PERFORMANCE AUDIT OF

Holmes County School District

Final Report

August 25, 2026

McConnell Jones

Overview of Performance Audit Findings

Holmes County School District
August 25, 2026

HOLMES COUNTY SCHOOL DISTRICT REPORT DIGEST

Overall, the District Partially Met Expectations in Five (5) Areas and Did Not Meet Expectations in One (1) Area

Issue Area (Number of Subtasks Examined)	Overall Conclusion	Did the District Meet Subtask Expectations? Yes	Partially	No	Not Applicable
Economy, efficiency, or effectiveness of the program (6)	Partially Meets	2	3	1	0
Structure or design of the program (2)	Partially Meets	0	2	0	0
Alternative methods of providing program services or products (3)	Partially Meets	1	2	0	0
Goals, objectives, and performance measures (4)	Not Met	0	1	3	0
Accuracy or adequacy of public documents, reports, and requests prepared by the District (5)	Partially Meets	0	4	1	0
Compliance with appropriate policies, rules, and laws (5)	Partially Meets	2	1	1	1
All Areas (25)		**5**	**13**	**6**	**1**

Results in Brief-------------------------

In accordance with s. 212.055(11), *Florida Statutes*, and Government Auditing Standards, the certified public accountant must conduct a performance audit of the District program areas within the administrative unit(s) that will receive funds through the referendum. The performance audit must include a review of program areas for the District related to facilities, Safety and Security, technology, school bus transportation and indebtedness. Audit fieldwork must include interviews with program administrators, review of relevant documentation, and other applicable methods to complete the assessment of the six (6) research tasks.

- The economy, efficiency, or effectiveness of the program.
- The structure or design of the program to accomplish its goals and objectives.
- Alternative methods of providing program services or products.
- Goals, objectives, and performance measures used by the program to monitor and report program accomplishments.
- The accuracy or adequacy of public documents, reports, and requests prepared by the District, or which relate to the program.
- Compliance of the program with appropriate policies, rules, and laws.

Findings for each of the six (6) issue areas were based on the extent to which the program met expectations established by audit subtasks. Overall, the audit found that Holmes County School District partially met expectations in five (5) areas and did not meet expectations in one (1) area.

A summary of audit findings by issue area is presented below. A more detailed discussion of the findings can be found in the body of the report.

Findings by Issue Area ----------------

Economy, Efficiency, or Effectiveness of the Program

Overall, Holmes County School District partially meets Research Task 1.

The MJ Team reviewed each program area associated with the surtax and determined that all program administrators use various reports and data on a regular basis and that the information is adequate to monitor program performance and costs.

All programs except School Bus Transportation are periodically evaluated using performance information and other reasonable criteria to assess performance and costs. Bus operations, inspections, preventive maintenance, and repairs occur daily; however, program administrators do not use available information to evaluate transportation operations.

Administrators for each program, except Facilities, took reasonable and timely actions to address deficiencies in program performance and costs identified in program evaluations and reports. Facilities program administrators do not document reasonable and timely actions taken to address deficiencies identified in fire inspection reports.

Program performance and costs were evaluated based on reasonable measures and best practices when available. Capital projects were not demonstrated to be of reasonable cost, completed well, on time and within budget.

Purchasing policies are adequately designed and address competitive procurement, volume discounts, and special pricing agreements; however, self-performed construction and trade-level purchasing occur outside formal procurement channels without documented compliance.

The structure or design of the program to accomplish its goals and objectives

Overall, the Holmes County School District partially meets Task 2.

The District maintains a clearly defined organizational structure with established reporting relationships and leadership responsibilities that generally support the administration of Facilities, Safety and Security, Technology, School Bus Transportation, and Indebtedness programs. Most departments operate within generally accepted span-of-control practices; however, the Superintendent directly supervises a large number of employees and functions, which may reduce administrative efficiency and limit strategic oversight opportunities.

The District has generally aligned staffing levels with declining enrollment and has maintained stable student-to-staff ratios over time. However, staffing analyses identified opportunities for improvement in several operational areas. Facilities staffing appears lean in custodial and maintenance functions when compared to selected industry benchmarks. Technology staffing is limited relative to the number of devices supported, and Transportation lacks reserve substitute-driver capacity necessary to provide operational flexibility during employee absences and other staffing disruptions. Safety and Security staffing appears adequate for current operational needs, and Finance Department staffing appears sufficient to administer debt-related responsibilities.

Alternative methods of providing services or Products

Overall, Holmes County School District partially meets Research Task 3.

The District demonstrated that certain program areas, including Technology, Transportation, and Indebtedness, evaluate service delivery methods and consider outsourcing opportunities when potential performance improvements or cost savings exist. However, documentation supporting these evaluations was not consistently maintained across all program areas, particularly within Facilities, Safety and Security, and Transportation.

The District also demonstrated varying levels of oversight of contracted and outsourced services. While Technology and Transportation program administrators assess service effectiveness and cost considerations, Facilities and Safety and Security programs lacked sufficient documentation to demonstrate formal evaluations of outsourced services, effectiveness, or achieved cost savings. Indebtedness was not applicable to this area of review.

Finally, Technology and Transportation program administrators identified opportunities for alternative service delivery methods through consideration of peer practices and cost-saving opportunities. For Facilities and Safety and Security, the review did not identify additional alternative service delivery methods beyond current procurement approaches, and Indebtedness was not applicable to this assessment area.

Goals, objectives, and performance measures used by the program to monitor and report program accomplishments

Overall, the Holmes County School District did not meet Research Task 4.

The District stated that departments (or programs) associated with the surtax proposal do not have written program-level operational goals and objectives that focus on key expectations for each program’s performance and cost, provide daily direction for program staff, and provide a means to assess each program. Instead, planning primarily occurs through in-person budget sessions with each department Director.

Although the District has some goals/objectives related to the program areas embedded in the strategic plan, the District lacks program-level, operational goals and objectives that link back to the strategic plan goals/objectives.

The departments monitor program cost versus budgets using financial reports. However, performance measures per the strategic plan are sometimes too broad to address program progress toward meeting the strategic plan goals and objectives and the district lacks a periodic progress report.

While some School Board policies are maintained on the District’s website, the policies do not provide adequate guidelines for the programs to ensure performance, and several of the policies are out of date. In addition, the District lacks clearly defined program-level goals and objectives needed to determine whether existing internal controls are meeting the District’s operational and instructional needs.

The accuracy or adequacy of public documents, reports, and requests prepared by the County which relate to the program

Overall, Holmes County School District partially meets Research Task 5.

The District maintains financial and operational information systems that provide useful information for management and public reporting; however, the Facilities and School Bus Transportation programs continue to rely on manual processes for certain operational activities.

The District provides public access to financial and nonfinancial information through its website and other communication channels, but some information is outdated and program-level performance and cost information is limited.

The District demonstrated processes to support the accuracy and completeness of financial information; however, formal procedures for validating performance information were not consistently demonstrated.

In addition, the District does not maintain formal written procedures for identifying, correcting, and documenting erroneous or incomplete public information. While the District provided limited evidence demonstrating that certain corrections were made, it did not provide sufficient documentation to demonstrate that corrections are consistently implemented, tracked, and communicated in a timely manner.

Compliance of the program with appropriate policies, rules, and laws

Overall, Holmes County School District partially meets Research Task 6.

The District has processes in place to assess compliance with applicable federal, state, and local laws, regulations, contracts, grant agreements, and local policies, primarily through guidance provided by an external school board attorney and through District departments' participation in professional associations that monitor legislative and regulatory changes.

However, the District's overall internal control environment reflects weaknesses, including operational audit findings, outdated policies and procedures, and instances of noncompliance identified during project reviews. The District did not provide policies and procedures to demonstrate that recommendations from prior evaluations or audits had been adequately implemented.

The District also demonstrated reasonable and timely efforts to ensure that planned uses of surtax funds complied with applicable legal and regulatory requirements. As a result, while some compliance monitoring processes were functioning effectively, other elements were not fully supported or operating as expected.

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TRANSMITTAL LETTER

August 25, 2026

Superintendent Buddy L. Brown
Holmes County School District
307 West North Ave
Bonifay, FL 32425

Dear Mr. Brown,

McConnell & Jones LLP (MJ) is pleased to submit our final report of the performance audit of Holmes County School District (District) pursuant to s. 212.055(11), *Florida Statutes*. In accordance with the requirements of Ch. 2018-118, Laws of Florida, the Office of Program Policy Analysis and Government Accountability (OPPAGA) selected MJ to conduct a performance audit of the program areas related to (1) Facilities (including acquisition, construction, renovation, replacement and equipping of school facilities and land acquisition), (2) Safety and Security, (3) Technology, (4) School Bus Transportation, and (5) Indebtedness.

Ammon Consulting Group, LLC, based in Moorestown, New Jersey, served as technical advisor for transportation-related functions. TLC Engineering, Inc., based in Houston, Texas, served as technical advisor for facilities-related functions.

We conducted this performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

The objective of the audit was to fulfill the requirements of s. 212.055(11), *Florida Statutes*. This statute requires that Florida local governments, with a referendum on the discretionary sales surtax held after March 23, 2018, undergo a performance audit conducted of the program associated with the proposed sales surtax adoption. The audit must be conducted at least 60 days before the referendum is held. OPPAGA is charged with procuring and overseeing the audit.

The objectives of the audit are consistent with the requirements of the statute, which are to evaluate the programs associated with the proposed sales surtax adoption based on the following criteria:

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1. The economy, efficiency, or effectiveness of the program.
2. The structure or design of the program to accomplish its goals and objectives.
3. Alternative methods of providing services or products.
4. Goals, objectives, and performance measures used by the program to monitor and report program accomplishments.
5. The accuracy or adequacy of public documents, reports, and requests prepared by the District, which relate to the program.
6. Compliance of the program with appropriate policies, rules, and laws.

We developed a work plan outlining the procedures to be performed to achieve the above audit objectives. Those procedures and the results of our work are summarized in the Report Digest and discussed in detail in the body of the report.

Based upon the procedures performed and the results obtained, the audit objectives have been met. We conclude that, with the exception of the findings discussed in the report and based upon the work performed, the departments that expend sales surtax funds have sufficient policies and procedures in place, supported by appropriate documentation, reports, monitoring tools, and personnel to address the statutory criteria defined in s. 212.055(11), *Florida Statutes*.

McConnell & Jones LLP

Houston, Texas

OVERVIEW AND INTRODUCTION

HOLMES COUNTY SCHOOL DISTRICT OVERVIEW

Holmes County, located in the Panhandle of Florida, is home to a population of 19,653 per the 2020 Census. The Holmes County School District (District) serves more than 2,700 students across seven (7) schools: one (1) elementary school serving grades K–5; one (1) combined elementary and middle school serving grades K–8; one (1) high school serving grades 9–12; one (1) combined middle and high school serving grades 6–12; two (2) combined schools serving grades K–12; and one (1) alternative school, The Graduation Assistance Program (GAP). Holmes County School District is governed by a School Board (Board) consisting of five (5) members, and the District is led by the Superintendent of Schools.

HOLMES COUNTY SCHOOL DISTRICT BUDGET SUMMARY

Each year the District develops a budget in accordance with Sections 1011 and 200 of the *Florida Statutes*. Section 1011 guides overall budget development and administration, while Chapter 200 provides specific directions for the annual levy of property taxes and the corresponding budget adoption timeline. The District operates on a July 1 to June 30 Fiscal Year.

The General Fund is the primary operating fund and is the default fund used to account for and report all financial resources not required to be accounted for and reported in another fund. The General Fund consists of local and state funding. In **Figure ES-1**, the two (2) sources are combined.

All Funds Revenue Budget

Figure ES-1 presents the District's Fiscal Year 2025-2026 revenues from all sources of approximately $32 million. About 81 cents of every revenue dollar goes to the General Fund, exclusive of fund balances. The next largest revenue sources are Federal and Food Service, which comprise 8 percent and 7 percent, respectively, of revenue from all sources, excluding fund balance.

Revenue Source	Amount	Percentage
General	$25,973,051	81.0%
Federal	2,555,080	8.0%
Food Service	2,253,455	7.0%
Capital	1,279,872	4.0%
Total	**$32,061,458**	**100.0%**

FIGURE ES-1: *Holmes County School District's Fiscal Year 2025-2026 budgeted revenue from all sources totals $32 million.*
SOURCE: *Holmes County School District Final Budget Presentation.*

Figure ES-2 presents the District's Fiscal Year 2025-2026 General Fund revenues. State funding accounts for $23.3 million, or 89.5 percent, of the $26.0 million total. Local property taxes provide the remaining $2.7 million.

Fund	Revenues	Percentage
State Funding (Florida Education Finance Program and Class Size Reduction)	$23,256,265	89.5%
Local property taxes	2,716,786	10.5%
Total General Fund Sources	**$25,973,051**	**100.0%**

FIGURE ES-2: *State Funding makes up the bulk of Holmes County's School District's Fiscal Year 2025-2026 budgeted revenue at 89.5 percent of total budgeted revenue of approximately $25 million.*
SOURCE: *Holmes County School District Final Budget Presentation.*

2025-2026 General Fund Expenditure Budget

Figure ES-3 presents the District's Fiscal Year 2025-2026 budgeted expenditures by category. Salaries comprise 56.7 percent of the $27.7 million expenditure budget while Employee Benefits comprise 22.7 percent.

