necessary to substantiate payments and income related to this contract (records) shall be open to inspection and subject to audit and reproduction, during normal working hours, by an HCSB authorized representative to adequately permit evaluation and verification of any invoices, payments, or claims submitted by the Contractor or any of their payees pursuant to the execution of the Agreement. Such records subject to the examination shall also include, but be not limited to, those records necessary to evaluate and verify payments and any other matters or items associated with the Agreement. For such audits, inspections, examinations, and evaluations, the HCSB-authorized representative shall have access to the records from the effective date of this contract, for the duration of the work, and until 5 years after the date of the Contractor's final payment pursuant to the Agreement. the Contractor shall reimburse HCSB for all undocumented payments found not to follow the provisions of the Agreement. HCSB's agent or its authorized representative shall have access to the Contractor's facilities, all necessary records, and adequate and appropriate workspace to conduct audits in compliance with this section. The HCSB-authorized representative shall give the Contractor reasonable notice of intended audits. The Contractor shall certify that payments are accurate and correct on each payment. If an audit reveals a discrepancy, such as an overpayment, the Contractor must reimburse HCSB for the discrepancy with a minimum of 18% per annum interest. If an audit inspection or examination in accordance with this article, discloses overpayments (of any nature) by HCSB to the Contractor of more than ten (10%) percent of the total payments, the cost of HCSB's audit shall be paid by the Contractor in addition to the overpayments by HCSB.

FISCAL NON-FUNDING CLAUSE: In the event sufficient budgeted funds are not available, the Facilities & Construction Office shall notify the vendor of such occurrence and the contract shall terminate without penalty or expense to the School Board.

PROPOSAL/PURCHASE ORDER DENIAL: The Contractor certifies that it, or any affiliate obligated to perform under this agreement, is not in arrears for any obligations to the district, county, state or federal government or that otherwise may be deemed irresponsible or unreliable by the Director of Facilities & Construction.

NON-COLLUSION: By submission of the proposal, the proposer certifies that the proposal has been arrived at independently and submitted without collusion with any other proposer, and that the contents of the proposal have not been communicated by the proposer, nor by any one of its employees or agents, to any person not an employee or agent of the proposer or its surety on any bond furnished herewith, and will not be communicated to any person prior to the official opening of the proposal.

TIE ON UNIT PRICE OR PROPOSAL: Should there be a tie on either the unit price (if awarded on a per item basis), sections of the proposal (i.e.: building contracts, or proposals awarded by section) or the whole proposal ("all or none" proposals or service proposals), the deadlock will be decided upon using the following order:

a. Companies who certify they are a drug-free workplace.
b. Companies located in Hernando County, Florida.
c. Companies located in Florida.
d. The company receiving the larger dollar award on other items within the proposal.
e. All else being equal, a coin toss will be made to decide the award.

This does not preclude the possibility of splitting an order if it is in the best interest of the School Board.

JOINT PROPOSAL. HCSB will recognize a single proposer as the primary contractor should multiple proposers submit a joint proposal in response to the competitive solicitation. If offering a joint proposal, the prime contractor must:

- Include the name and address of all parties to the joint proposal.
- Provide all necessary bonding and insurance requirements, execute the contract, complete the proposal, and assume overall accountability to resolve any disputes that may arise from the award. Only a single award with the submitting proposer shall be authorized by HCSB.
- Be responsible for the performance of services associated with the response to this RFP and overall contract administration.
- Attend any required HCSB meetings, oversee the preparation of reports and presentations, and file notices of protest and final protests as described in this document.
- Prepare and present consolidated invoice(s) for services performed. HCSB shall issue only one check for each consolidated invoice for services performed to the prime contractor.

ACCURACY OF PROPOSAL DOCUMENTS: Each proposer shall examine all requests for proposal documents and shall judge all matters relating to the adequacy and accuracy of such documents. Any inquiries, suggestions, disputes, or requests concerning interpretation, clarification or additional information pertaining to the invitation for proposal or award shall be made, in writing, to the Hernando County School Board Facilities & Construction Office. The Hernando County School Board shall not be responsible for oral interpretations given by a School Board employee, representative, or others. The issuance of a written addendum is the only official method whereby interpretation, clarification or additional information can be given. If any addenda are issued to this proposal, a good faith attempt will be made to deliver a copy of each to all prospective proposers who picked up forms or were sent an invitation for proposal. However, prior to submitting the proposal, it shall be the sole responsibility of each proposer to check www.bidnet.com to determine if addenda were issued and, if so, to obtain such addenda for attachment to the proposal.

TERMS AND CONDITIONS: No additional terms and conditions included with the proposal response shall be evaluated or considered. All such additional terms and conditions shall have no force and effect and are inapplicable to this proposal. If submitted either purposely through intent, design or inadvertently appearing separately in transmitted letters, specifications, literature, price estimates or warranties, it is understood and agreed that the general and special conditions in this proposal solicitation are the only conditions applicable to this proposal and the proposer's authorized signature affixed to the proposer certification page attests to this.

AWARD: The School Board reserves the right to waive minor variations to specifications, informalities, irregularities and technicalities in any proposals, to reject any and all proposals in whole or in part with or without cause, and/or to accept proposals that in its judgment will be the best low proposal meeting specifications and school needs and be in the best interest of the School Board. The School Board further reserves the right to make awards on a multiple, lump sum, or individual item basis or in any manner the School Board deems appropriate.

The School Board further reserves the right to be the final judge of what is considered equal and hold the RFP open for a 90-day period if award is not made on the date specified.

HCSB shall have the authority to reject any proposals submitted in response to this competitive solicitation and request new proposals or purchase the required commodities and services in any other manner authorized under Rule 6A-1.012, F.A.C.

GOVERNING LAW JURISDICTION & VENUE: This agreement and each schedule shall be governed in all respects by, and construed in accordance with, the laws of the State of Florida. Proposer irrevocably submits to the jurisdiction of the county or circuit courts of the Fifth Judicial Circuit serving Hernando County, Florida, in all respects to enforce the terms of this agreement, notwithstanding any provisions in the agreement to the contrary, and further agrees that they will present any disputes under this agreement, including, without limitation, any claims for breach or enforcement of this agreement, exclusively to the court. The prevailing party shall be entitled to recover reasonable attorney's fees and court costs for any such action.

COMPLIANCE WITH REGULATIONS: Federal, state, county, and local laws, ordinances, rules, and regulations that in any manner affect the items covered herein apply. Lack of knowledge by the proposer will in no way be a cause for relief from responsibility. The proposer shall have in their possession all applicable insurance, permits, licenses, etc., that may be required by federal, state, or county law to furnish services under the scope of this contract. The successful proposer must not be in violation of any zoning or other ordinances in the performance of this contract.

ALTERNATIVE PURCHASING OPTIONS (NON-EXCLUSIVITY). This RFQ does not establish an exclusive arrangement between HCSB and the Contractor(s). Additionally, HCSB reserves the following additional unrestrictive rights to:

- use additional vendors to provide the commodities and services, or deliver the same or related products, as described herein when it is to the economic benefit of HCSB; or
- propose any work, products, or services as described herein when it is to the economic benefit of HCSB; or
- purchase items on this ITB from any State of Florida public entity, the General Services Administration (GSA), Bay Area Schools Purchasing Council (BASPC), or any purchasing cooperative that serves school districts; or
- generate emergency purchases from the next lowest Bid(s); or
- generate additional purchases due to the Contractor's inability to provide the commodities and services under the requested timeframe.

DISCLAIMER: Employees or representatives of the School Board act exclusively as agents for the administration of this agreement and are not personally or collectively liable for any performance or non-performance under this agreement and/or any agreement resulting from this agreement.

INDEPENDENT CONTRACTOR. HCSB engages the Contractor as an independent business. The Contractor agrees to provide the commodities and services in the manner of and as an independent contractor. In accordance with the status of an independent contractor the Contractor covenants and agrees that the Contractor will conduct itself consistent with such status, that the Contractor will neither hold HCSB as, nor claim to be an officer or employee of HCSB for any right or privilege applicable to an officer or employee of HCSB, including, but not limited to workers' compensation coverage, unemployment insurance benefits, social security coverage or retirement membership or credit.

CONFLICT OF INTEREST: The award, hereunder, is subject to the provisions of Chapter 112, Florida Statutes. All proposers must disclose with their proposal, the name of any officer, director or agent who is also an employee of the School Board. Further, all proposers must disclose the name of any School Board employee who owns directly or indirectly an interest of five percent (5%) or more in the proposer's firm or any of its branches.

SEVERABILITY. In case any one or more of the provisions contained in this solicitation shall be for any reason held to be invalid, illegal, unlawful, unenforceable, or void in any respect, the invalidity, illegality, unenforceability, unlawful, or void nature of that provision shall not affect any other provision and the Agreement shall be considered as if such invalid, unlawful, unenforceable, or void provision had never been included herein.

VARIANCE IN CONDITION: Any and all special conditions and specifications, mutually agreed upon and attached hereto that vary from the general conditions shall have precedence.

PUBLIC RECORDS: Florida law provides that municipal records shall at all times be open for personal inspection by any person (Public Records Law, Section 119.01, Florida Statutes). Information and materials received by the School Board in connection with an Invitation to proposal or Request for proposal response shall be deemed to be public records subject to public inspection upon award, recommendation for award, or 30 days after proposal opening, whichever occurs first. However, certain exemptions to the public records law are statutorily provided for in Section 119.07, Florida Statutes. If the proposer believes any of the information contained in his or her response is exempt from the Public Records Law, then the proposer must in his or her response, specifically identify the material which is deemed to be exempt and cite the legal authority for the exemption. The School Board's determination of whether an exemption applies shall be final, and the proposer agrees to defend, indemnify, and hold harmless the School Board and its officers, employees, and agents, against any loss or damages incurred by any person or entity as a result of the School Board's treatment of records as public records. Trade secrets are governed by Florida Statute Chapters 688 and 812. For the purchase of services, the proposer shall also comply with the following requirements of the Florida Public Records Law including: a) keeping and maintaining public records that ordinarily and necessarily would be required by the School Board in order to perform the service; (b)

upon request from the Office of Communications, provide HCSB with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in § 119.07(4), Florida Statutes, or as otherwise provided by law; and c) providing the public with access to public records on the same terms and conditions that the School Board would provide the records and at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law; d) ensuring that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law; and e) meeting all requirements for retaining public records and transfer, at no cost, to the School Board all public records in possession of the proposer upon termination of the agreement and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the School Board in a format that is compatible with the information technology systems of the School Board.

For questions regarding the contractor's duty to provide public records relating to this contract or the application of Chapter 119 Florida Statutes contact The Hernando County School Board, Florida at (352) 797-7000;
www.hernandoschools.org/publicrecords;
or 919 North Broad Street, Brooksville, FL 34601.

CONFIDENTIAL, PROPRIETARY OR TRADE SECRET MATERIAL: If the proposer considers any portion of the documents, data or records submitted in response to this solicitation to be confidential, trade secret or otherwise not subject to disclosure pursuant to Chapter 119 Florida Statutes, the Florida Constitution or other authority, the proposer must also simultaneously provide the HCSB with a separate redacted copy of its response. The redacted copy shall contain the HCSB's solicitation name, number, and the name of proposer on the cover, and shall be clearly titled "Redacted Copy." The Redacted Copy shall be provided to the HCSB at the same time proposer submits its response to the solicitation and must only exclude or obliterate those exact portions which are claimed confidential, proprietary, or trade secret.

a. Proposer shall be responsible for defending its determination that the redacted portions of its response are confidential, trade secret or otherwise not subject to disclosure. Further, proposer shall protect, defend and indemnify the HCSB for any and all claims from or relating to proposers determination that the redacted portions of its response are confidential, proprietary, trade secret or otherwise not subject to disclosure.
b. If the proposer fails to submit a Redacted Copy with its response, the Department is authorized to produce the entire documents, data or records submitted by proposer in response to a public records request for these records.

PURCHASE BY OTHER PUBLIC AGENCIES: With the consent and agreement of the Contractor(s), purchases may be made under this proposal by other governmental agencies within the State of Florida. Such purchases shall be governed by the same terms and conditions as stated herein.

INSURANCE REQUIREMENTS

Contractor's Liability Insurance

The insurance required shall be written for not less than any limits of liability required by law or those set forth below, whichever is greater, and shall include contractual liability insurance as applicable to the Contractor's obligations under and in conformance to the following sections:

1. "In consideration of $10.00 and other good and valuable considerations, the Contractor agrees to indemnify and save harmless the owner from all suits and actions and all costs and damage to the person or property of another resulting from the performance of the work, or by any Subcontractor to anyone directly or indirectly employed by either of them. The limit of the Contractor liability shall be the limits of liability as stated in the liability insurance policies covering this contract.