Fund	Expenditures	Percentage
Salaries	$15,683,749	56.7%
Employee Benefits	6,273,500	22.7%
Purchase Services	2,993,854	10.8%
Energy Services	1,356,832	4.9%
Materials & Supplies	732,303	2.6%
Other	499,545	1.9%
Capital Outlay	122,000	0.4%
Total General Fund Expenditures	**$27,661,783**	**100.0%**

FIGURE ES-3: *Salaries and employee benefits make up nearly 80 percent of the County's Fiscal Year 2025-2026 General Fund expenditures.*
SOURCE: *Holmes County School District Final Budget Presentation.*

DISCRETIONARY SALES SURTAX

According to the State of Florida Department of Revenue website, a half-cent infrastructure tax program funded by a discretionary sales surtax (DSS) is imposed by 31 Florida school districts and applies to most transactions subject to sales tax. The State of Florida Department of Revenue collects and distributes the sales surtax to counties and municipalities based on the state's sales tax formula.

Each county is responsible for administering the funds it receives. The Board initiated the surtax and approved the surtax ordinance on March 31, 2026. The Holmes County Board of County Commissioners (BOCC) subsequently approved placing the surtax referendum on the ballot on May 5, 2026.

In accordance with section 212.055(6), *Florida Statutes*, (2021), proceeds of the sales surtax may be used by the District for fixed capital expenditures and costs related to school facilities and campuses, including construction, renovation, land acquisition, school buses, technology improvements, facility retrofits, and eligible debt service.

Figure ES-4 identifies the District departments that will engage with surtax fund programs and how the funds will be used.

Program	Responsible Departments	Surtax Uses
Facilities (including acquisition, construction, renovation, replacement and equipping of school facilities and land acquisition)	• Operations Department • Finance Department	• Renovate, repair, and modernize school facilities through HVAC, roofing, lighting, parking, traffic circulation, maintenance facility upgrades, and aesthetic improvements to school campuses.
Safety and Security	• School Safety Department • Finance Department	• Enhance campus security infrastructure and systems. • Harden school facilities through security improvements. • Maintain and upgrade safety equipment and critical systems.
Technology	• Technology Department • Finance Department	• Improve instructional and operational technology infrastructure through student and staff devices, network and cybersecurity enhancements, cloud-based security cameras, backup systems, network hardware, and firewall upgrades.
School Bus Transportation	• Transportation Department • Finance Department	• Purchase, replace, maintain, and improve school transportation assets, including school buses and related transportation equipment necessary to support student transportation services.
Indebtedness	• Finance Department	• Pay debt service and other eligible bond-related obligations associated with approved capital projects and school facility improvements.

FIGURE ES-4: *Uses of the sales surtax and administering department.*
SOURCE*: Surtax Ordinance No. 24-03 and the MJ Team Interviews.*

GOVERNANCE IMPLICATIONS OF SURTAX PASSAGE

Under Florida state law, the Board is responsible for the oversight of the use of the surtax funds, if the referendum passes.

District administrators would be responsible for planning, administering, monitoring, and reporting on surtax-funded projects, including Facilities, Technology, Safety and Security, Transportation, and Debt Service Activities.

AUDIT OBJECTIVE

In accordance with s. 212.055(11), *Florida Statutes*, and Government Auditing Standards, the certified public accountant must conduct a performance audit of the District program areas within the administrative unit(s) that will receive funds through the referendum.

The performance audit must include a review of program areas for the District related to facilities, Safety and Security, technology, school bus transportation and indebtedness.

Audit fieldwork must include interviews with program administrators, review of relevant documentation, and other applicable methods to complete the assessment of the six (6) research tasks.

PROJECT SCOPE

Figure ES-4, shown above, provides an overview of the District departments that were included in the audit scope as well as surtax fund uses. The performance audit was conducted in accordance with *Generally Accepted* Government *Auditing Standards (GAGAS)*. Those standards require that the audit be conducted in a manner to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on the audit objectives. The MJ Team believes that the evidence obtained provides a reasonable basis for our observations and conclusions.

METHODOLOGY

The MJ Team began fieldwork with a kickoff meeting on June 1, 2026, where the MJ Team discussed the project scope, process, timeline, and priorities. Audit team members conducted individual interviews with management and executive-level staff during the fieldwork period. Each of the group interviews had varying management team members in attendance depending on their involvement with a particular research task.

During the interviews, management team members' roles were discussed along with processes and procedures the District follows to address the six (6) research tasks and underlying subtasks. The MJ Team initiated multiple follow-up contacts with nearly all District management team members to clarify information outlined in processes, procedures, and management reports the District provided to address the research tasks. Performance audit team members reviewed and analyzed relevant operational and financial data to document and report findings and conclusions.

RESEARCH TASK 1

OVERVIEW

The MJ Team assessed the economy, efficiency, and effectiveness of each applicable program by evaluating six (6) areas: regular use of information to monitor program performance and cost; periodic evaluation of program performance and cost using reasonable criteria; timely action to address identified deficiencies; use of reasonable performance and cost measures; completion of projects at reasonable cost, on time, within budget, and in accordance with expectations; and use of written policies and procedures to maximize competitive procurement, volume discounts, and special pricing agreements.

FINDING SUMMARY

THE ECONOMY, EFFICIENCY, OR EFFECTIVENESS OF THE PROGRAM.

Overall, Holmes County School District partially meets Research Task 1.

The MJ Team reviewed each program area associated with the surtax and determined that all program administrators use various reports and data on a regular basis and that the information is adequate to monitor program performance and costs. All programs except School Bus Transportation are periodically evaluated using performance information and other reasonable criteria to assess performance and costs. Bus operations, inspections, preventive maintenance, and repairs occur daily; however, program administrators do not use available information to evaluate transportation operations. Administrators for each program, except Facilities, took reasonable and timely actions to address deficiencies in program performance and costs identified in program evaluations and reports. Facilities program administrators do not document reasonable and timely actions taken to address deficiencies identified in fire inspection reports. Program performance and costs were evaluated based on reasonable measures and best practices when available. Capital projects were not demonstrated to be of reasonable cost, completed well, on time and within budget. Purchasing policies are adequately designed and address competitive procurement, volume discounts, and special pricing agreements; however, self-performed construction and trade-level purchasing occur outside formal procurement channels without documented compliance.

Findings by Subtask:

- **Subtask 1.1 - Management Reports – Met**
- **Subtask 1.2 - Performance Evaluation Criteria – Partially Met**
- **Subtask 1.3 - Findings and Recommendations – Partially Met**
- **Subtask 1.4 - Program Performance – Met**
- **Subtask 1.5 - Case Studies of Past Projects – Not Met**
- **Subtask 1.6 - Competitive Procurement – Partially Met**

SUBTASK CONCLUSIONS, ANALYSIS AND RECOMMENDATIONS

SUBTASK 1.1 – Review any management reports/data that program administrators use on a regular basis and determine whether this information is adequate to monitor program performance and cost.

OVERALL CONCLUSION

Holmes County School District meets Subtask 1.1 based on interviews and data analysis for the District programs that will administer or benefit from the sales surtax. The MJ Team determined that administrators regularly use management reports and other data to monitor program performance and costs. Supporting analysis is presented by program area below.

FACILITIES

To address the requirements of Subtask 1.1 as it relates to Facilities, the MJ Team interviewed the Director of Operations. We also examined management reports and data that Operations Department administrators use regularly and determined that the information is adequate to monitor program performance and costs. Therefore, Subtask 1.1 is met for the Facilities program.

Should voters pass the referendum, the Operations Department will use its portion of the funds to upgrade schools through repairs and modernization, including the following:

- School aesthetics – includes lawn maintenance, pressure washing, new signage, striping parking lots, painting buildings, year-round ballfield upkeep, and aluminum instead of chain-link fencing.
- HVAC replacements and upgrades.
- Lighting conversion, improvements, and control upgrades.
- Roof repair and maintenance.
- Upgrades to maintenance facilities.

Reports that the Operations Department uses to monitor and manage activities and costs are discussed below.

Maintenance Detail Review

The Director of Operations and the Director of Finance review the Maintenance Detail Review report periodically to ensure that Operations Department expenditures are properly captured and reported. The Director of Finance reclassifies all misclassified expenditures to the correct general ledger account.

Figure 1-1 provides an excerpt from a Fiscal Year 2025-2026 Maintenance Detail Review report, which shows plumbing and lock and key expenditures charged during Fiscal Year 2025-2026. The report is from a financial accounting system that the District uses through an arrangement with the Panhandle Area Education Consortium (PAEC).

3frbud12.p 76-4 PAEC - Holmes County, FL 06/30/26 Pag
05.26.02.00.00 Maintenance Detail Review (Date: 07/01/2025 - 06/30/2026) 10:41

Fund Func Obj Fac Proj
1100E8100 3110 0041 00000 00000 00000 (continued)

Date	Src	Sub	Batch	Vendor Name/Ref	PO#/Line#	Description	Inv#/Desc2	Inv Date	Chk#/Rec#	Check Date	Amount
10/14/25	AP		20251014	YATES PLUMBING & UTILITY S	9102600190	Blanket PO for Maintenance 202	I-2289-1	10/08/25	22625	10/14/25	1,680.00
11/12/25	AP		20251112	MIDDLEBROOKS CONTRACTORS I	9102600432	11170, Install Backflow Preven	11170	11/05/25	22765	11/13/25	1,250.68
11/12/25	AP		20251112	YATES PLUMBING & UTILITY S	9102600190	Blanket PO for Maintenance 202	I-2398-1	11/10/25	22784	11/13/25	1,680.00
12/10/25	AP		20251210	FIREHOUSE LOCK & KEY	9102600384	Blanket PO for Maintenance	7380	12/09/25	22895	12/11/25	110.00
12/10/25	AP		20251210	YATES PLUMBING & UTILITY S	9102600190	Blanket PO for Maintenance 202	I-2494-1	12/04/25	22910	12/11/25	1,680.00
01/08/26	AP		20260107	YATES PLUMBING & UTILITY S	9102600190	Blanket PO for Maintenance 202	I-2593-1	01/05/26	23004	01/09/26	1,680.00
01/21/26	AP		20260121	FIREHOUSE LOCK & KEY	9102600384	Blanket PO for Maintenance	7533	01/15/26	23055	01/22/26	230.00

FIGURE 1-1: *The Director of Operations and the Director of Finance use the Maintenance Detail Review report to identify misclassified expenditures.*
SOURCE: *Finance Department.*

Maintenance Expense Budget

The Director of Operations and the Director of Finance use the Maintenance Expense Budget report to compare actual-to-budgeted expenditures. This report shows how effectively the Operations Department is adhering to its budget. **Figure 1-2** provides an excerpt from a Fiscal Year 2025-2026 Maintenance Expense Budget report. The Director of Finance explained that the negative amounts in the "Available Funds" column will be eliminated once capital millage adjusting entries are made at the end of the Fiscal Year, which is June 2026.

3frbud12.p 76-4 PAEC - Holmes County, FL 06/30/26
05.26.02.00.00 Expense Budget Maintenance (Date: 6/2026)

FundTFunc	Obj	Fac	Proj	Subpr	Prog	Fund	Func	Obj	Fac	Proj	2025-26 FYTD Revised Bdgt	Encumbered Amount	June 2025-26 Monthly Activity	2025-26 FYTD Activity	2025-26 Available Funds
1100E8100	1100	9100	00000	00000	00000	1100	8100	1100	9100	00000	80,407.20		10,769.52	86,157.00	-5,749.80
1100E8100	1600	0031	00000	00000	00000	1100	8100	1600	0031	00000	37,235.95		4,830.78	38,646.30	-1,410.35
1100E8100	1600	0041	00000	00000	00000	1100	8100	1600	0041	00000	27,417.75		4,422.96	35,383.95	-7,966.20
1100E8100	1600	0061	00000	00000	00000	1100	8100	1600	0061	00000	33,459.88		4,234.80	33,878.25	-418.37
1100E8100	1600	0111	00000	00000	00000	1100	8100	1600	0111	00000	40,305.51		5,332.68	42,661.50	-2,355.99
1100E8100	1600	0261	00000	00000	00000	1100	8100	1600	0261	00000	26,162.97		4,297.44	34,380.15	-8,217.18
1100E8100	1600	0262	00000	00000	00000	1100	8100	1600	0262	00000	33,775.35		5,311.75	42,494.20	-8,718.85
1100E8100	1600	9100	00000	00000	00000	1100	8100	1600	9100	00000	189,615.47		24,969.36	199,756.20	-10,140.73

FIGURE 1-2: *The Maintenance Expense Budget compares actual-to-budget variances, which will be cleared at the end of the fiscal year once adjusting entries are posted.*
SOURCE: *Finance Department.*

Facilities Inventory

The Operations Department maintains an inventory of the District's facilities that shows facility name, age, purpose, square footage, current maintenance needs, and deferred maintenance needs of the District's eight (8) facilities, which include six (6) schools, the District office, and the bus barn. The inventory report provides general information about each facility as well as each facility's current and deferred maintenance needs. Operations Department management uses the Facilities Inventory report to prioritize projects associated with each building.

The MJ Team reviewed the inventory listing noting that the most common current maintenance needs were HVAC filter replacements, painting, and fence repair while the most common deferred needs were roof and flooring replacements, lighting upgrades, and a new HVAC system for a gymnasium.

SAFETY AND SECURITY

To address the requirements of Subtask 1.1 as it relates to Safety and Security, the MJ Team interviewed the Director of School Safety.

We also examined management reports and data that the School Safety Department uses regularly and determined that the information is adequate to monitor program performance and costs. Therefore, Subtask 1.1 is met for the Safety and Security program.

Should voters pass the referendum, the School Safety Department will use its portion of the funds to keep schools safe while promoting a conducive learning environment, which includes the following:

- Upgraded fire alarm systems and intrusion alarms.
- Cameras and video surveillance.
- Door lock systems/card access.
- Upgraded doors/windows.
- School check-in management systems.
- Upgraded security and data communication systems.

The reports and information that School Safety Department administrators use to monitor and manage activities and costs are discussed below.

Florida Safe Schools Assessment Tool (FSSAT)

The Florida Safe Schools Assessment Tool (FSSAT) is an online platform managed by the Florida Department of Education (FDOE). FSSAT is the primary source of information safety program administrators use on a regular basis to monitor school safety program performance and costs. It provides a broad array of security risk assessment, field reporting, data analytics, and information-sharing capabilities for school safety stakeholders, which includes state administrators and school personnel responsible for the safety and security of students, staff, and campus facilities. The FSSAT helps school officials identify threats and vulnerabilities so that appropriate safety measures and controls can be implemented.

The District relies heavily on the FSSAT as its main safety planning and evaluation instrument. Principals complete the assessment, law enforcement participates in walkthroughs, and the Director of School Safety submits it to the state. The District uses FSSAT information to produce a district-level best practices document and a needs assessment, which feeds a 17-section strategic plan.

The FSSAT information used to manage and monitor the safety program is confidential because it reveals security gaps and weaknesses that could be exploited. The Director of School Safety provides board members with the information marked “Confidential” along with instructions that cannot leave board meetings, cannot be copied, and cannot be shared. After board meetings, the Director of School Safety collects and destroys the information.

The MJ Team could not obtain a copy of FSSAT information due to confidentiality concerns. However, we examined minutes from the September 16, 2025, board meeting where the Director of School Safety shared the School Safety Quarterly Compliance report and the District Best Practices assessment with board members in executive session.

Student Information System

The Director of School Safety uses the student information system to access student demographic information, which allows the Director to contact parents, access student discipline histories, and view grades. The student information system is separate and distinct from the District’s system that integrates financial, human resources, payroll and asset management functions. These systems are commonly referred to as enterprise resource planning systems (ERP), a component of which is the District’s accounting system.

The MJ Team reviewed a screen shot of the student information system menu. The system provides the information listed below, which is available to manage and monitor relevant aspects of school and student safety. The list is not all inclusive.

- Name.
- Birth date.
- Birth location.
- Sex.
- County.
- Immunization status.
- Home room teacher.
- School personal support contact.
- Prior addresses.
- Ethnicity/race.
- Language.
- Assessments.
- Attendance/truancy.
- Club/sports activity.
- Current grades.
- Health information.

Incident Reports

The District reports safety-related incidents through the FDOE's School Environmental Safety Incident Reporting System (SESIR). This system enables the District to track incidents and analyze patterns of violent, criminal or disruptive activity so that interventions can be designed.

SESIR houses data on 26 categories of crime, violence, and disruptive behaviors that occur on school grounds, on school transportation, and at off-campus school-sponsored events during any 24-hour period, 365 days per year. Individual schools report incidents through the District's student information system, which the District then reports to the FDOE.

The District relies on SESIR for reportable safety incidents and its student information system for day-to-day student information, discipline, and early warning indicators. This combination allows the District to monitor both formal compliance and routine operational issues.

The MJ Team examined two student information system screen shots showing information that the Director of School Safety uses regularly to monitor the safety program. One screen shot showed incidents and included the school name, incident number, date, type, location, and other relevant information. The other screen shot showed early warning statistics by grade and number of students with attendance below 90 percent, one or more suspensions, course failures, retention frequency, and other early warning data.

TECHNOLOGY

To address the requirements of Subtask 1.1 as it relates to Technology, the MJ Team interviewed the Coordinator of Technology Integration & Media/Public Information Officer and the Coordinator of Network Operations .

We also examined management reports and data that Technology program managers use regularly and determined that the information is adequate to monitor program performance and costs. Therefore, Subtask 1.1 is met for the Technology program.

Should voters pass the referendum, Technology will use its portion of the funds to make technology improvements including the following:

- Network switches and firewall license renewals.
- Student Windows and Chromebook devices.
- Teacher Laptops.
- Network Security.
- Off-site back-ups.
- Cloud-based Security Cameras.
- Phone System Network Hardware.

The MJ Team requested reports and information that Technology uses to monitor and manage activities and costs. The reports are discussed below.

Technology Equipment Inventory Listing

Technology program managers record technology equipment acquisitions in an automated inventory system, which program managers use to generate reports for tracking, managing, and conducting the annual inventory of technology assets. The MJ Team requested and examined a technology equipment inventory listing that contained the following information:

- Tag Number.
- Serial Number.
- Product Name.
- Site Name.
- Location.
- Status.
- Vendor.
- Purchase Date.
- Purchase Price.
- Order Number.

Technology program managers use the report to determine where technology equipment is located and who has possession of each item. **Figure 1-3** provides a summary of technology inventory by location that shows 6,832 items costing approximately $1.5 million.

Location	Number	Cost
Bonifay K-8 School	1,434	$ 384,635
District Office	2,580	281,852
Poplar Springs High School	656	182,407
Bethlehem High School	641	181,066
Holmes County High School	602	155,246
Ponce de Leon Elementary School	394	122,315
Ponce de Leon High School	434	120,569
Graduation Assistance Program	80	26,786
Holmes Virtual School	11	2,652
Grand Total	**6,832**	**$ 1,457,529**

FIGURE 1-3: *Technology program managers use inventory reports to track technology assets by location, custodian, acquisition date and other factors including cost.*
SOURCE: *Technology Department.*

Asset Management Compliance Report

The Asset Management Compliance Report provides program managers with a snapshot of asset status at each location in the District. It is a companion to the inventory listing that serves as a dashboard of asset status and is updated with the inventory listing after the annual physical inventory. Program administrators use the compliance report to know the total assets at each location and the number of assets verified, misplaced, or missing.

Help Desk Service Utilization Summary

Technology users submit helpdesk tickets using an automated system. Technology program administrators use the Service Utilization Summary to track total helpdesk tickets by location. This information enables program administrators to determine the number of tickets submitted by location. The system also allows program administrators to drill down to determine root causes and identify recurring issues.

Figure 1-4 provides a summary of helpdesk tickets by site submitted from July 1, 2025, through June 23, 2026.

Help Desk Service Utilization Summary

Total Tickets by Site

July 1, 2025-June 23, 2026

Site	Total Count of Tickets
Bethlehem High School	154
Blank	4
Bonifay K-8 School	790
District Office	68
Graduation Assistance Program	64
Holmes County High School	267
Ponce de Leon Elementary School	177
Ponce de Leon High School	133
Poplar Springs High School	380
Grand Total	2 037

FIGURE 1-4: *Technology users submitted 2,037 helpdesk tickets between July 2025 and June 23, 2026.*
SOURCE: *Technology Department.*

Airtime Utilization Report

Airtime utilization measures the percentage of time that a wireless access point (AP) is actively using its available wireless capacity, much like tracking how busy a roadway is throughout the day. The Airtime Utilization Report provides technology program administrators management with a useful tool for monitoring usage trends, identifying locations experiencing higher wireless demand, and proactively planning future infrastructure investments before capacity constraints affect users.

Technology program administrators regularly review airtime utilization reports to monitor how heavily the wireless network is being used and to identify locations that may require additional attention. The report highlights the access points with the highest levels of wireless activity, allowing technology management to identify areas with growing demand, investigate potential performance issues before users experience problems, and make informed decisions about future equipment purchases or network upgrades.

Figure 1-5 provides an excerpt from an Airtime Utilization Report. The airtime utilization bar graph shows that wireless usage was concentrated in a limited number of access points, with the HDSB Bus Barn Outdoor AP exhibiting the highest average utilization. However, utilization levels across all access points remained well below available capacity, suggesting that the District's wireless network was adequately sized to meet current demand.

The GHz information on the left margin of the excerpt describes three (3) different “lanes” that Wi-Fi devices can use to communicate with the network. The percentages show how busy each lane was during the reporting period. The report indicates average airtime utilization of approximately 5.98% on the 2.4 GHz lane, 3.15% on the 5 GHz lane, and 2.47% on the 6 GHz lane.

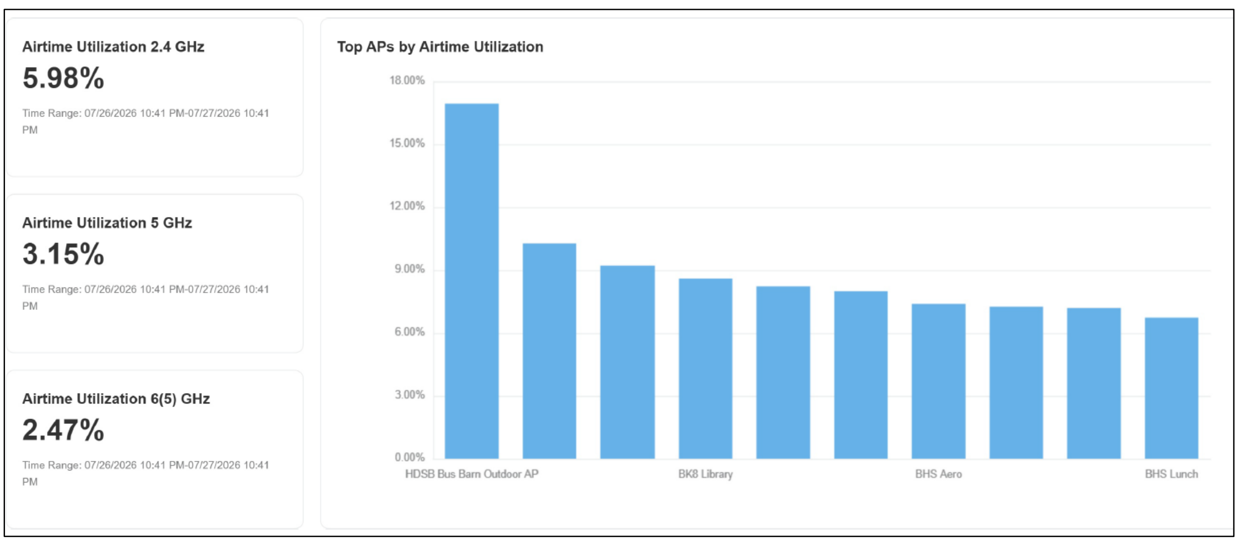


FIGURE 1-5: *During the reporting period represented by the graphic, the District's wireless infrastructure was not experiencing widespread congestion and retained significant available capacity for future growth.*
SOURCE: *Technology Department.*

SCHOOL BUS TRANSPORTATION

To address the requirements of Subtask 1.1 as it relates to School Bus Transportation, the MJ Team conducted a joint interview with individuals in the following positions:

- Director of Transportation.
- Transportation Secretary.
- Director of Finance.

We also examined management reports and data that School Bus Transportation program administrators use regularly and determined that the information is adequate to monitor program performance and costs. Therefore, Subtask 1.1 is met for the School Bus Transportation program.

Should voters pass the referendum, the Transportation department will use its allocation of the funds to:

- Liquidate lease obligations on buses acquired under a leasing arrangement.
- Acquire new buses.
- Subsidize school field trips.

The MJ Team requested and reviewed the following reports and information that the Transportation Department uses to monitor and manage activities and costs.

Pre-Trip Inspection Log

Each day, bus drivers conduct a pre-trip bus inspection and document the results in a weekly log. The log shows the bus number, starting and ending mileage, starting and ending date, and driver name. The log is essentially a checklist showing each inspection item and provides a section for comments. Drivers check off their morning and evening inspection results and sign off on the log at the end of the week.

The Pre-Trip Inspection Logs allow School Bus Transportation program managers to detect maintenance issues early and address them before they affect safety or result in unnecessary costs.

Figure 1-6 provides an excerpt from a recent log.