2. Certificates of Insurance for each policy shall be transmitted to the Contractor for forwarding to the owner, and any document found to be incomplete or not according to the proper form will be returned as being unsatisfactory. The prescribed form of Certificate of Insurance shall be the AIA Document G705, or other similar form approved by the owner. Coverage cannot be canceled without thirty (30) days' prior Notice to Owner.

3. The Contractor shall purchase and maintain the following minimum insurance from a company or companies properly licensed in the State of Florida and rated A-IX or better by A.M. Best Company and against which the owner will entertain no reasonable objection.

4. Workers' Compensation Insurance: The Contractor shall provide and maintain, during the life of this contract, adequate Workers' Compensation Insurance in accordance with the laws of the State of Florida for all his employees at the site of the project, and if any part of the work is sublet, the contract shall require each of the Subcontractors to maintain such insurance for all of their employees who will be so engaged, unless the Subcontractors' employees are protected by the principal Contractor's Workers' Compensation insurance. All persons employed directly and indirectly on the project site by the Contractor and his/her Subcontractors shall be adequately protected by Workers' Compensation Insurance. The Contractor shall provide employer's liability coverage as part of the Workers' Compensation Insurance with minimum limit of $100,000. Coverage shall be in compliance with statutory limitations in Chapter 440, **Florida Statutes**. ($1,000,000.00 at the time of this solicitation)

5. Comprehensive Automobile Liability: per person/per occurrence.
   Coverage shall apply (to ALL VEHICLES owned, rented, or used by the Contractor) for the following limits:
   a. Bodily Injury Liability - per person $250,000
      - per occurrence $500,000
   b. Property Damage Liability - per occurrence $250,000
   c. Special Insurance - as required by railroads or others

6. Comprehensive General Liability:
   a. Bodily injury, personal injury, and property damage at $1,000,000 per incident or occurrence and $1,000,000 per claimant. $2,000,000.00 in the aggregate.
   b. Blanket Contractual to include comprehensive general liability, products and completed operations liability, and contractual liability.

7. Contingent Liability:
   a. The Contractor shall produce, pay for, and maintain such insurance as will protect the owner from his contingent liability for damages, for injury to the person or property of another which may arise from the operations of all Subcontractors under this Contract. Contractor shall provide Owner's and Contractor's protective liability. The limits of coverage shall be the same as the Contractor's Comprehensive General Liability. The Contractor shall furnish to the owner a letter from Contractor's insurance agent, certifying that the Contractor does carry valid Contractor's Contingent Liability Insurance.

8. Insurance certificates regarding liability coverages, as required by the Contract Documents, shall name Owner as additional insured and shall be provided upon request.

9. Contractor and Subcontractors will be responsible for insurance on their tools and equipment.

10. **No Waiver of Sovereign Immunity**. Nothing contained herein shall be deemed or construed as a waiver of sovereign immunity, as provided by § 768.28, Florida Statutes, by any agency or political subdivision to which sovereign immunity may be applicable.

1 OVERVIEW

1.1 **Purpose:** The Hernando County School Board, Florida, is seeking proposals from appraisal firms to provide appraisals in Hernando County, Florida for the acquisition of future schools and support facilities, and also for the sale of existing School Board real property.

The recommended award will be to the most qualified firm(s) as determined by an evaluation committee. The final award will be based on School Board approval.

1.2 **Definition:** In this document "Contractor" refers to the successful bidder and "Hernando County School Board" or "HCSB" refers to the owner.

1.3 **District Profile:** The HCSB is located in Hernando County, Florida and serves over 23,000 students. There are currently approximately 3,100 full and part-time employees.

Hernando County, Florida has a total population estimated at 205,000 persons. There are over 472 square miles of land within Hernando County.

2 SCOPE OF SERVICES

The HCSB is seeking competitive proposals from firms with currently licensed appraisers in Hernando County, Florida, to assist the HCSB with appraising the acquisition of property for future school sites and support facilities, the sale of existing School Board real property, providing other appraisal-related services relating to real property for land improvements and other related assets to determine market value. A maximum of three (3) property appraisal firms will be recommended to the Board. These firms will be used in rotational order by the Facilities & Construction Office.

2.1 **Requirements**: The Contractor shall, on an as needed basis, provide support to the HCSB in performing the following responsibilities:

2.1.1 Establishing the Fair Market Value of various properties in Hernando County, with these considerations:

2.1.1.1 School sites consisting of an aggregation of two (2) or more small tracts, contiguous and with the same highest and best use, will be considered as single, primary site.

2.1.1.2 A single tract consisting of multiple highest and best uses will be considered as separate sites; however, the valuation of such a site may be presented in one (1) appraisal report.

2.1.1.3 The appraiser should apply any appropriate discounts for the bulk purchase of multiple highest and best use parcels from one (1) seller.

2.1.1.4 Appraisals are to consider potential density transfers from wetlands, as allowed by law. However, an appraisal should not consider wetlands as developable lands with no adjustments for mitigation costs, filling, permitting, etc. Appraisers must carefully consider all legal, physical, and economic issues before attributing any value to wetlands.

2.1.1.5 The appraisal shall determine the highest and best use for the property to determine value. This determination shall be made utilizing professionally acceptable methodologies, including consideration of, but not limited to, adopted comprehensive plan provisions such as the future land use category, current zoning district, local land development regulations, and other federal, state, and local regulations that may apply to the site.

HCSB School Planner or Director of Facilities and Construction reserves the right to track and compare relative appraisals between shortlisted Contractors. If a Contractor provides property appraisal figures, which are significantly outside the average, clear documentation as to comparable must be provided. If a pattern of being outside the average continues over time, HCSB School Planner or Director of Facilities reserves the right, with thirty (30) days' written notice, to remove the Contractor from the shortlist.

For each appraisal, HCSB Director of Facilities will require one (1) bound and certified original and an exact duplicate electronic medium acceptable to HCSB

Time is of the essence in most appraisals. All firms will be required to notify the District's representative, at the time of call-out, if a thirty (30)-day lead-time for delivery of the final report cannot be met. If this lead time cannot be met, the District reserves the right to utilize the services of the next supplier in the rotational order. Any firm declining a School Board project, or which cannot meet a thirty (30)-day lead-time, must so state in writing to the Facilities & Construction Office. A firm declining more than three (3) projects in any year of the contract is subject to being dropped from the rotational order.

2.2 **Notice to Proceed**. Contracts will be awarded to selected appraisers on a rotating basis whose response to the solicitation represents the best overall value to HCSB, as determined by the Department of Facilities and Construction. When a project is selected, HCSB will issue the project to the Contractor to proceed and a purchase order has been issued. No work will be authorized until HCSB notifies the Contractor to proceed.

2.2.1 All specifications in this solicitation are designed to enable a Proposer to satisfy a requirement for a product, material, process, or service. A specification may be expressed as a standard, a part of a standard, or independent of a standard. No specification is intended to unnecessarily limit competition by eliminating items capable of satisfactorily meeting HCSB's actual needs and preferences. The fact that a manufacturer or supplier chooses not to produce or supply equipment, supplies, or services to meet these specifications will not be considered sufficient cause to adjudge these specifications as restrictive.

2.2.2 The Contractor agrees to furnish and pay for all management, supervision, financing, labor, materials, tools, fuel, supplies, utilities, equipment, and services of every kind and type necessary to diligently, timely, and fully perform and complete in a good workmanlike manner the goods and services required by the Contract.

2.3 **Estimated Expenditures**. HCSB's performance and obligation to pay under the Agreement are contingent upon an annual appropriation by the Board. For protest purposes only, the estimated budget is $55,000 per year.

2.4 **Price/Rate Provisions**. All prices, costs, fees, and charges offered herein shall be firm against any increase for the initial term of the contract, unless mutually agreed upon or as stated otherwise in this solicitation or its addenda. The Contractor is responsible for notifying Purchasing Department at least 60 days before any anticipated changes in prices. Any request for changes requires the submittal of bona fide manufacturer's documents, including but not limited to Producer Price Index information, Consumer Price Index for the affected market, industry, commodities, and/or manufacturer's price list. Fuel and other surcharges will be refused unless the above conditions are met. HCSB reserves the right to accept or reject, within 30 days, the request for a price change. If rejected, HCSB will cease future orders for the affected items.

3 EVALUATION OF PROPOSALS

The Facilities & Consruction Department shall forward only those on-time proposals to the assigned HCSB Evaluation Committee (the "Committee") for further evaluation. HCSB will not evaluate non-responsive, non-responsible proposals. The Committee may consist of HCSB personnel and additional stakeholders who will review, discuss, and rank the proposals. Purchasing Department personnel will participate as facilitators.

3.1 The HCSB expects to consider responses from Proposers who meet the following minimum standards:

3.1.1 Willingness to configure the program to meet the requirements of the HCSB.

3.1.2 Ability to integrate all of the requested criteria.

3.1.3 Documented successful experience in the provision of scope of services contained herein for clients of similar scope and size.

3.1.4 Contact person(s) based in the Hernando County area readily available to service the HCSB on a day-to-day basis. The HCSB reserves the right to approve the contact person(s).

3.1.5 Meet the requirements as outlined in Section 9.4 "Minimum Qualifications/Experience".

3.1.6 Ability to complete the expected contract term in full compliance with this RFP.

3.2 The following factors, along with the information submitted under Section 5, will be considered when evaluating proposals. The maximum points designated to each section of the proposal are:

3.2.1 **Experience (TAB 1):** List the government agencies for which your company has provided services in the last five (5) years. List the commercial appraisals your company has performed in the past five (5) years which have been valued in excess of $500,000.00. Indicate how many years your company has been doing business under its current name and current structure. Provide any additional information regarding your company's business structure or organization which you feel may help the District understand your experience more fully. **(20 points)**

3.2.2 **Qualifications (TAB 2):** List the names, credentials, and experience of any staff who may be assigned to produce an appraisal under this contract. **(10 points)**

3.2.3 **Company Info/References (TAB 3):** Indicate the length of time the Proposer's firm has been in business under the current name. Provide three (3) references (preferably governmental) of projects at institutions of comparable size and complexity as the HCSB for whom you have provided similar services. Use form provided under Section 11. Include name of customer, address, contact name, telephone numbers (including fax number), and email address. Do not include the Hernando County School Board on this list. Please include only references within the last thirty-six (36) months. **(5 points)** The *HCSB reserves the right to contact any and all references and to obtain, without limitation, information on the Proposer's performance on the listed jobs.*

3.2.4 **Price/Fees for Services (TAB 5):** This is the expected amount your firm would be compensated for services provided to the HCSB per Section 10 "Proposal Form". **(25 points)**

3.2.5 **Demonstrated Knowledge of the Hernando County Market (TAB 6):** Discuss the experience your firm has had in the last ten (10) years with appraisals that conform to the uniform standard of professional appraisal practices in the Hernando County, Florida market. Provide a list and location of applicable appraisals, the entity for which the appraisal was performed, the date of service, and the assessed value of the property. Also describe appraisals of unimproved or improved real property to be sold by a local government. **(25 points)**

3.2.6 Quality of Sample Report (TAB 7): Provide a sample appraisal report by your firm in the past two years. The best sample will have been for real property similar to sites considered by and completed by staff that may be selected to perform for HCSB appraisals. **(15 points)**

3.3 The award will be made to the Contractor(s) submitting the proposal that best meets the HCSB's specifications and requirements.

3.4 The HCSB intends to have a committee review the proposals and make a recommendation to the HCSB on a firm or firms to provide the services stated within this RFP. The HCSB may negotiate with the highest-ranked firm(s) to create a contract(s) for approval by the HCSB. HCSB may seek to reach acceptable terms with any Proposer or terminate discussions as it deems to be in its best interest. If the HCSB is unable to reach acceptable terms with the higher ranked firm(s), the HCSB may seek to reach acceptable terms with the next highest ranked firm(s) and recommend a contract with that firm(s). For Single Negotiations, HCSB negotiates with the top-ranked Proposer. For concurrent negotiations, HCSB negotiates simultaneously with two or more top-ranked proposers after weighing factors under section 3.2. Negotiations continue simultaneously until a 'best and final offer' is reached, resulting in a satisfactory agreement.

4 ANTICIPATED TIME LINE

October 23, 2025	RFP is Issued
Prior to 4:00 P.M. November 17, 2025	Written Questions Due
November 19, 2025	Addendum Issued (if required) in Response to Questions
10:00 A.M. December 4, 2025	Proposal Due Date and Time
December 4, 2025	Distribution of Proposals to Committee Members
December 4, 2025 through December 17, 2025	Individual Committee Member Review of Proposals
TBA	Final Committee Meeting
December 19, 2025	Posting of Recommendations for Award (**On or about**)
TBA	School Board Award of Proposal

5 PROPOSAL SUBMISSION FORMAT AND INFORMATION THAT MUST BE SUBMITTED

In order to maintain comparability and consistency in review and evaluation of responses, all proposals shall be organized as specified below. Avoid any elaborate promotional materials and provide only information that is required. All supporting materials should clearly reference the portion of the RFP to which they pertain. Please submit one (1) original along with two (2) exact duplicates, as well as a portable digital copy, in a sealed envelope. Proposals not meeting the requirements below may be determined to be non-responsive. Non-responsive proposals will receive no further consideration.

5.1 **Table of Contents**: Clearly outline and identify the material and responses by tab and page number. Outline in sequential order the major areas of the proposal, including enclosures. All pages must be consecutively numbered and correspond to the table of contents.

5.2 **Tab 1 - Cover Letter & Experience**: Provide a cover letter indicating your firm's understanding of the requirements/scope of services of this specific proposal. Clearly demonstrate your firm's familiarity with the requested services. The letter must be a brief formal letter from the Proposer that provides information regarding the firm's interest in and ability to perform the requirements of this RFP. A person who is authorized to commit the Proposer's organization to perform the services included in the proposal must sign the letter. Indicate the representative authorized to resolve disputes in the event a dispute occurs or a clarification of minor contract terms becomes necessary. Please provide a list of all persons authorized to give presentations for the Proposer. Please provide name, title, address, telephone numbers (including fax) and email address. Include the following form:

5.2.1 Proposal Certification Page 1 (executed)

5.2.2 List the government agencies for which your company has provided services in the last five (5) years. List the commercial appraisals your company has performed in the past five (5) years which have been valued in excess of $500,000.00. Indicate how many years your company has been doing business under its current name and current structure. Provide any additional information regarding your company's business structure or organization which you feel may help the District understand your experience more fully.

5.3 **Tab 2 – Qualifications**: The Proposer shall provide a 2 to 4-page summary of their qualifications, including related skills and market strengths, and the licensers and credentials of the firm's principals and the firm's members being proposed to work on HCSB projects. If applicable, include subcontractor qualifications. Work will not be assigned to subcontractors without written approval from the HCSB. Provide information regarding past working relationships on similar projects. This section also consists of the following:

5.3.1 Key Personnel. Identify key personnel and provide biographical information, including their resumes, detailing their backgrounds, expertise, and job descriptions. Additionally, a staffing plan should be provided, including key personnel, the number of dedicated team members, and the professional qualifications of these team members. Indicate MAI or SRPA designations if applicable.

5.3.2 Technical Staff. The Proposer must provide the number of technical personnel employed and how many will be available to support HCSB.

5.3.3 Proposer Resources/Equipment. The Proposer must list all resources available to provide the required contractual services. At a minimum, list all applicable assets, including equipment, vehicles, and any specialized skills relevant to the task.

5.4 **Tab 3 – Company Info/References**: See Section 9, Item 9.6. Indicate the length of time the Proposer's firm has been in business under the current name. Provide three (3) references of projects at institutions of comparable size and complexity as the HCSB for whom you have provided similar services. Use form provided under Section 11. Include name of customer, address, contact name, telephone numbers (including fax number), and email address. Please include only references within the last thirty-six (36) months.

The HCSB reserves the right to contact any and all references and to obtain, without limitation, information on the Proposer's performance on the listed jobs.

5.5 **Tab 4 - Scope of Services**: The Proposer must acknowledge agreement with the specific requirements of the items in Section 2, Scope of Services. Summarize your approach and understanding of the services and any special considerations of which the HCSB should be aware. Also describe appraisals of unimproved or improved real property to be sold by a local government

5.6 **Tab 5 – Pricing**: Complete Section 10, Proposal Form. Firm shall provide compensation amount as indicated by type of transaction. The HCSB reserves the right to negotiate all pricing to include compensation method submitted with the RFP.

5.7 **Tab 6 – Demonstrated Knowledge of Hernando County Market**: Discuss the experience your firm has had in the last ten (10) years with appraisals that conform to the uniform standard of professional appraisal practices in the Hernando County, Florida market. Provide a list and location of applicable appraisals, the entity for which the appraisal was performed, the date of service, and the assessed value of the property. Also describe appraisals of unimproved or improved real property to be sold by a local government. Explain your firm's policy regarding quality assurance/quality control.

5.8 **Tab 7 – Sample Appraisal Report:** Insert a sample appraisal report.

5.9 **Tab 8 – Appendices**: The content of this tab is left to the Proposer's discretion. However, the Proposer should limit materials included here to those that will be helpful to the HCSB in understanding the services provided for this specific contract.

6 INSTRUCTIONS TO PROPOSER

6.1 This solicitation will comply with all applicable HCSB policies and federal, state, and local laws and regulations. All proposals must be prepared and submitted in accordance with the instructions provided in this RFP. Each proposal received will be reviewed to determine if the proposal is responsive to the submission requirements outlined in the RFP. A responsive proposal is one that follows the requirements of the RFP, includes all documentation, supporting exhibits, is of timely submission and has the appropriate signatures as required on each document. Failure to comply with these requirements may deem your proposal non-responsive. This solicitation does not obligate HCSB to enter into a contract or reimburse any Proposer for costs incurred in preparing and submitting a proposal or anticipating a contract.

6.2 The Facilities & Construction Office of the HCSB is responsible for coordinating the issuance and award of the RFP. All communications during the RFP process must be directed to the contact listed below. Communication with any other HCSB employee or any member of the Evaluation Committee will be cause for disqualification from the RFP process. **Any Proposer in doubt as to the true meaning of any part of this RFP or related documents may submit a written question via www.bidnet.com for clarification prior to 4:00 p.m., November 17, 2025.**

6.2.1 Prior to submitting the proposal, it shall be the sole responsibility of each proposer to determine if addenda were issued and, if so, to download such addenda from Bid Net.

6.3 The HCSB will issue responses to inquiries and any other corrections or amendments it deems necessary in written addenda issued prior to the proposal due date. Proposers should not rely on any statements other than those made in this RFP or in any addendum to this RFP. Where there appears to be a conflict between the RFP and any addenda issued, the last addendum issued will prevail. All addenda will be posted and disseminated by Bid Net (www.bidnet.com).

6.4 Three (3) hard copies plus a portable digital copy, for a total of four (4) copies of the proposal, are to be submitted in a sealed envelope, which bears the name, address and telephone number of the Provider and marked "RFP #9009-2510-505 Real Estate Appraisal Services." (use label provided on first page of RFP)

6.5 The HCSB will receive sealed proposals until the date and time indicated on this proposal cover. Proposals must be delivered to the Facilities & Construction Office at the stated address and will be recorded at the stated time. Proposals must be delivered in sealed envelopes, clearly marked on the outside, as to: proposal name, proposal number and opening date (use label provided on first page of

Proposal). Proposals received after the date indicated on the proposal cover will be date stamped received and returned to the Proposer. It will be the Proposer's responsibility to get the proposal to the correct location and on time. Please note that the official clock, for the purpose of receiving proposals, is located in the Facilities & Construction Office.

6.6 An officer of the company who is legally authorized to enter into a contractual relationship in the name of the Proposer must sign the proposal.

7 GENERAL TERMS AND CONDITIONS

7.1 HCSB reserves the right to qualify proposals that HCSB deems to meet the qualifications listed in this solicitation. HCSB, at its sole discretion, reserves the right to cancel, recall, or reissue all or parts of this solicitation or to re-advertise the identical or revised specifications. HCSB may investigate the qualifications of any proposer under consideration, require confirmation of information furnished by a Proposer, and require additional evidence of qualifications to perform the services described in this solicitation. Furthermore, HCSB may, at its sole discretion:

7.1.1 evaluate the Proposer's past performance with HCSB and other customers; or
7.1.2 reject any or all proposals; or
7.1.3 issue a subsequent solicitation for the same commodities and services; or
7.1.4 cancel the entire solicitation; or
7.1.5 remedy solicitation errors; or
7.1.6 reduce the scope of services (if deemed in HCSB's best interest and at HCSB's sole discretion); or
7.1.7 appoint an evaluation committee to review the proposals; or
7.1.8 seek the assistance of technical experts to review the proposals; or
7.1.9 approve or disapprove the use of subcontractors and suppliers; or
7.1.10 award a contract to one or more (or none) of the proposers; or
7.1.11 accept other than the lowest-priced proposal; or
7.1.12 waive informalities and irregularities in the Proposals; or
7.1.13 award a contract without discussions or negotiations; or
7.1.14 disqualify proposals upon evidence of collusion with intent to defraud or other illegal practices by a proposer.

7.2 All expenses involved with the preparation and submission of proposals to the HCSB, or any work performed in connection therewith, shall be borne by the Proposer. No payment will be made for any responses received, any other effort required of or made, or expenses incurred, by the Proposer.

7.3 The HCSB may require Proposers to give oral presentations in support of their proposal or to exhibit capabilities to support their proposal. Proposers will be notified of the date(s) and time(s) of any such oral presentations, if needed.

7.4 Time is of the essence in most appraisals. All firms will be required to notify the District's representative, at the time of call-out, if a thirty (30)-day lead-time for delivery of the final report cannot be met. If this lead time cannot be met, the District reserves the right to utilize the services of the next supplier in the rotational order. Any firm declining a School Board project, or which cannot meet a thirty (30)-day lead-time, must so state in writing to The Facilities & Construction Office. A firm declining more than three (3) projects in any year of the contract is subject to being dropped from the rotational order.

7.5 All engineering data, maps, plans, specifications, drawings, or other School District-furnished property shall remain the exclusive property of the District. The proposer agrees that such School District property will be used for no purpose other than for work for the District under this RFP. Upon conclusion of the services hereunder, such property shall be returned to the District. All such HCSB property shall be returned to District and accounted for prior to HCSB providing final payment for contracted services.

7.6 For each appraisal, it is required that the firm send the Board's designated representative an electronic draft report prior to issuance of the final report. The District will require a final two (2) bound and certified originals, plus one electronic .pdf file.

7.7 **This RFP and the related responses of the selected Contractor will constitute the basis of the formal contract between the Contractor and the HCSB**. No modification of this RFP except by addendum issued by the HCSB shall be binding on the HCSB

7.8 **No additional terms and conditions included with the RFP response shall be evaluated or considered and any and all such additional terms and conditions shall have no force and effect and are not applicable to this RFP.** If submitted either purposely through intent or design or inadvertently appearing separately in transmitted letters, specifications, literature, price estimates or warranties, it is understood and agreed the conditions in this RFP solicitation are the only conditions applicable to this RFP and the Provider's authorized signature affixed to the RFP acknowledgement form attests to this.

7.9 The awards made pursuant to this RFP are subject to the provisions of Chapter 112, Florida Statutes. All proposers must disclose with their proposal the name of any officer, director or agent who is also an employee of the HCSB. Further, all proposers must disclose the name of any HCSB employee who owns, directly or indirectly, an interest of five percent or (5%) more in the Proposer's firm or any of its branches/subsidiaries.

7.10 Should any Provider fail to enter into a contract on the basis of the proposal submitted by said Provider, Provider acknowledges that Provider shall be liable to HCSB for any increased costs incurred by HCSB in obtaining from another provider the same services which are the subject of this proposal.

7.11 The contract terms and conditions stipulated in this Request For Proposal are those desired by the HCSB and preference will be given to those proposals in full or substantial compliance therewith.

7.12 No Proposer may withdraw his or her submittal for a period of 120 days after the date of opening.

8 DEFINITION: The following terms shall have the following meanings.

8.1 Addenda/Addendum. HCSB written or graphic instruments posted to www.bidnet.com before the solicitation opening date to supersede or modify this solicitation by addition, deletion, correction, or clarification.

8.2 Agreement. Unless a separate document is provided for signature by the Parties, the Agreement shall include this solicitation, attachments, appendices, all related addenda, and answers to questions via www.bidnet.com, the Proposal, all mutually agreed-upon amendments, and subsequent renewals covering the provision of commodities and services as outlined herein.

8.3 Commodities. Commodities shall mean any of the various supplies, materials, goods, merchandise, food, equipment, information technology, and other personal property, including a mobile home, trailer, or other portable structure that has less than 5,000 square feet of floor space, purchased, leased, or otherwise contracted for by HCSB.

8.4 Contractor. The Contractor shall mean any business entity awarded by the Board or approved by HCSB's Purchasing Department under a Proposal submitted by that organization in reply to this solicitation.

8.5 Default. The omission or failure to fulfill a duty, observe a promise, discharge an obligation, or perform as agreed.