PRE-TRIP INSPECTION LOG

UPDATED 12/25

District: HOLMES

Bus #:	57	Start Date:	4/13/26	End Date:	4/17/26
Start Mileage:	1062990	End Mileage:		Driver:	A. Stephens

Inspection Item	Mon AM	Mon PM	Tue AM	Tue PM	Wed AM	Wed PM	Thu AM	Thu PM	Fri AM	Fri PM
General Body Condition	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Exhaust System	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tires and Wheels	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Fluid Leaks Under Bus	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Exterior Mirrors	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Windows and Mirrors	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Horn	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Defrosters and Heaters	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Entrance Door and Steps	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Head, Tail, and Brake Lights	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

FIGURE 1-6: *Bus drivers inspect their buses twice a day and document the inspections on a weekly inspection log.*
SOURCE: *Transportation Department.*

Turn-by-Turn Route Sheets

Each school year, bus drivers complete detailed route sheets showing turn-by-turn directions for their assigned route. Bus routes do not change during the year but must be documented at the beginning of the school year to comply with FDOE requirements and to confirm that routes are efficient, safe, cost-effective, and not overlapping. School Bus Transportation program managers use the information to understand the precise route of each bus on a detailed, turn-by-turn basis. **Figure 1-7** provides an excerpt from a bus driver's morning turn-by-turn route sheet.

A.M. Leave shop at 7:10

Leave the bus shop; make a Left onto Hubbard Street. At highway 90 make a left. Then you will stop at the trailer park and pick up. Go down 90 just before you go over the bridge at Camp Creek, turn right on to dirt drive and turn around. Go back on highway 90 toward Bonifay, and the next stop is Dr. Contini office. Then turn onto Joe White Road at the stop sign turn right onto Bonifay Chipley road. Just past the bridge at Hogan Lane, stop and pick up children on the left side of the road. Back into Hogan Lane and go back to highway 90. Next is a brick house

FIGURE 1-7: *Bus drivers prepare turn-by-turn route sheets at the beginning of each school year that School Bus Transportation program managers use to ensure efficient and cost-effective bus routes.*
SOURCE: *Transportation Department.*

Preventive Maintenance Calendar

At the beginning of each school year, School Bus Transportation program administrators prepare a preventive maintenance calendar showing when each bus is due for inspection throughout the year. Bus maintenance follows a 20-day rotating cycle, and program administrators use the calendar to help ensure the fleet remains properly maintained.

When possible, mechanics make repairs immediately, which helps prevent buses from falling behind on scheduled maintenance and reduces the potential for costly repairs. Preventive maintenance records are paper based, and repair activity is recorded manually and filed in individual bus folders. When a bus breaks down on the road, staff document the issue in the bus's file folder. However, the District does not maintain fleet-wide breakdown statistics or an electronic maintenance log showing repair and inspection history.

Figure 1-8 provides an excerpt from the May 2026 preventive maintenance calendar. It shows the school and driver's name and the date the driver is to bring the bus in for preventive maintenance.

May 2026

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	
3	4	5 POPLAR 28-THOMPSON 16-EALUM 51-HUDSON 43-BARNHART SPARE	6 BETHLEHEM 9-PURVEY 14-HELMES 60-	7 BETHLEHEM 31-WATSON 55-TANTON SPARE	8	
10	11	12 PDL 30-STEPHENS 45-CARROLL 3-MESSER 10-MERRITT	13 PDL 57-BRYAN 6-JOHNSON SPARE	14 BONIFAY 2 BRADSHAW 8-DRAPER 59-JORDAN 41-PARISH	15	1

FIGURE 1-8: *Between May 4th and May 6th, 18 buses serving three (3) schools were scheduled for preventive maintenance.*
SOURCE: *Transportation Department.*

Fuel Tax Report

Each month, School Bus Transportation program managers prepare and submit a fuel tax report to the Florida Department of Revenue (FDOR). Transportation staff enter beginning fuel inventory, gallons purchased and consumed, and ending inventory into FDOR's online system, which calculates the District's fuel tax for the month. Based upon an FDOR formula, the District will either owe fuel taxes or receive a refund for the month. Fuel consumption reports, together with fuel vendor invoices, support the information entered into the FDOR system. Fuel vendor invoices show the amount of fuel purchased as well as the fuel taxes paid. Program managers use this fuel data to monitor monthly fuel activity and related costs.

Figure 1-9 provides an example of a fuel consumption report. **Figure 1-10** shows a fuel vendor invoice including fuel taxes paid.

HDSB FUEL READING FOR MONTHLY FUEL TAX
MAY 2026

FUEL TANK SITE	FUEL TYPE: DIESEL/INCHES	CONVERSION GALLONS	FUEL TYPE: GASOLINE/INCHES	CONVERSION GALLONS:
HOLMES DISTRICT	40	1319	43	1433
PONDE DE LEON	33	1043	28	588
POPLAR SPRINGS	33	1043	....	....
BETHLEHEM	43	1433	....	....
GRAND TOTALS:		4838		2021

FIGURE 1-9: *Fuel consumption reports provide input into FDOR's fuel tax system. In May, the District consumed 4,838 gallons of diesel and 2,021 gallons of regular fuel.*
SOURCE: *Transportation Department.*

Bill To:
Holmes County District School Board
307 West North Avenue
Bonifay, FL 32425

Ship To:
ID: 101
Holmes County District School
701 E Pennsylvania Ave
Bonifay, FL 32425

Order No: OD-0478043 **Reference No.:** OD-0478043 **P.O. No:**
Salesperson: Bids **Carrier:** Retif Oil Bobtail

Please consider using one of the alternate methods of payment contained in the invoice email.
Mailed payments should be sent to: 1840 Jutland Drive, Harvey, LA 70058.

Description	BOL No	Units	Unit Price	Total
Dyed - Ultra LS Diesel	2643926-DW	1,000.00	4.289400	4,289.40

NA1993, Diesel Fuel, 3 PG III, Dyed, NON TAXABLE USE ONLY, Penalty for Taxable Use 24 Hour Emergeny Contact # (800) 535-5053 INFOTRAC

Tax and Other Charges Summary	Basis	Rate	Total
Fed Oil Spill Liability Tax	1,000.00		0.00
Fed Superfund Fee Recovery	1,000.00	0.004286	4.29
Federal LUST Tax - Diesel	1,000.00	0.001000	1.00
FL Dyed Dsl Sales Tax	$4,315.40		0.00
FL Poll Coastal Protection	1,000.00	0.000480	0.48
FL Poll Inland Protection	1,000.00	0.019040	19.04
FL Poll Water Quality - DslKer	1,000.00	0.001190	1.19
FL Holmes Sales Tax-DyedDsl	$4,315.40		0.00

FIGURE 1-10: *Vendor fuel consumption reports provide input into FDOR's fuel tax system. This invoice shows 500 gallons purchased at $5.144 for a total of $2,572 plus fuel taxes paid on the purchase.*
SOURCE: *Transportation Department.*

INDEBTEDNESS

To address the requirements of Subtask 1.1 as it relates to Indebtedness, the MJ Team interviewed the Director of Finance.

We also examined bus lease agreements and amortization schedules that the Director of Finance uses annually and determined that the information is adequate to monitor program performance and costs. Therefore, Subtask 1.1 for Indebtedness is met.

Should voters pass the referendum, the District will use some of the funds to liquidate lease obligations incurred to acquire buses. The Director of Finance uses the following reports to monitor and manage lease obligations.

Lease Agreements & Amortization Schedules

The District's debt is represented by five-year term bus lease agreements. These agreements are the only debt that the District has incurred. Lease payments are annual. Management reports and data consist of lease amortization schedules and journal entries to move lease payments from the General Fund to the Capital Outlay account.

Figure 1-11 provides an overview of the current bus lease showing the total loan of $1,075,710, total interest of $80,930, and annual lease payments of $231,328. On October 25, 2026, the District will make the last payment under this lease.

Amortization per unit or per group. 1 10 2023 Blue Bird BBCV 77 pass

Nominal Annual Rate: 3.600%

CASH FLOW DATA

	Event	Date	Amount	Number	Period	Totals
1	Loan	9/25/2022	1,075,710.00	1		$1,075,710.00
2	Payment	10/25/2022	231,328.00	5	Annual	$231,328.00

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance	
Loan	9/25/2022				1,075,710.00	
1	10/25/2022	231,328.00	3,182.92	228,145.08	847,564.92	$231,328.00
2	10/25/2023	231,328.00	30,512.34	200,815.66	646,749.26	$231,328.00
3	10/25/2024	231,328.00	23,282.97	208,045.03	438,704.23	$231,328.00
4	10/25/2025	231,328.00	15,793.35	215,534.65	223,169.58	$231,328.00
5	10/25/2026	231,328.00	8,158.42	223,169.58	0.00	$231,328.00
Grand Totals		1,156,640.00	80,930.00	1,075,710.00		$1,156,640.00

FIGURE 1-11: *The District will pay the final installment on the current five-year lease on October 25, 2026.*
SOURCE: *Finance Department.*

On June 9, 2026, the school board approved a new five-year bus lease agreement for nine (9) 2027 Blue Bird school buses. The District will make lease payments beginning next year from October 15, 2027, through October 15. 2031.

Figure 1-12 provides an overview of the new bus lease showing the total loan of $1,479,515, total interest of $192,585, and annual lease payments of $334,420.

Amortization per unit or per group. 1 9 2027 Blue Bird School Buses

Nominal Annual Rate: 4.480%

CASH FLOW DATA

	Event	Date	Amount	Number	Period
1	Loan	12/15/2026	1,479,515.00	1	
2	Payment	10/15/2027	334,420.00	5	Annual

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	12/15/2026				1,479,515.00
1	10/15/2027	334,420.00	55,204.96	279,215.04	1,200,299.96
2	10/15/2028	334,420.00	53,773.44	280,646.56	919,653.40
3	10/15/2029	334,420.00	41,200.47	293,219.53	626,433.87
4	10/15/2030	334,420.00	28,064.24	306,355.76	320,078.11
5	10/15/2031	334,420.00	14,341.89	320,078.11	0.00
Grand Totals		1,672,100.00	192,585.00	1,479,515.00	

FIGURE 1-12: *The District will begin paying installments on its new five-year bus lease agreement on October 15, 2027.*
SOURCE: *Finance Department.*

SUBTASK 1.2 – Determine whether the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost.

OVERALL CONCLUSION

Holmes County School District partially meets Subtask 1.2 based on interviews and data analysis for the District programs that will administer or benefit from the sales surtax.

The MJ Team determined that all programs, except School Bus Transportation, are periodically evaluated using reasonable criteria to assess program performance and cost. While bus operations, inspections, preventive maintenance, and repairs occur regularly, program administrators do not use the information to evaluate transportation operations.

Contractors evaluate elevator operations and fire safety through periodic inspections for the Facilities program. The Director of School Safety conducts quarterly safety inspections at each school and prepares a security risk assessment. A consultant conducted a technology needs assessment for the Technology program and program administrators use technology to monitor and evaluate network performance. Supporting analysis is presented and discussed by program below.

FACILITIES

To address the requirements of Subtask 1.2 as it relates to Facilities, the MJ Team interviewed the Director of Operations who is responsible for overseeing facility operations and warehouse operations.

We also examined the following evidence of periodic evaluations using performance information and other reasonable criteria to assess program performance and cost. Therefore, Subtask 1.2 is met for the Facilities program.

Auditor General 2024 Operational Audit

The Florida Auditor General (AG) conducts operational audits to provide the Florida Legislature Florida's citizens, and other stakeholders with information to promote accountability, stewardship, and improved governmental operations.

In 2024, the AG conducted an operational audit of Holmes County Schools. The auditor performed a variety of procedures on District processes and administrative activities and included a follow-up on findings noted in its 2022 report. Although the audit procedures focused heavily on compliance, the implications of the auditor's findings could have an impact on costs. For example, the auditors found that the District self-performed rather than using private contractors. The decision had cost implications because of the financial impact of outsourcing versus self-performance.

Audit procedures performed included the following:

- Examined District records for one construction project using the District's own services, employees, and equipment with expenditures totaling $1.1 million through June 30, 2024, to determine whether the Board complied with the requirements specified in Section 255.20(1)(c)9. *Florida Statutes*. This statute authorizes local governments and special districts to self-perform public construction projects rather than using private contractors. It requires the governing board to conduct a noticed public meeting and pass a majority vote finding that self-performance is in the public's best interest. This audit procedure has cost implication.
- Examined District records for the Ponce de Leon K-12 School construction project in the design phase during the audit period to determine whether architects were properly selected pursuant to Section 287.055, *Florida Statutes*, and adequately insured. This statute mandates that state and local government agencies select professional architectural, engineering, landscape, and surveying/mapping firms based on qualifications rather than the lowest bid. This audit procedure could have a direct impact on costs.
- Examined documentation supporting transfers totaling $1.6 million during the audit period from non-voted capital outlay tax levy proceeds, Public Education Capital Outlay funds, and other restricted capital project funds to determine District compliance with the restrictions imposed on the use of these resources, such as compliance with Section

> 1011.71(2), *Florida Statutes*. This statute authorizes district school boards to levy up to 1.5 mills of property tax against the taxable value of property in their district for capital outlay purposes and charter schools. This audit procedure could have a direct impact on costs.