8.6 Florida Statutes (F.S.). The codified, statutory laws of the State of Florida.

8.7 Procurement Officer shall serve as the primary HCSB representative for this solicitation.

8.8 Proposer. The Proposer shall include a vendor that submits a proposal in response to this competitive solicitation.

8.9 Renewal. A contract renewal is the process of extending or continuing an existing contractual agreement between the parties beyond the original expiration date.

8.10 Request for Proposals ("RFP"). A written solicitation for competitive sealed proposals. The request for proposals is used when it is not practicable for HCSB to specifically define the scope of work for which the commodity, group of commodities, or contractual service is required and when HCSB is requesting that a responsible vendor propose a commodity, group of commodities, or contractual service to meet the specifications of the solicitation document.

8.11 Responsible Proposer/Bidder. A supplier with the integrity and reliability as well as the financial and technical capacity to perform the requirements of the solicitation and subsequent contract.

8.12 Responsive Proposal/Bid. A bid, proposal, or offer that fully conforms in all material respects to the solicitation and all of its requirements, including all form and substance.

8.13 Services. An agreement calling for a contractor's time and effort. The furnishing of labor, time, or effort by a contractor or supplier, which may involve, to a lesser degree, the delivery or supply of products.

8.14 Superintendent. Superintendent shall mean the District's superintendent or designee. For the purposes of this solicitation, the General Manager of Purchasing Department will serve as the designee.

8.15 Vendor. A seller of goods or services whereby the exchange is solely transactional.

9 SPECIAL PROVISIONS

9.1 **Contract Term/Option to Renew**: The initial term of the contract shall be for a three (3) year period following School Board approval.

9.1.1 Anticipated commencement of this contract is January, 2026 (tentative).

9.1.2 This contract may be renewed for two (2) additional one (1) year periods provided all terms and conditions remain unchanged and in full force and effect. The option to renew, if exercised, will be executed in the form of a renewal letter, to be issued not sooner than one-hundred twenty days (120) prior to expiration of this contract, nor later than the final day of the contract period. This option to renew requires the mutual agreement of both parties.

9.1.3 It is understood and agreed that this contract may be renewed under the same terms, conditions and specifications governing the original contract, and any request for a change in the contract conditions shall be interpreted as a request not to renew the contract at the end of the current contract period.

9.1.4 Nothing in the proposal shall create, nor shall the contract provide, any obligation on the part of HCSB to use the Proposer for any specific amount of projects or services. The HCSB at all times retains the right to terminate the agreement pursuant to section 9.2 and 9.3.

9.2 **Contract Termination for Convenience**: The HCSB shall have the right at any time and at all times to terminate this agreement with or without cause, upon written notice of such termination provided not less than 30 days prior to the date that such termination is to be effective, or with such lesser notice as the HCSB may deem appropriate under the circumstances. Such right to terminate this contract without cause is hereby reserved by and to HCSB. In the event HCSB shall elect to terminate this contract without cause, HCSB shall compensate the Contractor for all work and services provided or supplied prior to the date of termination. In the event that an advance notice of termination is given, the Contractor agrees to abide and perform all covenants and provisions of this contract until the date of the termination specified in the written notice of termination. The Contractor shall have no further rights, and HCSB shall have no further obligation to the Contractor subsequent to the date of termination of this contract as specified in the written notice.

9.3 **Contract Termination for Cause**. HCSB will periodically inspect commodities and services to ensure the Contractor's compliance with all terms and conditions of the Agreement. HCSB reserves the right to terminate the Agreement for cause, which shall include without limitation the Contractor's failure to comply with any provision of the Agreement. Prior to HCSB terminating an Agreement, the General Manager of Purchasing Department or designee may initiate an internal review of the situation; HCSB may invite the Contractor to participate. If HCSB determines that grounds exist to declare the Contractor in default, the Superintendent or designee shall provide the Contractor written notice of default and termination, making specific reference to the provision(s) that gave rise to the breach. Inaction by HCSB to exercise its rights is not a waiver of such rights. HCSB may notify the Contractor as follows:

9.3.1 **Initial Cure Notice**. An initial notification will require the correction of any discrepancies, inconsistencies, or items not meeting the specifications contained herein at no additional cost to HCSB. Within ten (10) days of receipt of the notice, or as mutually agreed, the Contractor must provide a written response describing the Contractor's steps to correct the noted deficiencies.

9.3.2 **Second Notice**. A second discrepancy notification shall serve, upon receipt, as notification of immediate termination due to the discrepancies, inconsistencies, or commodities and services not meeting specifications contained herein and the Contractor shall cease with the provision of commodities and services. In such an event, HCSB shall pay the Contractor only for satisfactory commodities and services. The Contractor and its sureties may be liable to HCSB for any additional HCSB-incurred costs to complete the job and repair of damages to the site and shall be deemed a breach of contract, subject to termination, and shall be a factor during the evaluation of future HCSB competitive solicitations

9.3.3 If HCSB did require performance security, HCSB may elect to execute the performance security as liquidated damages.

9.3.4 If HCSB did not require performance security, the Contractor shall pay HCSB, as liquidated damages, an amount not to exceed five (5%) percent of the total estimated value of the item(s) in question. If the proposed pricing is a lump sum amount, then the amount due is five (5%), percent of the remaining value of the Agreement. The Contractor's failure to pay the liquidated damages within thirty (30) days after notification that liquidated damages are due, shall lose eligibility to transact business with HCSB for a period of not less than one (1) year, but no more than two (2) years after the date of the default, as determined by the General Manager of Purchasing Department. Thereafter, the Contractor may request reinstatement of the Active Bidders List. HCSB reserves the right, upon contract cancellation, to award the agreement to the next lowest Bid for the unexpired contract term or publish a new competitive solicitation.

9.4 **Minimum Qualifications/Experience**: The Proposer must provide, with their proposal, proof that they meet the following minimum qualifications. A Proposer submitting a Proposal that fails to meet the minimum qualifications will be deemed non-responsible and will not be evaluated. The Proposer must demonstrate the validity of the stated documents as of the Proposal's due date. Contractor shall provide documentation of applicable license and certification as indicated below. The HCSB reserves the right to request documentation at any time during the contract period. The following are minimum qualifications of the successful Contractor:

9.4.1 **Experience**. The existing proposing firm must have been owned or operated by the Proposer for the minimum of the most recent three (3) years. The Proposer's firm must have three (3) or more years' experience as an appraiser. The Proposer must provide proof along with the proposal:

9.4.1.1 articles of incorporation; or

9.4.1.2 Sunbiz.org screenshot (or equivalent from the Proposer's home state if solely shipping commodities); or

9.4.1.3 business tax receipts…)

9.4.2 Documentation of Florida State Certified Real Estate Appraiser license in accordance with the current Uniform Standards of Professional Appraisal Practice (USPAP). The license must not be expired. Per § 253.025 (8), Florida Statutes, the appraiser must be State-certified.

9.4.3 Knowledge and experience working in the Hernando County market.

9.5 **Authorization To Do Business In The State of Florida**. Unless solely shipping commodities, foreign (out of state) corporations and foreign limited partnerships must provide proof of authorization to do business in Florida. Domestic corporations must be active and in good standing in the state of Florida. The Proposer must provide proof of registration on www.sunbiz.org unless the Contractor will solely provide commodities via mail.

Florida Department of State, Division of Corporations Registration Requirements. Vendors required to be registered with the Florida Department of State, Division of Corporations, or those incorporated within the State of Florida must provide their Florida document number and written documentation of "active" status. All registered Vendors must have an active status in order to be eligible to do business with HCSB. A Vendor doing business under a fictitious name must submit their Bid using the company's complete registered legal name, i.e. ABC, Inc. d/b/a XYZ Company. To register with the State of Florida, visit. www.Sunbiz.org.

9.6 **References**: Please provide three (3) references of projects at institutions of similar size and complexity as Hernando County School District for whom the Proposer's firm has provided similar services. The Proposer shall complete the Reference Form, Section 11. Include name of customer, address, contact name, telephone numbers (including fax number), and email address. Please include only references within the last thirty-six (36) months. The HCSB may contact these references during the evaluation process. HCSB may utilize information from other references on a Proposer's capability to determine performance history.

9.7 **Contractor's Obligations**. The Contractor shall keep HCSB fully informed as to the progress of the provision of commodities and services. The Contractor may do so not only through regularly issued progress reports, cost reports, and minutes but also through close liaison between such designated HCSB personnel. The Contractor shall submit to HCSB minutes of any meetings attended by the Contractor and HCSB relating to the commodities and services within 10 business days following such meetings.

9.8 **HCSB Procurement Policy (6320)**. HCSB Procurement Policy is incorporated into this RFP (and, therefore, any contract awarded as the result of this RFP) by reference. HCSB Procurement Policy binds the Contractor, by participation in this RFP, in any issue or action related to this RFP or subsequent Agreement resulting from this RFP.

9.9 **Student Confidentiality**. Any records, materials, documents, or other objects containing confidential information, as well as copies thereof, obtained by the Contractor during the provision of commodities and services to HCSB are confidential. They shall not be used or disclosed in any manner by the Contractor, except as permitted by applicable law, regulations, and the policies and practices of HCSB. Notwithstanding the policies and practices of HCSB, in no event shall the Contractor use or disclose confidential information in violation of the Health Insurance Portability and Accountability Act (HIPAA), Family Educational Rights and Privacy Act (FERPA), Americans with Disabilities Act (ADA), Family and Medical Leave Act (FMLA), or other applicable laws or regulations. After the termination of the contract with HCSB, the Contractor shall not use or disclose the contents of such confidential information for any purpose whatsoever, except as may be required by law, in which case the Contractor must first furnish prompt notice to HCSB to permit HCSB an opportunity to contest such disclosure. The Contractor agrees not to remove from HCSB premises, except as a contractor, acting on behalf of HCSB and in pursuit of the business for HCSB, or except as authorized or directed by HCSB, any records, materials, documents, or objects containing or reflecting any confidential information. The Contractor acknowledges that all such documents and objects, whether developed by the Contractor or others, are the exclusive property of HCSB. Upon contract expiration, or at any other time upon request by HCSB, and at HCSB' sole discretion, the Contractor shall promptly deliver to HCSB all documents and records in the Contractor's possession or control that contain confidential information, as defined in this RFP. The Contractor’s failure to comply with the provisions of this contract regarding confidential information constitutes a breach of this contract and may result in the termination of the Agreement and further legal action against the Contractor. The provisions of the Agreement about confidential information shall survive termination of the Agreement between HCSB and the Contractor. The Contractor shall be solely responsible for any claims, damages, costs, and expenses, including reasonable attorney fees, incurred by HCSB due to the Contractor's breach of the confidentiality provisions of the Agreement. The Contractor further agrees that HCSB may obtain injunctive or other equitable relief in a court action to restrain any further breach of the Agreement or to prevent unauthorized use or disclosure of confidential information by the Contractor.

9.10 **Bankruptcy**. At the time of Bid submission, the Proposer shall not be involved in, nor be the subject of, any proceedings relating to insolvency, bankruptcy, either voluntary or involuntary, or receivership proceedings. If the Proposer is awarded a contract for one (1) year or longer, and files for bankruptcy, insolvency, or receivership thereafter, HCSB may, at its option, terminate the contract.

9.11 **Travel Expenses**. Per § 287.058(1)(b), Florida Statutes, HCSB will only provide reimbursement for travel-related bills if expressly authorized by terms of the Agreement. The Contractor must submit such travel bills per § 112.061, Florida Statutes.

9.12 **E-Verify.** Per § 448.095, Florida Statutes, all employers within the state shall use the U.S. Department of Homeland Security’s E-Verify system, https://e-verify.uscis.gov/emp, to verify the employment eligibility of all employees hired during the term of the Agreement. The Contractor shall also require all subcontractors performing work under the Agreement to utilize the E-Verify system for any employees they may hire during the term of the Agreement. The Contractor must provide evidence of compliance with § 448.095, Florida Statutes. Evidence may consist of, but is not limited to, providing notice of the Contractor’s E-Verify number. Failure to comply with this provision constitutes a material breach of the Agreement, and HCSB reserves the right to terminate the Agreement at its sole discretion. The Contractor may be liable for all costs associated with HCSB securing the same services, inclusive, but not limited to, higher costs for the same services and bidding costs (if necessary).