The AG's Operational Audit report, issued November 2024, found that the District did not comply with state law public notice, meeting, and reporting requirements for a demolition and renovation project with estimated costs exceeding $300,000 and instead used its own services, employees, and equipment, in lieu of a competitively selected contractor. This finding directly impacts costs.

The District received a $3.1 million cost estimate from a construction contractor for the new District administrative offices portion of the project. However, instead of competitively awarding a construction contract, the District used the contractor's cost estimate to make informal assessments and projections that ultimately led to the decision to complete the project using the District's own services, employees, and equipment.

The auditors recommended that the District:

> "…demonstrate compliance with state law for each construction project, estimated to cost more than $300,000 and not competitively awarded to a contractor, by conducting the required public meeting after public notice and documenting that it is in the public's best interest to perform the construction project using its own services, employees, and equipment. Moreover, for such completed projects, the District should prepare, and the Board review, a report detailing and summarizing the estimated versus actual costs of the project(s) each year and make the report available to the public and for audit."

The Auditor General 2024 Operational Audit provides evidence that the Facilities program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost. Elements of compliance, performance, and costs are inherent in the auditor's procedures and findings.

Elevator Inspection Reports

The District has only one elevator. The elevator is used to move bulk supplies to the second floor of a school; students do not use the elevator. A contractor inspects the elevator monthly and completes any needed repairs during an inspection. The MJ Team examined the January, March, April, and June 2026 elevator inspection reports noting that they constitute a periodic evaluation of elevator operation in satisfaction of the subtask.

We also examined the District's Florida Certificate of Operation, issued by the state upon its inspection. The document confirms that the District complies with applicable state requirements for elevator operations. The certificate is shown in **Figure 1-13.**

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
DIVISION OF HOTELS AND RESTAURANTS
BUREAU OF ELEVATOR SAFETY
2601 BLAIR STONE ROAD
TALLAHASSEE, FL 32399-1013
TELEPHONE: 850-487-1395

Ron DeSantis, Governor — Melanie S. Griffin, Secretary

FLORIDA CERTIFICATE OF OPERATION

THIS IS PUBLIC NOTIFICATION THAT

Mailing Address:
BONIFAY K8 SCHOOL
701 E PENNSYLVANIA AVE
BONIFAY FL 32425

The elevator owner is responsible for the safe operation of this conveyance, and continued compliance with all Florida laws governing the elevator bearing the below license number as a(n) :

HYDRAULIC PASSENGER at

Location Address:
BONIFAY K8 SCHOOL

3085 SAND PATH ROA
BONIFAY FL 32425

LICENSE NUMBER	LANDINGS	CAPACITY	EXPIRATION DATE
104676	2	2000 LBS	08/01/2026

THIS CERTIFICATE MUST BE POSTED IN A CONSPICUOUS LOCATION ON THE ELEVATOR AND FRAMED WITH A TRANSPARENT COVER.
NOTICE: Any person removing or defacing this certificate without authorization is subject to imprisonment or fine (Section 806.13,F.S.).

NO SMOKING
NO FUMAR

SECTION 823.12, F.S., SMOKING IN ELEVATORS UNLAWFUL. IT IS UNLAWFUL FOR ANY PERSON TO POSSESS ANY IGNITED TOBACCO PRODUCT OR OTHER IGNITED SUBSTANCE WHILE PRESENT IN AN ELEVATOR. ANY PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S.775.082 AND S.775.083.

FIGURE 1-13: *The Florida Certificate of Operation issued by the state confirms that the District complies with state elevator laws.*
SOURCE: *Operations Department.*

Fire Inspection Reports

Through its membership in the PAEC, the District receives annual fire inspections of its facilities. PAEC state-certified inspectors perform annual inspection as required by state law. The inspector evaluates school facilities against the requirements of the Florida Fire Prevention Code and by fire and life-safety standards developed and maintained by the National Fire Protection Association (NFPA). Fire inspection reports provide evidence of periodic evaluation with respect to fire safety.

SAFETY AND SECURITY

To address the requirements of Subtask 1.2, as it relates to Safety and Security, the MJ Team interviewed the Director of School Safety. We also requested and reviewed the following documentation, which demonstrates that school safety operations are periodically evaluated using performance information and other reasonable criteria to assess program performance and cost. Therefore, Subtask 1.2 is met for the Safety and Security program.

Auditor General 2024 Operational Audit

As discussed in the Facilities section of this subtask, the Florida Auditor General performed an operations audit of the District in 2024. The following school safety procedures were performed; however, no findings were identified and no recommendations were made.

- Evaluated board policies and District procedures addressing the ethical conduct of school personnel, including reporting responsibilities related to employee misconduct which affects the health, safety, or welfare of a student, and the investigation responsibilities for all reports of alleged misconduct to determine whether those policies and procedures were effective and sufficient to ensure compliance with Section 1001.42(6) and (7)(b)3., *Florida Statutes.*
- Examined District records to determine whether the Board had adopted appropriate school safety policies and the District implemented procedures to ensure the health, safety, and welfare of students and compliance with Sections 1006.07, 1006.12, and 1011.62(12), *Florida Statutes.*
- Examined District records to determine whether the Board had adopted appropriate mental health awareness policies and the District had implemented procedures to promote the health, safety, and welfare of students and ensure compliance with Sections 1011.62(13) and 1012.584, *Florida Statutes,* and SBE Rule 6A-1.094124, Florida Administrative Code.

Quarterly Compliance Report

The Director of School Safety conducts annual safety inspections. At the end of the quarter, the Director prepares a compliance report to document inspection results and safety concerns. The Director presents the quarterly compliance report to the board in executive session because, as noted in Subtask 1.1, school safety information is highly confidential and may include details about security vulnerabilities.

The Director also submits the information to the FDOE through its FSSAT portal. If FDOE determines that the District's response was appropriate, the issue is resolved. If further action is needed, FDOE will respond in writing to the District regarding correcting the deficiency. Otherwise, FDOE provides the District with a quarterly report that provides the percentage of deficiencies to the number of inspections. No details are provided in the Quarterly Compliance Report, only the percentage.

School Security Risk Assessments

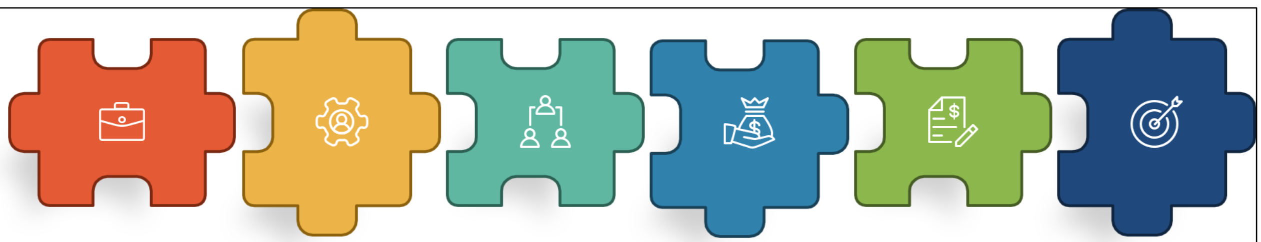
Florida law requires all school districts to conduct annual school security risk assessments. Districts perform safety compliance inspections annually at every school. FDOE performs the same inspection at a minimum of every three (3) years. Compliance results are documented using FDOE's online FSSAT platform, which enables school officials identify threats and vulnerabilities and create a strategic plan to implement school safety controls.

Before Oct 1st of each year, all Florida schools must perform a school safety risk assessment (SSRA) and submit it to the district's School Safety Specialists (SSS) who review, approve, and submit the assessment in FSSAT before Oct 15th.

Prior to November 1st, the SSS must complete and submit the District's Best Practices Assessment (DBPA) to the school board. The DBPA is a summary of the district's safety posture and plan to remedy any weaknesses identified in the SSRA.

The combined SSRA and DBPA results in a needs assessment, which must be completed and submitted to the state before the end of the calendar year. The needs assessment is prioritized by need. The action items are identified by priority, although the district can complete them out of order as needs arise. The SSRA process assists Florida school districts in improving the safety posture of schools. Areas identified for remediation become eligible for non-competitive school hardening grants.

Figure 1-14 is a graphic depiction of the SSRA process.



Complete School Safety Risk Assessment	Conduct School Safety Specialist Review	Submit SSRA through FSSAT	Submit Best Practices to School Board	Needs Assessment	Strategic Plan
All Florida schools must perform an SSRA before October 1st of each year.	The school safety specialist at each school reviews and approves the SSRA.	The school safety specialist submits the safety assessment to FDOE through the FSSAT online platform.	The school safety specialist completes and submits the District Best Practices Assessment to the school board before November 1st.	The SSRA and DBPA result in a needs assessment, which must be completed by the end of the calendar year and includes a list of confidential safety initiatives.	The needs assessment results in a prioritized 17-point strategic plan.

FIGURE 1-14: *The School Security Risk Assessment process consists of six (6) general steps ending in a strategic plan to address security issues.*
SOURCE: *Director of School Safety Interview.*

TECHNOLOGY

To address the requirements of Subtask 1.2 as it relates to Technology, the MJ Team interviewed the Coordinator of Technology Integration & Media/Public Information Officer and the Coordinator of Network Operations. We also reviewed the following documentation, which demonstrates that technology operations are periodically evaluated using performance information and other reasonable criteria to assess program performance and cost. Therefore, Subtask 1.2 is met for the Technology program.

Auditor General 2024 Operational Audit

The Florida Auditor General's operations audit in 2024 addressed the following audit procedures related to the District's technology operations:

- Reviewed information technology (IT) policies and procedures to determine whether the policies and procedures addressed important IT control functions, such as security, systems development and maintenance, network configuration management, system backups, and disaster recovery.
- Evaluated procedures for maintaining and reviewing employee access to IT data and resources and examined user access privileges to the finance and human resources (HR) applications to determine the appropriateness and necessity of the access privileges based on employee job duties and user account functions and whether the access privileges prevented the performance of incompatible duties.
- Examined administrator account access privileges granted and procedures for oversight of administrative accounts for the applications to determine whether these accounts had been appropriately assigned and managed.
- Evaluated District procedures to prohibit former employee access to electronic data files to determine whether the access privileges were promptly deactivated.
- Determined whether the District had a comprehensive IT disaster recovery plan in place that was designed properly, operating effectively, and had been recently tested.
- Examined selected application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- Determined whether the District had established a comprehensive IT risk assessment to document its risk management and assessment processes and security controls intended to protect the confidentiality, integrity, and availability of data and IT resources.
- Determined whether an adequate, comprehensive IT security awareness and training program was in place.

The auditors had no technology findings or recommendations. However, the fact that the area was reviewed is evidence that the technology program is periodically evaluated.

Technology Needs Assessment

In 2021, an education consultant assessed the District's technology functions to determine the extent to which its technology capabilities and usage aligned with stakeholder expectations and best practices. Although the assessment was completed in 2021, most of its governance, cybersecurity, infrastructure lifecycle, support model, technology planning, operational processes, instructional integration, and professional development recommendations remain relevant in 2026. Examples include requiring multi-factor authentication (MFA) for all administrative, remote-access, and sensitive systems; developing and maintaining a 3 to 5-year technology plan; documenting systems and standard operating procedures; and implementing standardization protocols and an equipment replacement schedule.

The assessment was intended to support District leadership in refining its long-range technology vision and planning to enhance administration, teaching, learning, and student preparation for higher education and the workforce.

The consultants documented the existing technology organizational structure, examined results from the Technology Department's self-study, conducted interviews, analyzed survey and other data, and outlined the following goals for the assessment.

- Alignment to best practices for technology in a K12 environment;
- Identification of concerns among the community;
- Structure of staffing model to support existing and future technologies; and
- Strategic direction for the district and technology team.

The consultants' overall recommendation was that the District use the report "as the foundation to begin prioritizing and outlining, by timetable and budget, how to approach the work. Priorities will need to be established in what the district technology department staff and users can realistically accomplish in any given school year."

Real-time System Monitoring Tools

The District uses a variety of monitoring, cybersecurity, network management, and service-support tools that provide Technology program administrators with information regarding the condition, security, and performance of the District's technology environment.

Collectively, these tools assist technology personnel in identifying potential security threats, monitoring network operations, tracking technology supporting activities, evaluating system performance, and identifying areas requiring corrective action, additional resources, or cost avoidance. Each tool and its function is described in **Figure 1-15**.

Tool Name	Description and Function
SCCM (Software Center Configuration Manager)	Centralized technology management tool that allows staff to monitor computers and other devices connected to the district network. The system provides information about hardware, software, system status, and updates, thereby helping technology personnel maintain a secure and standardized computing environment.

Tool Name	Description and Function
Bitdefender Antivirus (XDR)	Cybersecurity monitoring tool that helps identify potential threats such as malware, ransomware, suspicious activity, or other security risks. The system provides alerts that enable technology staff to investigate and respond to security incidents before they significantly affect District operations.
Ruckus One	Network management platform used to monitor the District's wired and wireless network infrastructure. This tool helps technology staff assess the operational status of network equipment, identify connectivity problems, and evaluate overall network performance across District facilities.
Content Filter	Monitors internet activity and helps enforce the District's acceptable use and internet safety requirements. The tool identifies attempts to access prohibited or potentially harmful online content and provides information that can be used to address security, compliance, or student safety concerns.
Help Desk System	Serves as a centralized repository for technology support requests submitted by District employees. The system allows management to track service requests, monitor workloads, identify recurring issues, measure support activity, and evaluate technology support needs across the District.
Penetration Testing	Conducted through the federal Cybersecurity and Infrastructure Security Agency (CISA). Provides an independent assessment of the District's cybersecurity posture. Penetration assessments are designed to identify security weaknesses that could potentially be exploited by attackers and provide management with information regarding areas where cybersecurity protections may need to be strengthened.

FIGURE 1-15: *The District uses a variety of technology tools and applications to continuously monitor and assess network performance and avoid costly issues.*
SOURCE: *Coordinator of Network Operations.*

SCHOOL BUS TRANSPORTATION

To address the requirements of Subtask 1.2 as it relates to School Bus Transportation, the MJ Team interviewed the program administrators identified in Subtask 1.1 and requested evidence that the School Bus Transportation program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost. No evidence was provided.

School Bus Transportation program administrators do not conduct periodic evaluations. While bus operations proceed daily, inspections and preventive maintenance occur regularly, and manual records are maintained consistently, fleet-wide breakdown statistics and inspection and bus repair history data are not used to evaluate program effectiveness or cost. Therefore, the School Bus Transportation program does not meet Subtask 1.2.

The Florida Department of Education School District Transportation Profiles provide transportation-related information for each of Florida's 67 school districts and counties. The profiles are on FDOE's website at this link: Transportation Profiles.

The profiles contain district-level and statewide information on student transportation operations, including students transported, buses operated, transportation staffing, route and mileage data, expenditures, and state transportation funding. These data allow districts to compare the scale and cost of transportation services across peer districts and the state and to assess whether fleet size, staffing, mileage, and expenditures appear reasonable in relation to student ridership and service demands. This information is readily available for School Bus Transportation program administrators to use to evaluate transportation operational performance and costs.

RECOMMENDATION 1.2– Use FDOE transportation profile information to compare key cost and performance measures to prior years, peer districts, and state-wide data to identify opportunities to improve the efficiency of transportation operations and reduce costs.

INDEBTEDNESS

Subtask 1.2 is not applicable to indebtedness because it involves monitoring and paying existing obligations rather than managing ongoing operational activities and services. The MJ Team performed a review of the District's indebtedness in Subtask 1.1 focusing on whether the District effectively manages and liquidates lease obligations through reporting mechanisms.

SUBTASK 1.3 – Determine whether program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, internal and external reviews, audits, etc.

OVERALL CONCLUSION

Holmes County School District partially meets Subtask 1.3 based on interviews and data analysis for the District programs that will administer or benefit from the sales surtax.

The MJ Team determined that all programs, except Facilities, have taken reasonable and timely actions to address deficiencies in program performance and/or cost identified in evaluations. Facilities program administrators do not document reasonable and timely actions taken to address deficiencies identified in fire inspection reports. Supporting analysis is presented by program below.

FACILITIES

The Holmes County School District's Facilities program partially meets Subtask 1.3 based on the MJ Team's evaluation of the following information. The District demonstrated reasonable and timely actions in response to deficiencies identified through the Florida Department of Environmental Protection (FDEP) water and wastewater inspection process. However, the lack of a documented system for tracking, correcting, and verifying the resolution of fire inspection deficiencies, coupled with the recurrence of previously cited deficiencies, limits the District's ability to demonstrate that all identified deficiencies are consistently addressed in a reasonable and timely manner.

Auditor General 2024 Operational Audit

This audit report is discussed in Subtask 1.2. In a letter to the AG dated November 13, 2024, the superintendent responded that the audit findings and recommendations had been reviewed and addressed. In response to the audit finding regarding the District's noncompliance with public notice laws for a construction project, the District's corrective action was to commit to issuing and advertising notice for a public input meeting for any projects that are expected to be over $300,000. The District indicated that it would publicly post an itemized detailed cost estimate for each component of a project and decide whether it would be more cost-effective to perform the work in-house or bid it out to contractors. For projects completed in-house, the District would report and maintain a comparison of actual cost savings from performing the work in-house versus using a contractor.

In addition, the auditors recommended that the District strengthen controls to ensure that vehicle records are properly completed, maintained, reviewed, and approved and that the records document management approval for the use of District motor vehicles. To assess the District's response to this recommendation, the MJ Team examined five (5) completed Take Home Vehicle Assignment Registration forms. Employees assigned a take-home vehicle must complete the form and obtain supervisory approval. The MJ Team noted that each form reviewed had been completed by the employee and approved by the employee's supervisor.

The District's response to the 2024 AG Operational Audit provides sufficient evidence that the District takes reasonable and timely actions to address deficiencies in program performance and/or cost identified in external reviews.

The 2024 AG report also included a prior audit follow-up section where the auditors noted that the District had taken corrective actions for findings included in the AG's 2022 audit report.

Fire Inspection Reports

Deficiencies identified during fire inspections are documented in PAEC fire inspection reports. The District must develop a corrective action plan to address the deficiencies. However, Facilities program administrators provided no documentation regarding how and when deficiencies were addressed. Instead, the Director of Operations gives fire inspection reports to facility maintenance staff to resolve deficiencies before PAEC's next fire inspection. Although the fire inspection report provides a column for the date deficiencies were corrected, District personnel do not fill it in. Moreover, no records are maintained documenting how deficiencies were corrected.

The MJ Team reviewed nine (9) fire inspection reports to determine whether the District identified and addressed fire safety deficiencies in a timely manner. Five (5) of the reports identified 14 deficiencies that had been cited previously at different locations a combined 52 times, indicating that several fire safety issues had recurred from prior inspections and had not been ultimately resolved.

Figure 1-16 summarizes the five (5) fire safety reports with identified deficiencies. Because correction dates were not provided for the deficiencies, the MJ Team could not determine whether the District corrected the deficiencies timely.

Location	Deficiencies Noted	Prior Times Deficiencies Cited	Date Deficiencies to Be Corrected	Date Deficiency Corrected
Bethlehem School	2	2	05/01/2026	Not Provided
Poplar Springs High School	2	6	05/01/2026	Not Provided
Ponce DeLeon Sr. High School	4	13	05/01/2026	Not Provided
Bus Barn	2	9	04/24/2026	Not Provided
Bonifay PreK-8	4	12	04/23/2026 05/01/2026	Not Provided
Total	**14**	**52**		

FIGURE 1-16: *Five (5) of nine (9) fire inspection reports reviewed had deficiencies that had been cited previously.*
SOURCE: *Operations Department.*

Wastewater Treatment Plant Inspection

Some District schools use well water. The Florida Department of Environmental Protection (FDEP) inspects the District's water and wastewater treatment facilities on a periodic basis. On April 23, 2025, FDEP performed a sanitary survey of Bethlehem High School's water and wastewater system to ensure proper operation of sanitation systems and safe and compliant drinking water.

On June 3, 2025, FDEP report its findings. On June 19, 2025, the District wrote its response to FDEP outlining actions taken to correct deficiencies noted in FDEP's inspection report, which identified 11 deficiencies. **Figure 1-17** lists the deficiencies noted and the District's response. FDEP's actual report is on an online platform to which the MJ Team does not have access.

Water/Wastewater Deficiency	District Response
1. Lead and Copper Monitoring	We have updated our policies and procedures to ensure timely submission of all reports going forward. We have also hired a dual A operator that will help

Water/Wastewater Deficiency	District Response
	to ensure these things are done as well as made necessary employee changes. The Consumer notice is being sent as an attachment.
2. Lead Service Line Inventory	All buildings were built after the lead ban took effect in Florida. Inventory will be submitted within 10 days.
3. Bacteriological Sampling Plan	We are in the process of updating this plan and will have it completed within 10 days.
4. Cross Connection Control	Corrected as of May 8, 2025 (per Department records)
5. Flushing Plan and Records	It was expressed to FDEP staff at the time of the inspection that we do not have any lines larger than 4” and therefore a flushing program is not required.
6. Valve Exercising Log	In previous inspections at facilities, we have been advised that writing in the back of the log book any valve exercising was sufficient, and this was done. We are in the process of creating a log of all valves.
7. Monthly Operating Reports (MOR)	This was corrected and we have hired additional staff and updated policies to ensure timely submission as well as made necessary employee changes. The MORs before 01/01/24 were missed by a previous operator and we are unable to complete those.
8. Safety - Eyewash Station	This has been corrected and photos sent.
9. Flow Meter Calibration	We have ordered a new meter and anticipate installation in the first week of July.
10. Chlorine Tank Lid	Corrected as of May 12, 2025 (per Department records)
11. Exposure of Hypochlorite Tank and Piping	This has been corrected and photos sent.

FIGURE 1-17: *The District received and responded timely to 11 FDEP water/wastewater system inspection deficiencies.*
SOURCE: *Operations Department-Response to Warning Letter – Bethlehem High School.*

RECOMMENDATION 1.3 – Maintain a fire inspection corrective action log documenting the resolution of fire inspection deficiencies, including corrective actions, completion dates, and responsible staff.

SAFETY AND SECURITY

Subtask 1.3 for the School Safety program is not applicable because school safety program performance and/or costs cannot be shared with the MJ Team due to confidentiality concerns.

Auditor General 2024 Operational Audit

As discussed in the Safety and Securities section of Subtask 1.2, the Florida Auditor General performed an operations audit of the District in 2024. The auditor evaluated school safety procedures; however, no findings were identified and no recommendations were made.

Quarterly Compliance Report

As discussed in Subtask 1.2, the Director of School Safety conducts annual safety inspections. The Director told the MJ Team that any deficiencies noted are corrected and reported while the Director is still onsite. For example, if the Director discovers an unlocked door during class time, the deficiency is corrected and the classroom teacher, principal, and superintendent are notified. Each quarter, the Director reports inspection results to the board in a confidential report, the contents of which could not be shared with the MJ Team due to confidentiality requirements.

School Security Risk Assessments

The school security risk assessment process is described and illustrated in Subtask 1.2. Due to confidentiality requirements, the actions program administrators have taken to address deficiencies in the School Safety program's performance and/or costs could not be shared with the MJ Team.

TECHNOLOGY

Subtask 1.3 is met for the Technology program based on the MJ Team's evaluation of the following information. Technology program administrators took reasonable and timely action to address deficiencies identified in the 2021 Technology Needs Assessment by implementing numerous recommended improvements across multiple operational areas and providing supporting documentation that the MJ Team verified to demonstrate implementation and ongoing monitoring of corrective actions.

Technology Needs Assessment

With respect to the needs assessment report's recommendations, the consultants acknowledged that "the entire body of recommendations are numerous and may seem at first overwhelming to the district." **Figure 1-18** presents five (5) of twelve recommendation categories from the report and provides three (3) key recommendations from each category along with management's actions and timing to address the recommendations as of June 2026. The MJ Team verified the existence of a sample of the documents provided in support of implementation.