9.13 **Subcontractors**. The Contractor shall serve as the prime contractor, shall be responsible for all actions taken by its subcontractors, and shall bear all liability for the actions of its subcontractors under the Agreement. The Proposer must identify each subcontractor in the Proposal. Each subcontractor must obtain HCSB's approval and comply with all the Contractor's requirements herein. All references herein to the Contractor apply to the subcontractor(s) as well. Subcontractor means any organization that the Contractor utilizes for the provision of commodities and contractual services subject to the Agreement. The Contractor must notify HCSB for prior approval as to the use of or replacement of any subcontractor.
__ Agreed __ Exception __ Not Applicable

Subcontractors to be utilized:

_____

_____

_____

_____

_____

9.14 **Contractor's Personnel**: Contractor's staff is to present a professional appearance. Personnel shall be neat, clean, well groomed, properly uniformed and conduct themselves in a respectable and courteous manner while performing duties and while at any HCSB facility.

9.14.1 Qualifications of new people working under this contract will be submitted to the HCSB in writing for approval prior to them conducting any service under this contract. Submit list of all employees that will be working under the current contract and any intention for additional personnel, and back-up personnel for each function.

9.14.2 Effective September 1, 2005, in order to be in compliance with the Jessica Lunsford Act, contractors meeting any of the three criteria listed below will be required to be Level II fingerprinted and screened by our Safety and Security Department which consists of FDLE/FBI search. Criteria:

Be at school when students are present, or
Have direct contact with students, or
Have access to or control of school funds.

If you have no personnel who meet any of the three criteria, the law does not apply to you; therefore, you do not need to take action. There is a fingerprinting fee associated with these procedures.

9.15 **Force Majeure**. No default, delay, or failure to perform on the part of either party will be considered a default, delay, or failure to perform otherwise chargeable, hereunder, if such default, delay, or failure to perform is due to causes beyond either party's reasonable control including, but not limited to, strikes, lockouts, or inactions of governmental authorities; pandemics; epidemics; acts of terrorism; war; embargoes; fire; earthquake; acts of God; or default of common carrier. In the event of such default, delay, or failure to perform, any date or times by which either party is otherwise scheduled to perform will be extended automatically for a period equal in duration to the time lost by reason of the excused default, delay, or failure to perform.

9.16 **Conflict of Interest:** The Proposer or Proposer's firm cannot submit its own offer or proposal for HCSB property or broker its own property to HCSB while retained by HCSB.

9.17 **Purchase Order (PO) Number**. All accounting and invoicing correspondence must reference an HCSB PO number. HCSB may generate Individual purchases via blanket or multiple POs against the Agreement, as required.

9.18 **Invoice Submittal**. The Contractor shall submit an original invoice to the HCSB Accounts Payable Facilities and Construction Department, Email Parnell_T@hcsb.k12.fl.us. Per §§ 287.058(1)(a), Florida Statutes: bills for fees or other compensation for services or expenses must provide enough detail for a proper pre-audit and post-audit thereof.

9.19 **"Duplicate" or "Copy" Invoice**. All service contracts require a duplicate invoice, identified as a "duplicate" or "copy" to the ordering department or designated project leader.

9.20 **Payment Assignment.** Any purchase order or contract issued pursuant to an Agreement hereunder, and the monies that may become due are not assigned except with prior written approval by HCSB Facilities and Construction Department.

9.21 **Request for Payment**. The Contractor, unless under a mutual written contract, shall provide invoices that will include all scheduled services, products purchased, and services completed during the previous 1-month period. The Contractor represents and agrees that information submitted in support of its requests for payment is the basis of payment and is true and accurate to the best knowledge of the responsible signatory. A violation of this provision shall subject the violator to the provisions of § 68.082, Florida Statutes, pertaining to false claims against the State, and § 837.06, Florida Statutes, pertaining to false official statements.

9.22 **Excess Funds**. The Contractor shall promptly notify, and refund HCSB of any funds erroneously received, upon discovery of erroneous payment or overpayment, with interest calculated from the date of the erroneous payment or overpayment. The Contractor shall calculate the amount of Interest using the interest rate for judgments under § 55.03, Florida statutes.

9.23 **Covenant Against Contingent fees:** The Proposer warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Proposer for the purpose of securing business. For breach or violation of this warranty, HCSB shall have the right to annul this Contract without liability or at its discretion, to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

9.24 HCSB reserves the right to procure services from a backup contractor for any of the following reasons, without limitation:

9.24.1 The Contractor cannot comply with the required timeline or performance level.
9.24.2 The Contractor is not in compliance with the required timelines of current or previous projects.
9.24.3 A HCSB emergency arises
9.24.4 It is in the best interest of the HCSB to do so.

10 PRICE SHEET

10.1 Appraisal fee, based on highest and best use:

	Per Site
Vacant – Agricultural/Low-Density Residential <= 50 acres	$_____
Vacant – Agricultural/Low-Density Residential > 50 acres	$_____
Vacant – High Density Residential <= 50 acres	$_____
Vacant – High Density Residential > 50 acres	$_____
Vacant – Commercial <= 50 acres	$_____
Vacant Commercial > 50 acres	$_____

10.2 Appraisal fee, based on highest and best use:

	Per Site
Improved -- <= 10 acres and <= 10,000 square foot improved	$_____
Improved -- > 10 acres and <= 10,000 square foot improved	$_____
Improved -- <= 10 acres and > 10,000 square foot improved	$_____
Improved -- > 10 acres and > 10,000 square foot improved	$_____

10.3

Hourly Rate, for services beyond scope of above rate (If additional services or special conditions warrant work above and beyond a standard appraisal for the above categories HCSD representative will negotiate with Appraisal Firm and approve additional hours at this rate prior to issuing a Purchase Order. Should an agreement not be negotiated HCSD will rotate to the next appraiser on the list and the Appraisal Firm will be placed at the bottom of the rotational list.)	$_ _____/HR

FAILURE TO COMPLETE THIS PAGE IN ITS ENTIREITY WILL RESULT IN DISQUALIFICATION OF YOUR PROPOSAL

Section 11-COMMERCIAL REFERENCES

Company Name: _____

Experience: _____

Indicate below the number of years (minimum of three years) the existing proposing company owned or operated by proposer has been in business providing real estate appraisal services operating as the same legal entity prior to submitting proposal:

Number of months/years: _____

_____

All proposers must have performed verifiable work providing real estate appraisal services as specified herein, within the most recent thirty-six (36) month period of time. Three (3) commercial references of comparable scope are required (preferably governmental).

1. Company Name: _____

   Location of Service: _____

   Dates services were provided: _____

   Type of service provided: _____

   Contact Person: _____

   Title: _____ Telephone ( )

   Email Address: _____ Fax ( )

2. Company Name: _____

   Location of Service: _____

   Dates services were provided: _____

   Type of service provided: _____

   Contact Person: _____

   Title: _____ Telephone ( )

   Email Address: _____ Fax ( )

3. Company Name: _____

   Location of Service: _____

   Dates services were provided: _____

   Type of service provided: _____

   Contact Person: _____

   Title: _____ Telephone ( )

   Email Address: _____ Fax ( )

Attachment A **SCORE SHEET**

HERNANDO COUNTY SCHOOL DISTRICT
SUBMITTAL SCORE SHEET
REAL ESTATE APPRAISAL SERVICES

Evaluator # : _____ Date:_____

Name of Firm : _____

RFP # : 9009-2510-505

SCORE: Weight[2] x Rating[3] = Score

1. EXPERIENCE[1] (Tab 1) 20 x_____=____

2. QUALIFICATIONS[1] (Tab 2) 10 x_____=____

3. COMPANY INFO/REFERENCES[1] (Tab 3) 5 x_____=____

4. PRICE/FEES[1] (Tab 5) 25 x_____=____

5. DEMONSTRATES A KNOWLEDGE OF HERNANDO COUNTY[1] (Tab 6) 25 x_____=____

6. SAMPLE REPORT QUALITY[1] (Tab 7) 15 x_____=____

TOTAL SCORE: _____[4]

NOTES:

1. **Criteria**: Evaluator will review all information presented, including unique characteristics and abilities, in order to rate the firm's qualifications in each category.
2. **Weights**: Weights are assigned to establish the relative importance of the listed criteria.
3. **Ratings**: Evaluator will assess the strength of each firm's qualifications and assign a numerical rating of 1 to 5 with 5 being the highest rating. (Use whole numbers)
4. **Total Score**: Includes the sum of all criteria.

Attachment B Addenda And Bid Form. As evidenced by the affidavit required herein, the signer of this bid guarantees the truth and accuracy of all statements and answers to interrogatories made hereinafter. The undersigned hereby authorizes any public official, engineer, architect, surety company, bank depository, material or equipment manufacturer or distributor, or any person, firm, or corporation to furnish any pertinent information requested by HCSB or its representative, deemed necessary to verify the statements made in this qualification form or regarding the standing and general reputation of the applicant. The signer also states that all information given accurately represents the office location and resources from where the commodities and contractual services are to be rendered.

The Proposer is not responsible for acknowledging the final HCSB-uploaded addenda (addenda provided after the Question Due Date) if the final addenda do not create a fundamental change to the Proposal.

Receipt of the following Addenda is hereby acknowledged. (List all Addenda as follows):

Addendum No. 1 Dated: _____

Addendum No. 2 Dated: _____

Addendum No. 3 Dated: _____

Addendum No. 4 Dated: _____

Addendum No. 5 Dated: _____

Addendum No. 6 Dated: _____

Addendum No. 7 Dated: _____

Addendum No. 9 Dated: _____

X _____ _____

Signature Title

_____ _____

Print Name Date

[INTENTIONALLY BLANK.]

Attachment C Vendor Affidavit Regarding the Use of Coercion for Labor and Services.

HERNANDO COUNTY PUBLIC SCHOOLS

VENDOR AFFIDAVIT REGARDING THE USE OF COERCION FOR LABOR AND SERVICES

HUMAN TRAFFICKING: § 787.06 (13), FLORIDA STATUTES

Section 787.06(13), Florida Statutes, requires all nongovernmental entities (the "Contractor") executing, renewing, or extending a contract with a governmental entity (such as The School Board of Hernando County, Florida, or Hernando County Public Schools) to provide an affidavit signed by an officer or representative of the Contractor under penalty of perjury that the Contractor does not use coercion for labor or services as defined in that statute.

As the person authorized to sign on behalf of the Contractor, I certify that the company identified above does not:

- use or threaten to use physical force against any person; or
- restrain, isolate, or confine or threaten to restrain, isolate, or confine any person without lawful authority and against her or his will; or
- use lending or other credit methods to establish a debt by any person when labor or services are pledged as a security for the debt, if the value of the labor or services as reasonably assessed is not applied toward the liquidation of the debt, the length and nature of the labor or services are not respectively limited and defined; or
- destroy, conceal, remove, confiscate, withhold, or possess any actual or purported passport, visa, or other immigration document, or any other actual or purported government identification document, of any person; or
- cause or threaten to cause financial harm to any person; or
- entice or lure any person by fraud or deceit; or
- Provide a controlled substance as outlined in Schedule I or Schedule II of § 893.03, Florida Statutes, to any person for the purpose of exploitation of that person.

Under penalties of perjury, I declare that I have read the foregoing document and that the facts stated in it are true.

By: _____
Authorized Signature

Name: _____

Title: _____

Date: _____

[INTENTIONALLY BLANK.]

Attachment D Drug-Free Workplace Certification. HCSB shall provide tie bid preference to businesses with drug-free workplace programs. Whenever two or more bids, which are equal concerning price, quality, and service, are received by HCSB for the procurement of commodities or services, a bid is received from a business that certifies that it has implemented a drug-free workplace program shall be given preference in the award process. HCSB shall establish procedures for processing tie bids if none of the tie bids have a drug-free workplace program. To have a drug-free workplace program, a business shall:

- Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violating such prohibition.
- Inform employees about the dangers of drug abuse in the workplace, the business policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
- Give each employee providing the commodities or contractual services a copy of the statement specified in subsection (1).
- In the statement specified in subsection (I), notify the employees that, as a condition of working on the commodities or contractual services that are underbid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or *nolo contendere* to, any violation of Chapter 893 or any controlled substance law of the United States, or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
- Impose a sanction on or require satisfactory participation in a drug abuse assistance or rehabilitation program, if such is available in the employee's community, by any convicted employee.
- Make a good-faith effort to continue to maintain a drug-free workplace through the implementation of this section.

AS THE PERSON AUTHORIZED TO SIGN THE STATEMENT, I CERTIFY THAT THIS COMPANY COMPLIES FULLY WITH THE ABOVE DRUG-FREE WORKPLACE REQUIREMENTS.

X

Signature	Title
Print Name	Date

[INTENTIONALLY BLANK]

Attachment E **Non-Collusion Affidavit**. The Proposer shall certify by completing and executing the Non-Collusion Affidavit below. To affirm that they are not related to any of the parties bidding in the competitive solicitation and that the Proposal is genuine and not a sham or is collusive or made in the interest of or on behalf of any person not named in the Non-Collusion Affidavit. The Proposer must also certify that they have not directly or indirectly induced or solicited any other Proposer to put in a sham proposal or any other person, firm, or corporation to refrain from proposing. The Proposer shall further certify that they have not in any manner sought by collusion to secure to the Proposer an advantage over any other Proposer.