Recommendation Category	Example of Key Recommended Actions (not all inclusive)	Implementation Efforts and Status as of Fiscal Year 2025-2026	Date of District's Response
1. **Infrastructure-** Stabilize network performance and reduce user disruption with minimal capital spend.	• Conduct a low-cost wireless site survey to eliminate coverage gaps before investing in new hardware.	The district utilizes the RUCKUS One cloud management platform to continuously monitor wireless performance, client experience, access point utilization, signal quality, and coverage-related incidents. Problem areas are identified through analytics, alarms,	July 2022

Recommendation Category	Example of Key Recommended Actions (not all inclusive)	Implementation Efforts and Status as of Fiscal Year 2025-2026	Date of District's Response
		and user-reported issues. Access point placement, power levels, and wireless coverage are reviewed and adjusted as needed to eliminate coverage gaps before additional hardware is purchased. (The MJ Team examined and verified the existence of an Airtime Utilization Report generated from this system).	
	• Establish a simple multi-year replacement plan (even if underfunded) to prioritize aging infrastructure.	The district maintains a technology lifecycle replacement strategy for network infrastructure. Core network switches are reviewed for age, support status, warranty coverage, and performance requirements. Switch replacements are typically planned every 3–5 years and are funded through a combination of E-Rate funding and District capital expenditures. (The MJ Team examined and verified the existence of this document)	July 2022
	• Incrementally increase access points in high-need areas first (e.g., classrooms with frequent complaints)	The district uses RUCKUS One analytics to monitor client density, wireless utilization, coverage metrics, and performance trends. Additional access points are prioritized and installed in instructional areas that demonstrate high utilization, connectivity issues, or increased device counts. (The MJ Team examined and verified the existence of various reports from this system).	July 2022
2. **Risk Management**- Mitigate major risks with procedural	• Document and annually update a basic disaster recovery plan, including prioritized systems.	The district maintains a documented Disaster Recovery Plan that identifies critical systems, recovery priorities, backup procedures, responsible personnel,	July 2022

Recommendation Category	Example of Key Recommended Actions (not all inclusive)	Implementation Efforts and Status as of Fiscal Year 2025-2026	Date of District's Response
improvements rather than capital investment.		and recovery processes. The plan is reviewed and updated annually to reflect infrastructure, application, and operational changes. (The MJ Team examined and verified the existence of this document)	
	• Implement multi-factor authentication (MFA) for remote access and administrators (high impact, low cost).	Multi-factor authentication (MFA) has been implemented through Microsoft 365 and Microsoft Entra ID for faculty, staff, and administrators. MFA is required for access to Microsoft 365 services, including Outlook, OneDrive, Teams, and other integrated cloud applications, significantly reducing account compromise risk.	January 2023
	• Create standard operating procedures (SOPs) for key processes (incident response, user offboarding).	The district has developed and implemented formal Standard Operating Procedures (SOPs) for Information Technology Security Incident Response. These procedures define responsibilities, escalation paths, account management requirements, documentation standards, and security controls to ensure consistent operational practices and risk mitigation. (The MJ Team examined and verified the existence of this document)	July 2026
3. **Software, Systems Integration, and Facilities**- Maximize value of existing systems and	• Leverage existing system integrations (e.g., helpdesk + inventory) to reduce manual work.	The district utilizes integrated technology inventory and helpdesk systems to automate asset tracking, maintenance history, repair records, and lifecycle management. This integration reduces manual data entry and improves accountability for District technology assets.	April 2020

Recommendation Category	Example of Key Recommended Actions (not all inclusive)	Implementation Efforts and Status as of Fiscal Year 2025-2026	Date of District's Response
reduce redundancy	• Use E-Rate funding strategically for cabling and wireless improvements.	The district actively leverages E-Rate funding to support network modernization projects, including fiber infrastructure improvements, switching upgrades, wireless equipment replacement, and structured cabling projects.	January-March 2022
	• Standardize system onboarding processes for new tools to ensure integration compatibility.	New technology purchases are reviewed by Coordinator of Network Operations, Coordinator of Technology Integration & Media, Technicians and relevant department heads to evaluate compatibility with existing systems, cybersecurity requirements, identity management standards, and support capabilities before implementation.	July 2022
4. Professional Development / Training- Maximizes return on existing technology investments.	• Develop a simple multi-year professional development roadmap aligned to district goals.	The district currently provides annual cybersecurity awareness training for all staff members. As part of continuous improvement efforts, the district has developed a share drive folder of recorded training sessions, including cybersecurity awareness training, and "how to" guides to support ongoing staff education and reinforce cybersecurity best practices throughout the year. New guides are added	August 2022
	• Focus training on instructional strategies (not just tools).	This is handled by the Director of Curriculum & Instruction.	N/A
	• Leverage free/vendor-provided training resources to reduce cost.	The district regularly utilizes free training resources, webinars, online learning platforms, and vendor-provided professional development	Ongoing; cybersecurity conference each July. Most recent July 2025

Recommendation Category	Example of Key Recommended Actions (not all inclusive)	Implementation Efforts and Status as of Fiscal Year 2025-2026	Date of District's Response
		opportunities to maximize staff development while minimizing costs. We attend the annual cybersecurity conference offered by Howard Technology Solutions each July.	
5. **Technology Standardization**- Reduces support burden and operational complexity.	• Standardize classroom technology within each building first.	The district has standardized classroom technology across schools by deploying consistent instructional technology platforms, including teacher laptops, Newline interactive displays, and supporting instructional devices where needed.	July 2023
	• Establish minimum specifications for devices, including refurbished equipment.	The district maintains minimum hardware standards to ensure devices are capable of running currently supported operating systems, educational software, security applications, and productivity tools. Device purchases and redeployments are evaluated against these standards.	July 2022
	• Gradually reduce variety of devices and platforms.	The district has reduced support complexity through technology standardization. Dell devices are the primary staff computing platform; Newline displays are the standard classroom interactive technology solution, and Chromebooks/Chromeboxes serve as the primary student computing platform.	June 2022

FIGURE 1-18: *The District's 2021 Technology Assessment report contained various recommendations in twelve (12) categories. Five (5) categories are presented here with three (3) key detailed recommendations in each.*
SOURCE: *2021 Technology Assessment Report.*

SCHOOL BUS TRANSPORTATION

As discussed in Subtask 1.2, School Bus Transportation program administrators do not periodically evaluate the program. Since no evaluations are performed, the program does not meet Subtask 1.2, and Subtask 1.3 is therefore not applicable.

INDEBTEDNESS

Subtask 1.3 is not applicable to indebtedness because indebtedness primarily involves monitoring and paying existing obligations rather than managing ongoing operational activities and services. The MJ Team performed a review of the District's indebtedness in Subtask 1.1 focusing on whether the District effectively manages and liquidates lease obligations through reporting mechanisms.

SUBTASK 1.4 – Evaluate program performance and cost based on reasonable measures, including accepted industry standards and best practices, when available.

OVERALL CONCLUSION

Holmes County School District meets Subtask 1.4 based on interviews, data review, and comparative peer district analysis.

The MJ Team evaluated program performance and cost based on reasonable measures, including accepted industry standards and best practices, when available. Moreover, program administrators participate in professional associations that sponsor conferences and provide opportunities to network and learn and share best practices. The MJ Team considers membership in professional associations and participation in their conferences, workshops, and events provides opportunities to learn and share best practices. Supporting analysis is presented by program below.

PEER GROUP

To evaluate program performance and cost based on industry standards, the MJ Team compared Holmes operations and cost data to Calhoun, Franklin, Liberty, Calhoun, and Washington county school districts. The MJ Team selected these districts because they share characteristics that highly impact school district operations and costs. These characteristics include enrollment, number of schools, geography, economic need, and costs per student. These factors have a much greater impact on facilities, school bus transportation, technology, and safety operations than student achievement or district grades alone.

Figure 1-19 presents a profile of the Holmes County School District and the selected peer districts, showing that the districts share key characteristics such as rural locale, relatively small enrollment, and cost per student. Differences in enrollment, number of schools, and student economic need are considerations when interpreting comparative results.

District	2025-2026 Enrollment	Number of Schools	Locale	Economically Disadvantaged	Total Cost per Student
Holmes	**2,869**	**9**	**Rural, Remote**	**98.2%**	**$11,020**
Calhoun	1,992	6	Rural, Remote	66.4%	$11,569
Franklin	1,161	3	Rural, Remote	88.5%	$15,687
Liberty	1,219	5	Rural, Remote	78.2%	$11,353
Washington	3,163	13	Rural, Remote	98.3%	$11,272

FIGURE 1-19: *Holmes County School District peer districts are rural and small with high percentages of economically disadvantaged students.*
SOURCES: *-Enrollment: Florida Department of Education; -Number of Schools: Florida Inventory of School Houses (FISH); -Locale: National Center for Education Statistics (NCES); and -Economically Disadvantaged; Total Cost per Student: Florida Department of Education-Know Your Schools portal.*

Figure 1-20 compares Holmes County School District and peer district revenue by source and revenue per student. All the peers, except Franklin, receive the bulk of their revenue from state sources. Revenue per student in Calhoun, Liberty, and Washington is comparable while Holmes' revenue per student is considerably lower than peer and state averages. Franklin receives most of its revenue from local sources and has the highest revenue per student among its peers.

District	Federal	State	Local	Revenue Per Student
Holmes	**0.34%**	**88.82%**	**10.84%**	**$9,188**
Calhoun	1.01%	81.93%	17.06%	$10,338
Franklin	0.76%	17.79%	81.45%	$13,816
Liberty	1.00%	83.50%	15.51%	$10,394
Washington	0.89%	77.37%	21.74%	$10,984
Peer Average W/O Holmes	0.91%	67.72%	31.37%	$11,169

FIGURE 1-20: *Holmes County School District receives the bulk of its revenue from state sources and has the lowest revenue per student among the peer districts.*
SOURCE: *Fiscal Year 2024-2025 Annual Financial Report of the respective school district.*

FACILITIES

To address Subtask 1.4 as it relates to Facilities, the MJ Team interviewed the Director of Operations and evaluated program performance and cost using publicly available peer data. In addition, the District is a member of the Panhandle Area Educational Consortium (PAEC) and the Florida School Plant Management Association (FSPMA). These associations provide professional development, peer networking, and knowledge of emerging practices that support effective facilities and plant management. Operations staff attend conferences and workshops where they collaborate with other school facilities professionals. Based on peer data analysis and program administrator participation in professional associations, Subtask 1.4 is met for the Facilities program.

Peer District Comparative Analysis

Facility Age Profile

As shown in **Figure 1-21**, Holmes facilities have the second highest net building square footage, while also having less new square footage. Less than one percent of the District's square footage is ten (10) years old or newer, while nearly two-thirds (61 percent) are concentrated in the 21–50-year age band.

Although Holmes' average facility age of 30 years is nearly equal to the peer group average of 29 years, the District has a higher proportion of buildings over 30 years old, indicating potentially greater ongoing maintenance and modernization costs and capital planning needs. Hence the need for a sales surtax. If the referendum passes, facility maintenance will be a priority.

District	Net Square Ft	Square Footage Percentage by Age						Average Age	Bldgs. > 30 Yrs.
		1-10 Yrs.	11-20 Yrs.	21-30 Yrs.	31-40 Yrs.	41-50 Yrs.	>50 Yrs.		
Liberty	386,997	27.0%	16.0%	29.4%	0.5%	13.6%	13.5%	29	28%
Franklin	289,201	1.5%	8.4%	71.6%	1.7%	4.8%	12.1%	27	19%
Washington	958,304	3.4%	27.6%	39.8%	4.1%	1.6%	23.7%	33	29%
Calhoun	574,775	14.2%	47.7%	1.8%	8.6%	11.3%	16.4%	26	36%
Holmes	**843,428**	**0.6%**	**26.0%**	**29.2%**	**24.8%**	**6.5%**	**12.9%**	**30**	**44%**
State	434,139,462	10.28%	14.29%	25.86%	16.70%	9.73%	23.15%	35	50%
Peer Average. W/O Holmes		10%	28%	32%	4%	7%	18%	29	29%

FIGURE 1-21: *Holmes' average facility age of 30 years is near the peer group average of 29 years.*
SOURCE: *Florida Department of Education-Florida Inventory of School Houses (FISH) Database as of May 2026.*

Facility Operation & Maintenance Costs

At $1.32 per square foot, the District spends more on facility maintenance than each peer district 'and exceeds both the state and peer averages of $1.10 per square foot.

The pattern is not as clear when costs are viewed on a capital outlay per FTE student basis. The maintenance component of Holmes' capital outlay per FTE student of $433 is comparable to Franklin ($443), higher than Calhoun ($367), Liberty ($385), Washington ($369), the state ($369) and the peer average without Holmes ($399). The analysis suggests that Holmes' capital assets may be older on average and therefore more expensive to maintain.

Figure 1-22 provides a comparative analysis of Holmes facility operations and maintenance costs compared to the peers and the state. Overall, the data suggests that relative to similar rural districts and the state, Holmes' facility costs are not unusually high.

District	Cost per Square Foot			Capital Outlay per FTE Student		
	Operations	Maintenance	Total	Operations	Maintenance	Total
Calhoun	$3.87	$1.08	$4.95	$1,318	$367	$1,685
Washington	$3.48	$1.05	$4.53	$1,221	$369	$1,590
Liberty	$4.50	$1.08	$5.58	$1,615	$385	$2,000
Holmes	**$4.69**	**$1.32**	**$6.01**	**$1,538**	**$433**	**$1,971**
Franklin	$5.63	$1.20	$6.83	$2,086	$443	$2,529
State	$5.48	$1.54	$7.02	$1,320	$369	$1,688
Peer Average. W/O Holmes	$4.37	$1.10	$5.47	$1,560	$391	$1,951

FIGURE 1-22: *Overall, Holmes facility costs are not unusually high compared to the peers and the state.*
SOURCE: *Florida Department of Education-Florida Inventory of School Houses (FISH) Database as of May 2026.*

Facility Energy Costs

Based on **Figure 1-23**, Holmes' all energy costs appear reasonable and slightly favorable compared with peer and state averages. Holmes' all-energy cost is $1.25, compared with $1.28 for the peers and $1.30 for the state.

Calhoun ($1.21) and Washington ($1.16) have the lowest all energy-cost per square foot while Holmes is below Franklin, Liberty, and state and peers averages.

Holmes' electric-only cost per gross square foot is $1.22, compared with the peer average excluding Holmes of $1.24 and the state average of $1.26. This data suggests that Holmes does not have unusually high energy costs.