STATE OF _____

COUNTY OF _____

I state that _____ _____
(Name and Title) (Name of Proposer)

am authorized to make this affidavit on behalf of the Proposer and its owner, directors, and officers. I am responsible for the Proposer for the price(s) and amount(s) of this RFP and the preparation of the Proposal. I state that:

- This proposal's price(s) and amount(s) have been arrived at independently and without consultation, communication, or agreement with any other Provider, potential provider, or Proposer.
- Neither the price(s) nor the amount(s) of this Proposal, and neither the approximate price(s) nor approximate amount(s) of this RFP, have been disclosed to any other firm, organization, or the person who is a Contractor, potential Contractor, Proposer, or potential Proposer, and will not be disclosed before Proposal opening.
- No attempt has been made nor will be made to induce any organization or persons to refrain from submitting a Proposal for the Agreement, or to submit a price(s) higher than the prices in this Proposal, or to submit any intentionally high or noncompetitive price(s) or another form of complementary Proposal.
- The Proposal of my firm is made in good faith and not under any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive Proposal.
- _____ (Name of Proposer), its affiliates, subsidiaries, officers, director, and employees are not currently under investigation by any governmental agency and have not in the last three (3) years been convicted or found liable for any act prohibited by state or federal law in any jurisdiction, involving conspiracy or collusion concerning bidding on any public contract, or, if they have been, the details of such are as follows (separate sheets may be attached):

_____

_____

_____

I state that I, and the named Proposer, understand and acknowledge that the above representations are material and important and will be relied on by The School Board of Hernando County, FL, for which this Proposal is submitted. I understand, and the Proposer understands, that any misstatement in this affidavit is, and shall be treated as, fraudulent concealment from The School Board of Hernando County, FL, of the facts relating to the submission of Proposals for the Agreement.

_____ _____
Print Name Title

X _____ _____
Signature Date

Attachment F

Scrutinized Company Certification. I hereby swear or affirm that as of the date below, this company is not listed on a Scrutinized Companies list created under §§215.4725, 215.473, or 287.135, Florida Statutes. Under §287.135, Florida Statutes, I further affirm that:

- This company is not participating in a boycott of Israel such that it is not refusing to deal, terminating business activities, or taking other actions to limit commercial relations with Israel or persons or entities doing business in Israel or Israeli-controlled territories in a discriminatory manner.
- This Company does not appear on the Scrutinized Companies with Activities in Sudan List, where the State Board of Administration has established the following criteria:
- Have a material business relationship with the government of Sudan or a government-created project involving oil-related, mineral extraction, or power generation activities or
- Have a material business relationship involving the supply of military equipment or
- Impart minimal benefit to disadvantaged citizens that are typically located in the geographic periphery of Sudan or
- Have been complicit in the genocidal campaign in Darfur.
- This Company does not appear on the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, where the State Board of Administration has established the following criteria:
- Have a material business relationship with the government of Iran or a government-created project involving oil-related or mineral extraction activities or
- Made material investments that significantly enhanced Iran‘s petroleum sector.
- This Company is not engaged in business operations in Cuba or Syria.

X

Signature	Title
Print Name	Date

[INTENTIONALLY BLANK]

Attachment G Truth And Accuracy Statement. The signer of this solicitation guarantees, as evidenced by the affidavit required herein, the truth and accuracy of all statements and all answers to interrogatories hereinafter made.

The undersigned hereby:

- authorizes any public official, engineer, architect, surety company, bank depository, material or equipment manufacturer or distributor, or any person, firm, or corporation to furnish any HCSB-requested pertinent information, or its representative, deemed necessary to verify the statements made in this qualification form or regarding the standing and general reputation of the organization; and
- states that all information given is an accurate representation of the office location and resources from where the services are to be rendered; and
- certifies that he/she is authorized to sign this bid for the organization and that this bid is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a bid for the same materials, supplies, or equipment and is in all respects fair and without collusion or fraud. The undersigned certifies acceptance of this solicitation's terms, conditions, exhibits, specifications, attachments, and addenda.

"I certify (or declare) under penalty of perjury under the laws of the State of Florida that the foregoing is true and correct."

X	
Signature	Title
Print Name	Date

[INTENTIONALLY BLANK.]

Attachment H Statement Of Qualifications. Provide written responses to the following questions. If the answer to any of the questions is "Yes," the Proposer shall describe fully the circumstances, reasons, therefore, the status, and ultimate disposition of each matter that is the subject of this inquiry. If additional space is needed for any question, please attach it to this document.

Has the Proposer been declared in default of any contract?

__ Yes __ No: Has the Proposer forfeited any payment of performance bond issued by a surety company on any contract?

__ Yes __ No: Has an uncompleted contract been assigned by Proposer's surety company on any payment of performance bond issued to Proposer arising from its failure to fully discharge all contractual obligations thereunder?

__ Yes __ No: Within the past three (3) years, has Proposer filed for reorganization, protection from creditors, or dissolution under the bankruptcy statutes?

__ Yes __ No: Is Proposer now the subject of any litigation in which an adverse decision might result in a material change in the firm's financial position or future viability?

__ Yes __ No: Is the Proposer currently involved in any state of fact-finding, negotiations, or resistance to a merger, friendly acquisition, or hostile take-over, either as a target or as a pursuer?

License Sanctions. Below, list any regulatory or license agency sanctions. HCSB may perform a background check on any Proposer with all state and regulatory agencies.

X _____

Signature

_____

Title

_____ _____

Print Name Date

[INTENTIONALLY BLANK]

Instructions for Certification

1. By signing and submitting this form, the prospective lower tier participant is providing the certification set out on the reverse side in accordance with these instructions.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

4. The terms "covered transaction," "debarred," "suspended," "ineligible," " lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this form that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017, Section 3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989, **Federal Register** (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency with which this transaction originated.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON FOLLOWING PAGE)

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

_____ _____

Organization/Company Name Bid/RFP Number

_____ _____

Name(s) and Title(s) of Authorized Representative(s)

Signature(s): Date:

_____ _____

_____ _____

_____ _____

Form AD-1048 (1/92)

ATTACHMENT A

HERNANDO COUNTY SCHOOL DISTRICT - DESIGN/BUILD SERVICES **Final Ranking Matrix**

RFP 9009-2510-505 - REAL ESTATE APPRAISAL SERVICES

Highlighted Firms to be Awarded.

FIRM	QUALIFICATIONS				AVERAGE QUALS	QUALS SCORE	RANK
	EVAL #1	EVAL #2	EVAL #3	EVAL #4			
CBRE, Inc.	440	350	440	500	432.50	87%	**1**
Lee Pallardy, Inc.	400	325	250	430	351.25	70%	**2**
Value Tech Realty Services, Inc.	380	245	330	400	338.75	68%	**3**

Failure to file a protest within the time prescribed in section 120.57(3), Florida Statutes, or failure to post the bond or other security required by law within the time allowed for filing a bond shall constitute a waiver of proceedings under chapter 120, Florida Statutes.

AGENDA ITEM 26-3534

Hernando County School District

School Board Approval Meeting: January 27, 2026

Bid No. #9009-2510-505 **Bid Title:** RFP Real Estate Appraisal Services

Recommend approval of this agenda item under the specific category below:

☐Best Lowest Bid(s)	☒Request for Proposal(s)	☐Best Low Bid(s) Meeting Specification	☐Rejection/Cancellation
☐Revised Award	☐Renewal of Contract	☐Sole Source	☐Re-Award (Partial/Whole)
☐Bid Termination	☐Revisions/Amendments to Bid	☐Bid Extension	☐Emergency
☐Piggyback Cooperative			

Bid Contract Period: 1/27/2026 through 1/26/2029 ☐ N/A – One Time Purchase

Contract Type: ☐ Estimated Dollar Amount ☐ Firm, Fixed Dollar Amount ☐ Firm, Fixed Unit Prices ☒ Firm, Fixed Hourly Rates, Fees and/or Percentages

Renewal Options:

No. of Terms Remaining	☐ Length of Each Term (month)	☒ Length of Each Term (year)	☐ None
2		1	

Rationale/Reason:

Bidders Electronically Downloaded From Public Purchase Website:	Bids Received:	No Bids:	Late Bids:	Rejected Bids:	N/A – Bids Not Required:
	4	0	0	1	

Submitted By: Brian Ragan
Director of Facilities & Construction

School(s): District Wide

Requested By: Steve Crognale
Executive Director of Support Operations

Department(s): District Wide

Recommended award by vendor(s), description of item(s)/service(s) and prices: (See attached)

T/C CODE:

To provide appraisals in Hernando County, Florida for the acquisition of future schools and support facilities, and also for the sale of existing School Board real property.

REAL ESTATE APPRAISAL SERVICES – RFP #9009-2510-505

CBRE Valuation and Advisory Services

Lee Pallardy, Inc.

Value Tech Realty Services, Inc.

CBRE Pricing

10 PRICE SHEET

10.1 Appraisal fee, based on highest and best use:

	Per Site
Vacant – Agricultural/Low-Density Residential <= 50 acres	$ 3,900.00
Vacant – Agricultural/Low-Density Residential > 50 acres	$ 3,900.00
Vacant – High Density Residential <= 50 acres	$ 3,900.00
Vacant – High Density Residential > 50 acres	$ 3,900.00
Vacant – Commercial <= 50 acres	$ 3,900.00
Vacant Commercial > 50 acres	$ 3,900.00

10.2 Appraisal fee, based on highest and best use:

	Per Site
Improved -- <= 10 acres and <= 10,000 square foot improved	$ 5,000.00
Improved -- > 10 acres and <= 10,000 square foot improved	$ 5,000.00
Improved -- <= 10 acres and > 10,000 square foot improved	$ 5,000.00
Improved -- > 10 acres and > 10,000 square foot improved	$ 5,000.00

10.3 Hourly Rate, for services beyond scope of above rate $ 300.00 /HR

(If additional services or special conditions warrant work above and beyond a standard appraisal for the above categories HCSD representative will negotiate with Appraisal Firm and approve additional hours at this rate prior to issuing a Purchase Order. Should an agreement not be negotiated HCSD will rotate to the next appraiser on the list and the Appraisal Firm will be placed at the bottom of the rotational list.)

FAILURE TO COMPLETE THIS PAGE IN ITS ENTIREITY WILL RESULT IN DISQUALIFICATION OF YOUR PROPOSAL

Lee Pallardy -PRICING

THE HERNANDO COUNTY SCHOOL BOARD, FLORIDA
REAL ESTATE APPRAISAL SERVICES – RFP #9009-2510-505

10 PRICE SHEET

10.1 Appraisal fee, based on highest and best use:

	Per Site
Vacant – Agricultural/Low-Density Residential <= 50 acres	$ 5,950
Vacant – Agricultural/Low-Density Residential > 50 acres	$ 6,950
Vacant – High Density Residential <= 50 acres	$ 7,450
Vacant – High Density Residential > 50 acres	$ 8,950
Vacant – Commercial <= 50 acres	$ 6,950
Vacant Commercial > 50 acres	$ 8,950

10.2 Appraisal fee, based on highest and best use:

	Per Site
Improved -- <= 10 acres and <= 10,000 square foot improved	$ 7,950
Improved -- > 10 acres and <= 10,000 square foot improved	$ 8,950
Improved -- <= 10 acres and > 10,000 square foot improved	$ 8,950
Improved -- > 10 acres and > 10,000 square foot improved	$ 9,950

10.3 Hourly Rate, for services beyond scope of above rate $ 250 /HR

(If additional services or special conditions warrant work above and beyond a standard appraisal for the above categories HCSD representative will negotiate with Appraisal Firm and approve additional hours at this rate prior to issuing a Purchase Order. Should an agreement not be negotiated HCSD will rotate to the next appraiser on the list and the Appraisal Firm will be placed at the bottom of the rotational list.)

FAILURE TO COMPLETE THIS PAGE IN ITS ENTIREITY WILL RESULT IN DISQUALIFICATION OF YOUR PROPOSAL

Value Tech – Tab 5 – Pricing

The below pricing and hourly rate are negotiable. Our typical fees for the assignments below are provided below. If a fee adjustment is desired, please reach out to Quintin Kauchick.

THE HERNANDO COUNTY SCHOOL BOARD, FLORIDA
REAL ESTATE APPRAISAL SERVICES – RFP #9009-2510-505

10 PRICE SHEET

10.1 Appraisal fee, based on highest and best use:

	Per Site
Vacant – Agricultural/Low-Density Residential <= 50 acres	$3,900
Vacant – Agricultural/Low-Density Residential > 50 acres	$3,900
Vacant – High Density Residential <= 50 acres	$3,900
Vacant – High Density Residential > 50 acres	$3,900
Vacant – Commercial <= 50 acres	$3,900
Vacant Commercial > 50 acres	$3,900

10.2 Appraisal fee, based on highest and best use:

	Per Site
Improved – <= 10 acres and <= 10,000 square foot improved	$4,200
Improved – > 10 acres and <= 10,000 square foot improved	$4,200
Improved – <= 10 acres and > 10,000 square foot improved	$4,200
Improved – > 10 acres and > 10,000 square foot improved	$4,200

10.3

Hourly Rate, for services beyond scope of above rate (If additional services or special conditions warrant work above and beyond a standard appraisal for the above categories HCSD representative will negotiate with Appraisal Firm and approve additional hours at this rate prior to issuing a Purchase Order. Should an agreement not be negotiated HCSD will rotate to the next appraiser on the list and the Appraisal Firm will be placed at the bottom of the rotational list.)	$250/HR

FAILURE TO COMPLETE THIS PAGE IN ITS ENTIREITY WILL RESULT IN DISQUALIFICATION OF YOUR PROPOSAL

Complete Section A **or** B; **and** C

MUST BE COMPLETED IN FULL FOR PLACEMENT CONSIDERATION.
(For Donations, use Section B)

A. Item Currently Budgeted -

Account Name: Various Funding source

Account Number: 1100E/3XXX (Fund) | 7400 (Function) | XXXX (Object) | 9009 (Cost Center) | XXXX (Project) | (Sub Project)

Original Approved Budget	+ -	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$ 55,000.00		$ 0.00		$ 0.00		$ 55,000.00		$ 55,000.00		$ 0.00

Account Name:

Account Number: (Fund) | (Function) | (Object) | (Cost Center) | (Project) | (Sub Project)

Original Approved Budget	+ -	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$		$		$		$		$		$

B. Item Currently Not Budgeted -**

Funding Source:

Account Name:

Account Number: (Fund) | (Function) | (Object) | (Cost Center) | (Project) | (Sub Project)

Amount $

Funding Source:

Account Name:

Account Number: (Fund) | (Function) | (Object) | (Cost Center) | (Project) | (Sub Project)

Amount $

C. History

Check one:
Prior Year Budget: ○
New for Current Year: ○

Prior Year Approved Budget:

Prior Year Actual Spent:

**** WHEN ITEM NOT CURRENTLY BUDGETED IS APPROVED BY THE SCHOOL BOARD, THIS WILL SERVE AS THE BUDGET AMENDMENT****

Hernando School District

School Board Regular Meeting

Agenda Item # 20. 26-3540 1/27/2026

Title and Board Action Requested
Approve the renewal of bid no. 23-670-22 RN, Plumbing Products, Fixtures, Parts & Supplies, awarded to Best Plumbing Specialties, Inc. and Golden X Plumbing Supply, Inc. and authorize purchases for an estimated annual spending of $55,000.00.

Executive Summary
The Director of Maintenance, on behalf of the Superintendent of Schools, hereby requests the Board approve the renewal of bid no. 23-670-22 RN: Plumbing Products, Fixtures, Parts & Supplies, awarded to Best Plumbing Specialties, Inc. and Golden X Plumbing Supply, Inc. and authorize purchases for an estimated annual spending of $55,000.00.

This contract is used for the purchase of plumbing parts, supplies, fixtures, accessories and related products.

My Contact
Director of Maintenance
Joseph Rychcik
8008 Mobley Road
Brooksville, FL 34601

2023-28 Strategic Focus Area
Priority 5: Fiscal Transparency and Capital Planning

Financial Impact
See attached budget sheet.

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.

PURCHASING AGENDA ITEM

Hernando County School District

School Board Approval Meeting: January 27, 2026

Bid No. 23-670-22 RN

Bid Title: Plumbing Products, Fixtures, Parts & Supplies

Recommend approval of this agenda item under the specific category below:

☐Lowest Bid(s)	☐Request for Proposal(s)	☐Low Bid(s) Meeting Specification	☐Rejection/Cancellation
☐Revised Award	☒Renewal of Contract	☐Sole Source	☐Re-Award (Partial/Whole)
☐Bid Termination	☐Revisions/Amendments to Bid	☐Bid Extension	☐Emergency
☐Reversed Auction	☐ Piggyback Cooperative		

Bid Contract Period: 02/14/2026 through 02/13/2027 ☐ N/A – One Time Purchase

Contract Type: ☐ Estimated Dollar Amount | ☐ Firm, Fixed Dollar Amount | ☐ Firm, Fixed Unit Prices | ☒ Firm, Fixed Unit Prices, Hourly Rates, Fees and/or Percentages

Renewal Options:

No. of Terms Remaining	☐ Length of Each Term (month)	☒ Length of Each Term (year)	☐ None
1		1	

Rationale/Reason: Renewal of contract.

Bidders Electronically Downloaded From Bidnet Direct Website: n/a	Bids Received:	No Bids:	Late Bids:	Rejected Bids:	☒ N/A – Bids Not Required: Renewal

Submitted By: Christopher Reckner
Director of Purchasing & Warehousing

School(s): District Wide

Requested By: Joseph Rychcik
Director of Maintenance

Department(s): Support Operations

Recommended award, description of items and prices: (See attached)

T/C CODE: 2322

This tabulation establishes a contract with suppliers to provide various plumbing products, equipment, parts, supplies, accessories, etc., regardless of manufacturer/brand, securing firm percentage (%) discount off vendor's published catalogs/manufacturer's published price list(s). Sampling of items covered under this contract include, *but is not limited to*:

- General Miscellaneous Parts, Tools, Equipment, Supplies & Material;
- Water Coolers, Fountains & Associated Parts;
- Water Heaters & Associated Parts;
- PVC Pipes (Various Sizes);
- PVC Valves (Various Sizes);
- PVC Fittings (Various Sizes);
- Faucets & Associated Parts;
- Galvanized Items (Pipe & Fittings);
- Cooper Item (Pipe Fittings, Etc.);
- General Plumbing Parts;
- Urinals;
- Brass Items;
- Bubblers;
- Toilet Seats;
- Toilets And Sinks;
- Faucets;
- Classroom Sinks;
- Sloan Valve & Parts;
- Gate Valves;
- Check Valves;
- CPVC Fittings & Pipes;
- Mechanical Joint Couplings.

Best Plumbing Specialties, Inc.

Catalog: Best Plumbing Specialties 2022
Website: www.bestplumbingspecialties.com

Fixed Percentage Discount:

Supplies:	20%
Parts:	20%
Equipment:	20%

Quantity Discounts: Large quantity pricing will be considered for large/bulk orders.

Shipping & Handling: Free Shipping

Visa Card Accepted: Yes

Exceptions: Discount applies to items sold in the current best catalog list price.

Warranty Information: Standard Manufacturer's Warranty

Contact Information: Jay Schanfeldt
(800) 448-6710 ext. 3629
jschanfeldt@bestplumbingonline.com

Golden X Plumbing Supply, Inc.

Website: www.goldenxplumbingsupply.com

Fixed Percentage Discount:

Supplies:	10-30%
Parts:	10-30%
Equipment:	10-30%

Shipping & Handling:	Free Shipping
Visa Card Accepted:	Yes (online order with offered discount is not available)
Exceptions:	Discount applies to items sold in the current best catalog list price.
Warranty Information:	Standard Manufacturer's Warranty
Contact Information:	Chris Landress (352) 799-1301 GX1@TAMPABAY.RR.COM

Complete Section A **or** B; **and** C

MUST BE COMPLETED IN FULL FOR PLACEMENT CONSIDERATION.
(For Donations, use Section B)

A. Item Currently Budgeted -

Account Name: 2025-2026 Maintenance Plumbing Supplies Account

Account Number: 1100 E (Fund) | 8100 (Function) | 5900 (Object) | 9503 (Cost Center) | 49500 (Project) | (Sub Project)

Original Approved Budget	+ - Budget Amendments	- Expenditures / Encumbrances To Date	= Current Available Budget	- Present Request	= Remaining Balance Available
$ 60,000.00	$	$ 49,867.98	$ 10,132.02	$ 5,132.02	$ 0.00

Account Name: 2025-2026 District Wide Supply Accounts

Account Number: 1100 E (Fund) | xxxx (Function) | 5100/5900 (Object) | xxxx (Cost Center) | 0000 (Project) | (Sub Project)

Original Approved Budget	+ - Budget Amendments	- Expenditures / Encumbrances To Date	= Current Available Budget	- Present Request	= Remaining Balance Available
$	$	$	$	$ 49,867.98	$

B. Item Currently Not Budgeted -**

Funding Source: _____

Account Name: _____

Account Number: _____ (Fund) | _____ (Function) | _____ (Object) | _____ (Cost Center) | _____ (Project) | _____ (Sub Project)

Amount $ _____

Funding Source: _____

Account Name: _____

Account Number: _____ (Fund) | _____ (Function) | _____ (Object) | _____ (Cost Center) | _____ (Project) | _____ (Sub Project)

Amount $ _____

C. History

Check one:
Prior Year Budget: ☐
New for Current Year: ☐

Prior Year Approved Budget: $_____

Prior Year Actual Spent: $_____

**** WHEN ITEM NOT CURRENTLY BUDGETED IS APPROVED BY THE SCHOOL BOARD, THIS WILL SERVE AS THE BUDGET AMENDMENT****

Hernando School District

School Board Regular Meeting

Agenda Item # 21. 26-3548 1/27/2026

Title and Board Action Requested
Approve the renewal of Bid No. 24-165-25 RN: Commercial Food Service Equipment for School Cafeterias, awarded to multiple vendors, and authorize an estimated annual expenditure of $200,000.00.

Executive Summary
The Director of Food and Nutrition Services, on behalf of the Superintendent of Schools, hereby requests the Board approve the renewal of Bid No. 24-165-25 RN: Commercial Equipment for School Cafeterias awarded to multiple vendors and authorize an estimated annual expenditure of $200,000.00. This expenditure is for the purchase of replacement commercial food service equipment across the HCSD cafeterias.

My Contact
Holly Longo
Director of Food and Nutrition Services
352-797-7028 x71409

2023-28 Strategic Focus Area
Priority 3: Safe and Healthy Learning Environment

Financial Impact
See attached budget sheet.

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.

PURCHASING AGENDA ITEM

Hernando County School District

School Board Approval Meeting: **January 27, 2026**

Bid No. 24-165-25 RN

Bid Title: Commercial Food Service Equipment for School Cafeterias (Rebid)

Recommend approval of this agenda item under the specific category below:

☐Lowest Bid(s)	☐Request for Proposal(s)	☐Low Bid(s) Meeting Specification	☐Rejection/Cancellation
☐Revised Award	☒Renewal of Contract	☐Sole/Single Source	☐Re-Award (Partial/Whole)
☐Contract Termination	☐Amendments to Contract	☐Extension of Contract	☐Emergency
☐Reversed Auction	☐Piggyback Cooperative	☐Responsive/Responsible Bidders	

Bid Contract Period: 02/20/2026 – 02/19/2027 ☐ N/A – One Time Purchase

Contract Type: ☐ Estimated Dollar Amount ☐ Firm, Fixed Dollar Amount ☐ Firm, Fixed Unit Prices ☒ Firm, Fixed Unit Prices, Hourly Rates, Fees and/or Percentages

Renewal Options:	No. of Terms Remaining	☐ Length of Each Term (month)	☒ Length of Each Term (year)	☐ None
	2		1	

Rationale/Reason: Renewal of Contract.

Bidders Electronically Downloaded From Bidnet Direct Website:	**Bids Received:**	**No Bids:**	**Late Bids:**	**Rejected Bids:**	☒ **N/A – Bids Not Required:** Renewal

Submitted By: Christopher Reckner
Director of Purchasing & Warehousing

School(s): District Wide

Requested By: Holly Longo
Director of Food & Nutrition Services

Department(s): Food & Nutrition Services

T/C 2425

Recommended award, description of items and prices: (See attached)

Vendor Contact Information

Allure Hospitality Supplier, Inc.
Alex Ruiz (305)885-2484
cs@allure-hospitality.com

Big Bend Restaurant Supply
Bill Carpenter (850)383-910
bill.carpenter@bbrsupply.com

Douglas Food Store, Inc.
Rebecca Bergin (304)327-0149 x13
rebecca@douglasequipment.us

International Restaurant Distributors
Jim Breig (407)886-6691
jim@irdequipment.com

Milo Food Service Equipment Dist. Inc.
Michael S. Milo (561)723-7193
mfse@comcast.net

Nice Guy Mechanical Inc.
Gus Gerig (727)247-3276
g.gerig@niceguyhvac.com
service@niceguyhvac.com

Quality Galore LLC
Katherine Thompson (954)710-6835
info@qualitygalore.com

Sam Tell and Sons, Inc.
Lisa Newman (631)501-9700 x1171
governmentsales@samtell.com

10-65% discount off list price, varies by manufacturer.

Complete Section A or B; and C

MUST BE COMPLETED IN FULL FOR PLACEMENT CONSIDERATION.
(For Donations, use Section B)

A. Item Currently Budgeted -

Account Name: Furniture, Fixtures and Equipment

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project
	4110E	7600	6410	9002	00100	00000

Original Approved Budget (+/-)	Budget Amendments	- Expenditures / Encumbrances To Date	= Current Available Budget	- Present Request	= Remaining Balance Available
$ 200,000.00	$ --------	$ ---------	$ 209,362.83	$ 200,000.00	$ 9,362.83

Account Name: _____

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project

Original Approved Budget (+/-)	Budget Amendments	- Expenditures / Encumbrances To Date	= Current Available Budget	- Present Request	= Remaining Balance Available
$	$	$	$	$	$

B. Item Currently Not Budgeted -**

Funding Source: _____

Account Name: _____

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project

Amount $ _____

Funding Source: _____

Account Name: _____

Account Number	Fund	Function	Object	Cost Center	Project	Sub Project

Amount $ _____

C. History

Check one:
Prior Year Budget: ☑
New for Current Year: ☐

Prior Year Approved Budget: $ 3,870,00.00
Prior Year Actual Spent: $ 3,810,000.00

**** WHEN ITEM NOT CURRENTLY BUDGETED IS APPROVED BY THE SCHOOL BOARD, THIS WILL SERVE AS THE BUDGET AMENDMENT****

Hernando School District

School Board Regular Meeting

Agenda Item # 22. 26-3551 1/27/2026

Title and Board Action Requested

Approve the piggyback of the State of Florida, Department of Management Services, State Term Contract No. 15100000-25-STC: *Bulk Fuel, Gasoline, Diesel, Marine and Biodiesel*, awarded to multiple and authorize the purchase of bulk fuel for an estimated annual spending of $ 558,537.38.

Executive Summary

The Director of the Transportation Department, on behalf of the Superintendent of Schools, hereby requests the Board approve the piggyback of the State of Florida, Department of Management Services, State Term Contract No. 15100000-25-STC: *Bulk Fuel, Gasoline, Diesel, Marine and Biodiesel*, awarded to multiple vendors for the purchase of bulk fuel for Transportation Department and other relevant departments and authorize purchases for an estimated annual spending of $558,537.38.

HCSB Bid No. 26-405-34 PB has been assigned for internal tracking purposes.

My Contact

Ralph Leath
Director of Transportation Department
352-797-7003

2023-28 Strategic Focus Area

Priority 3: Safe and Healthy Learning Environment

Financial Impact

The cost for this Agenda Item is $555,513.25 / $3,024.13 The cost for the previous fiscal year was $888,839.05 / $4,340. See attached budget sheet.

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.

PURCHASING AGENDA ITEM

Hernando County School District

School Board Approval Meeting: January 27, 2026

Bid No. 26-405-34 PB

Bid Title: Bulk Fuel, Gasoline, Diesel, Marine and Biodiesel

Recommend approval of this agenda item under the specific category below:

☐Lowest Bid(s)	☐Request for Proposal(s)	☐Low Bid(s) Meeting Specification	☐Rejection/Cancellation
☐Revised Award	☐Renewal of Contract	☐Sole/Single Source	☐Re-Award (Partial/Whole)
☐Contract Termination	☐Amendments to Contract	☐Extension of Contract	☐Emergency
☐Reversed Auction	☐Piggyback	☒Responsive/Responsible Bidders	☒DMS-State of Florida

Bid Contract Period: 01/27/2026 through 12/30/2028 ☐ N/A – One Time Purchase

Contract Type: ☐ Estimated Dollar Amount | ☐ Firm, Fixed Dollar Amount | ☐ Firm, Fixed Unit Prices | ☒ Firm, Fixed Unit Prices, Hourly Rates, Fees and/or Percentages

Renewal Options: No. of Terms Remaining | ☐ Length of Each Term (month) | ☐ Length of Each Term (year) | ☒ TBD

Rationale/Reason: Piggyback the Department of Management Services, State of Florida, State Term Contract No. 15100000-25-STC: *Bulk Fuel, Gasoline, Diesel, Marine and Biodiesel*, awarded to multiple vendors for the purchase of bulk fuel for Transportation Department and other relevant departments. HCSB Bid No. 26-405-34 PB has been assigned for internal tracking purposes. This piggyback approval includes all future renewals of this contract approved and adopted by the State-DMS.

Bidders Electronically Downloaded From Bidnet Direct Website: n/a	**Bids Received:**	**No Bids:**	**Late Bids:**	**Rejected Bids:**	☒ **N/A – Bids Not Required:** DMS PB

Submitted By: Christopher Reckner
Director of Purchasing & Warehousing

School(s): District Wide

Requested By: Ralph Leath
Director of Transportation

Department(s): Transportation Department

Recommended award: (See attached)

T/C CODE: 2634

Awarded Vendors:

Campbell Oil Company
Name: Heidi Danilko
Email: bids@campbelloilcompany.com
Phone: 910-862-8423 ext. 271

Mansfield Oil Company of Gainesville, Inc
Name: Dallas Bloodworth
Email: dbloodworth@mansfieldoil.com
Phone: 678-207-3164

Petroleum Traders Corporation
Name: Joseph Vanderpool
Email: jvanderpool@petroleumtraders.com
Phone: 888-637-7661

Pro Energy, LLC
Name: Chas Defelice
Email: chas@proenergy.us
Phone: 954-816-8351

Sunoco LP
Name: Nicholas Galbato
Email: govorders@sunoco.com
Phone: 215-977-6233

Complete Section A **or** B; **and** C

MUST BE COMPLETED IN FULL FOR PLACEMENT CONSIDERATION.
(For Donations, use Section B)

A. Item Currently Budgeted -

Account Name: Diesel Fuel

Account Number: 1100 (Fund) | 7800 (Function) | 4600 (Object) | 9602 (Cost Center) | 401 (Project) | (Sub Project)

Original Approved Budget	+ - Budget Amendments	- Expenditures / Encumbrances To Date	= Current Available Budget	- Present Request	= Remaining Balance Available
$ 1,200,000.00	$ .00	$ 644,486.75	$ 555,513.25	$ 555,513.25	$ .00

Account Name: Unleaded Fuel

Account Number: 1100 (Fund) | 7800 (Function) | 4500 (Object) | 9602 (Cost Center) | 401 (Project) | (Sub Project)

Original Approved Budget	+ - Budget Amendments	- Expenditures / Encumbrances To Date	= Current Available Budget	- Present Request	= Remaining Balance Available
$ 6,000.00	$ .00	$ 2,975.87	$ 3,024.13	$ 3,024.13	$ .00

B. Item Currently Not Budgeted -**

Funding Source:

Account Name:

Account Number: (Fund) | (Function) | (Object) | (Cost Center) | (Project) | (Sub Project)

Amount $

Funding Source:

Account Name:

Account Number: (Fund) | (Function) | (Object) | (Cost Center) | (Project) | (Sub Project)

Amount $

C. History

Check one:
Prior Year Budget: ☒
New for Current Year: ○

Prior Year Approved Budget: $_1,200,000.00 / $6,000.00

Prior Year Actual Spent: $_883,839.05 / $4,340.15

**** WHEN ITEM NOT CURRENTLY BUDGETED IS APPROVED BY THE SCHOOL BOARD, THIS WILL SERVE AS THE BUDGET AMENDMENT****

Hernando School District

School Board Regular Meeting

Agenda Item # 23. 26-3538 1/27/2026

Title and Board Action Requested

Accept notification of the Florida School Safety Compliance Inspection Report for Quarter 2 to document compliance with safety requirements.

Executive Summary

The Director of Safe Schools, on behalf of the Superintendent of Schools, hereby updates the Board with the District Compliance Inspection Report for Quarter 2. This update will be generated as it is received from FLDOE to document compliance with House Bill 1473.

My Contact

Angel Pagan
Director of Safe Schools
352-797-7233

2023-28 Strategic Focus Area

Priority 3: Safe and Healthy Learning Environment

Financial Impact

See attached budget sheet.

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.

District	Number of School Facilities	Number of Schools Inspected or Reinspected	Percentage of Schools Inspected or Reinspected	Number of Inspected Schools With No School Safety Requirement Deficiencies	Percentage of Inspected Schools With No School Safety Requirement Deficiencies
HERNANDO	26	5	19.23	4	80

Complete Section A **or** B; **and** C

MUST BE COMPLETED IN FULL FOR PLACEMENT CONSIDERATION.
(For Donations, use Section B)

A. Item Currently Budgeted -

Account Name: No Financial Impact

Account Number: Fund | Function | Object | Cost Center | Project | Sub Project

Original Approved Budget	+ -	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$		$		$		$		$		$

Account Name

Account Number: Fund | Function | Object | Cost Center | Project | Sub Project

Original Approved Budget	+ -	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available
$		$		$		$		$		$

B. Item Currently Not Budgeted -**

Funding Source

Account Name

Account Number: Fund | Function | Object | Cost Center | Project | Sub Project

Amount $

Funding Source

Account Name

Account Number: Fund | Function | Object | Cost Center | Project | Sub Project

Amount $

C. History

Check one:
Prior Year Budget: ○
New for Current Year: ○

Prior Year Approved Budget: $_____

Prior Year Actual Spent: $_____

**** WHEN ITEM NOT CURRENTLY BUDGETED IS APPROVED BY THE SCHOOL BOARD, THIS WILL SERVE AS THE BUDGET AMENDMENT****

Hernando School District

School Board Regular Meeting

Agenda Item # 24. 26-3569 1/27/2026

Title and Board Action Requested
Citizen Input on Hernando County School issues on which the School Board customarily takes action (Pink Form - non-agenda items)

Executive Summary
Please see the attached form if you wish to make a presentation before the School Board for matters that pertain to other Hernando County School issues on which the School Board customarily takes actions.

My Contact
Ray Pinder
Superintendent of Schools

2023-28 Strategic Focus Area
Other

Financial Impact
There is no financial impact.

NON-AGENDA ITEM COMMENT FORM FOR SPEAKERS

Failure to complete this form or to sign below will prevent the Citizen Input form from being presented to the Board Chair.

LEGAL NAME/**PRINTED**: _____

LEGAL ADDRESS: _____

PHONE: (_____) _____

Identify topics **not** included on the agenda. Topics need to address educational concerns.

TOPIC: _____

_____

_____

Guidelines:

Limited agenda time and the need to conduct meetings in an orderly fashion require that you adhere to the following Citizen's Input guidelines:

- The speaker will adhere to a three (3) minute time limit per speaker.
- Time may not be yielded to other speakers.
- The Chairperson has the authority to limit discussion if the subject is outside of the authority of the School Board Members regarding an issue that is repetitive or is addressing a legally confidential issue.
- Materials or documents you wish to share with the School Board must be attached to this form.
- The Chairperson may deny all forms submitted after the Board Meeting is called to order.
- The HCSD Code of Civility is in effect at all times (see other side).
- The Board typically does not respond to remarks or questions made during Citizen Comments.

My signature is confirmation that I have read, understand, and agree to abide by all guidelines and HCSD Code of Civility:

Signature of speaker: _____

Chairperson's Approval of form: _____

FOR OFFICE USE ONLY:

Date Received: _____

Time Received: _____

Hernando County School Board
CODE OF CIVILITY

The education of our children depends on the ability of the community, parents and staff to share responsibilities, meaningful communication and welcomed participation. Civility reflects the ability of each person to affirm the collective worth of being respectful.

With that, all persons attending or speaking at a school board meeting shall:

- Listen carefully and respectfully
- Not use any offensive gestures, language or profanity
- Not use any threatening words or actions
- Not display any disruptive behaviors, temper or insulting/demeaning words
- Treat others as they would like to be treated
- Never bully, harass or abuse others

*Any lack of civility by any person will result in that person being directed by the Superintendent, or Chairperson, to leave the premises. Failure to follow a directive will result in law enforcement assistance.

Note: The Board typically does not respond to remarks or questions made during citizen input. While no immediate action will be taken by the Board, the Superintendent may follow up the inquiries/comments by directing staff to intervene.