District	Gross Square Footage	Cost per Gross Square Foot	
		Electric Only	All Energy
Washington	1,054,394	$1.14	$1.16
Calhoun	634,773	$1.17	$1.21
Holmes	**912,222**	**$1.22**	**$1.25**
Franklin	307,113	$1.33	$1.35
Liberty	410,673	$1.30	$1.38
State	476,585,909	$1.26	$1.30
Peer Avrg. W/O Holmes		$1.24	$1.28

FIGURE 1-23: *The District's energy costs are not unfavorably high compared to peer and state averages.*
SOURCE: *Florida Department of Education-Florida Inventory of School Houses (FISH) Database as of May 2026.*

Facility Work Plans

Annually, prior to the adoption of the district school budget, each school board must prepare a tentative district facilities work program that includes a schedule of major repair and renovation projects necessary to maintain the educational and ancillary facilities of the District.

Figure 1-24 compares District and peer budgeted work plan expenditures for maintenance, repair, and renovation (MRR) expenditures for Fiscal Years 2021-2025. When Franklin County is excluded, the District ranks first in MRR expenditures. If voters approve the surtax referendum in November, the District will use a portion of the funds for MRR expenditures.

Category	Calhoun	Liberty	Holmes	Washington	Franklin
HVAC	$ 0	$ 28,125	$ 0	$ 80,000	$ 25,000
Flooring	0	10,000	0	25,000	10,000
Roofing	0	20,000	0	30,000	1,500,000
Safety to Life	0	10,000	0	10,000	5,000
Fencing	0	1,500	0	10,000	5,000
Parking	0	0	0	15,000	200,000
Electrical	0	5,000	0	20,000	10,000
Fire Alarm	0	5,000	0	50,000	10,000
Telephone / Intercom System	0	0	0	5,000	2,000
Closed Circuit Television	0	0	0	0	5,0000
Paint	0	30,000	0	10,000	50,000
Maintenance / Repair	132,496	45,000	275,437	10,000	522,255
Total	**$ 132,496**	**$ 154,625**	**$ 275,437**	**$ 265,000**	**$ 2,344,255**

FIGURE 1-24: *Excluding Franklin County Holmes ranked first in budgeted MRR expenditures for Fiscal Years 2021-2025.*
SOURCE: *Florida Department of Education Facility Work Plans.*

Professional Associations

Operations program administrators are members of the Panhandle Area Educational Consortium (PAEC) and the Florida School Plant Management Association (FSPMA). The benefits of membership in these organizations include access to professional development, technical assistance, shared resources, peer collaboration, and current best practices that support effective and cost-conscious school facilities and plant management.

Figure 1-25 summarizes the MJ Team's review of documentation supporting Facilities program administrator attendance at events sponsored by these professional associations.

Event Name and Dates	Date	Topics	District Attendance Verified?
PAEC Facilities Management Roundtable	April 17, 2025	• New legislation. • Pricing of new construction. • Cooperative purchasing. • District concerns.	Yes-sign-in sheet

Event Name and Dates	Date	Topics	District Attendance Verified?
2025 FSPMA Conference	9/22/2025 through–9/25/2025	• State requirements for educational facilities. • Fire and electrical safety. • Emergency management. • Maintenance & grounds. • Custodial. • Environmental and energy sustainability.	Yes-examined hotel folio

FIGURE 1-25: *Facilities program administrators participate in professional association events to stay abreast of relevant topic, network, and learn best practices.*
SOURCE: *Operations Department.*

SAFETY AND SECURITY

To address the requirements of this subtask as it relates to Safety and Security, the MJ Team interviewed the Director of School Safety. We also analyzed and compared publicly available School Environmental Safety Incident Reporting (SESIR) data between the District, the peers, and the state. Based on information obtained from interviews and data analysis, Subtask 1.4 is met for the Safety and Security program.

The SESIR system is also discussed in Subtask 1.1. The intent of SESIR is to collect objective data from which to design interventions to improve the learning environment. Schools send school-level SESIR data to the District and in turn, the District sends the data to the FDOE where it is compiled into an annual report. The report presents the frequency of the SESIR incidents by district and for the state. Additionally, the disciplinary actions associated with the incidents are reported.

Figure 1-26 shows that Holmes' SESIR incidents per student rate for School Year 2024-2025 is within the range of the peer districts.

School District	All SESIR Incidents 2024-2025	2024-2025 Student Enrollment	SESIR Incidents Per Student
Calhoun	44	2,031	0.022
Liberty	27	1,249	0.022
Holmes	**87**	**3,013**	**0.029**
Washington	142	3,286	0.043
Franklin	77	1,234	0.062
Peer Average W/O Holmes	73	1,950	0.037
State	105,982	2,859,655	0.043

FIGURE 1-26: *Holmes SESIR incident rate is second lowest among the peers.*
SOURCE: *Florida Department of Education-2024-2025 District SESIR Incident Summary.*

TECHNOLOGY

To address the requirements of this subtask as it relates to Technology, the MJ Team interviewed the Coordinator of Technology Integration & Media/Public Information Officer and the Coordinator of Network Operations. We also analyzed and compared technology expenditures between the District and the peers and examined membership in professional associations that provide technology-related resources and best practices for members. Based on information obtained from interviews and data analysis Subtask 1.4 for the Technology program is met.

The Coordinator of Technology Integration & Media/Public Information Officer provides teachers with instructional technology support in the classroom. The Coordinator of Network Operations leads a four-person team responsible for network operations, switching, connectivity, and device accessibility for approximately 3,500 users and nearly 6,000 devices.

According to the Coordinator of Technology Integration & Media/Public Information Officer, the department has operated without a dedicated budget in the director's nine (9) years with the District. All expenditures, including three (3) critical contracts for Microsoft, antivirus, and backup, are paid from general funds. Inadequate funding has prevented necessary upgrades, leaving some equipment—including computers—outdated by as much as two (2) decades.

If the referendum passes, the District will use surtax funds to modernize technology infrastructure, replace outdated equipment, add layered security, strengthen antivirus capabilities, and implement proactive, vendor-managed security monitoring.

As shown in **Figure 1-27**, Holmes has the lowest technology cost per student among the peer districts and the state, which is consistent with the Technology director's statement to the MJ Team that technology resources are insufficient despite pressing needs.

School District	Instruction-Related Technology	Administrative Technology Services	Total Technology Expenditures	2024-2025 Student Enrollment	Technology Costs per Student
Holmes	**$323,183**	**$4,430**	**$327,613**	**3,013**	**$109**
Washington	521,982	284,051	806,033	3,286	$245
Calhoun	695,400	23,339	718,739	2,031	$354
Liberty	280,418	221,185	501,603	1,249	$402
Franklin	505,525	120,365	625,890	1,234	$507
Peer Average W/O Holmes	$500,831	$162,235	$663,066	1,950	$340

FIGURE 1-27: *Holmes County School District spends significantly less on technology than the peer districts.*
SOURCE: *-Fiscal Year 2025 Annual Financial Report of respective district.*

SCHOOL BUS TRANSPORTATION

To address the requirements of the subtask as it relates to School Bus Transportation, the MJ Team used information obtained from our interview with program administrators and analyzed publicly available peer data. Based on the interview and our analysis, Subtask 1.4 is met for the School Bus Transportation program.

As shown in **Figure 1-28,** Holmes' school transportation costs are comparatively low relative to the peer districts and the state average. Holmes' transportation costs of $1,092 per transported student are below Calhoun ($1,572), Franklin ($1,215), Liberty ($2,027), Washington ($1,700), and the statewide average ($1,514).

This comparative analysis suggests that Holmes is operating its School Bus Transportation program at a lower cost per student than similarly situated rural districts, despite serving a geographically rural area with a high percentage of economically disadvantaged students. The comparison should be interpreted in context because transportation costs can be affected by route length, student density, fleet age, bus replacement strategy, fuel prices, maintenance practices, and whether districts lease or purchase buses. However, based on the available comparative measure, Holmes' lower cost per student indicates that its School Bus Transportation program appears to be cost-efficient relative to the peer group and the state.

School District	Transportation Operating Expenditures	Transported Students	Transportation Operating Expenditures per Transported Student	Percentage of Transportation Operating Expenditures to Total Operating Expenditures
Franklin	$779,831	642	$1,215	4.25%
Holmes	**$1,519,861**	**1,393**	**$1,091**	**4.62%**
Calhoun	1,235,275	786	$1,572	4.62%
Liberty	$774,449	382	$2,027	4.83%
Washington	$2,671,407	1,571	$1,700	6.41%
Peer Average W/O Holmes	$1,365,241	845	$1,615	5.45%
State	$1,311,344,052	866,411	$1,514	3.76%

FIGURE 1-28: *The Holmes County School District spends less on transportation per student than peer and state averages.*
SOURCE: *Florida Department of Transportation School District Transportation Profiles.*

As shown in **Figure 1-29** Holmes' transportation cost per bus mile of $7.34 exceeds peer ($4.64) and state ($5.97) averages. A plausible explanation is that Holmes operates more buses over fewer annual miles, which increases the cost per mile driven. Holmes has an average of 37 buses in daily service, which accumulates 207,188 annual bus miles, or approximately 5,600 miles per bus in daily service.

By comparison, the peer average is 19 buses and 294,289 annual bus miles or 15,489 miles per bus. These differences suggest that Holmes' bus fleet is used less intensively than the peer districts. Therefore, the higher cost per bus mile appears primarily due to lower annual mileage per bus rather than excessive operating cost per bus.

Holmes may have route structure, geography, scheduling, spare-bus usage, or fleet deployment factors that result in relatively low miles per bus. Periodic analysis by program administrators would determine more definitively whether the number of buses in daily service is necessary for route coverage or whether fleet utilization could be improved. However, such analysis is not performed.

School District	Buses in Daily Service	Students Transported per Bus	Average Bus Occupancy	Cost per Mile	Annual Bus Miles	Annual Bus Miles per Bus in Daily Service
Holmes	**37**	**42**	**0.9025**	**$7.34**	**207,188**	**5,600**
Calhoun	20	50	0.9081	$3.39	364,838	18,242
Franklin	12	58	0.9396	$4.41	176,952	14,746
Liberty	10	47	0.9075	$5.42	143,000	14,300
Washington	34	55	0.9222	$5.43	492,367	14,481
Peer Average W/O Holmes	19	53	0.9231	$4.64	294,289	15,489
State	11,578	81	1.00	$5.97	219,758,685	18,981

FIGURE 1-29: *Holmes County's transportation cost per bus mile exceeds peer and state averages.*
SOURCES: *Florida Department of Transportation School District Transportation Profiles.*

INDEBTEDNESS

Subtask 1.4 is not applicable to indebtedness because it involves monitoring and paying existing obligations rather than managing ongoing operational activities and services. The MJ Team performed a review of the District's indebtedness in Subtask 1.1 focusing on whether the District effectively manages and liquidates lease obligations through reporting mechanisms.

SUBTASK 1.5 – Evaluate the cost, timing, and quality of current program efforts based on a reasonably sized sample of projects to determine whether they were of reasonable cost and completed well, on time, and within budget.

OVERALL CONCLUSION

Overall, the Holmes County School District does not meet Subtask 1.5. The District did not demonstrate that its one completed capital project was of reasonable cost or that the District completed it well, on time, or within budget, and while the District monitors budgets and procurement on its three (3) in-progress grant projects, it does not monitor project execution. The District completed one capital project available for retrospective evaluation and has three (3) grant projects in progress. The MJ Team therefore presents the evaluation in two (2) parts: a retrospective evaluation of the completed capital project against the subtask criteria (reasonable cost, completed well, on time, and within budget), and an evaluation of how the

District manages its active grant projects. Although the Technology and School Bus Transportation efforts met the subtask criteria, the MJ Team weighted the overall conclusion toward the Facilities program because the completed capital project is the only project the District has carried through the full capital delivery cycle, it failed all four (4) subtask criteria, and current District procedures do not require the project budgets, schedules, or completion documentation that would prevent recurrence on surtax-funded projects.

FACILITIES

The Holmes County School District does not meet Subtask 1.5 for the Facilities program area based on the following information. The MJ Team's assessment of the District's facilities found that the District did not demonstrate that its one completed capital project met expectations for reasonable cost, quality of completion, schedule adherence, or budget performance. The District's sole completed capital project, the New County Office remodel of the former Bonifay Elementary School, failed to meet all four (4) subtask criteria.

Should voters pass the referendum, Operations will use its portion of the funds to upgrade schools through repairs and modernization including the following:

- School aesthetics to include improvements, renovation, and remodeling
- HVAC replacements and upgrades
- Lighting conversion, improvements, and control upgrades
- Roof repair and maintenance
- Upgrades to maintenance facilities

Completed Capital Project: New County Office (Former Bonifay Elementary Remodel)

The District converted the interior of the former Bonifay Elementary School at 307 W. North Avenue into the New County Office. Rather than competitively awarding a construction contract, the Board obtained a $3.1 million cost estimate from a construction contractor to renovate the administrative offices portion of the 81,522 square foot facility and used that estimate to make informal assessments that led to the decision to complete the project with the District's own services, employees, and equipment. District personnel began work in June 2021 and substantially completed the project by June 2024 at a cost of $1.1 million, as the State of Florida Auditor General reported in Report No. 2025-048, Finding 2. The District's Project Detail report reflects expenditures of $751,386.71 through June 2025 and was not able to provide documentation supporting the difference.

Figure 1-30 presents the testing summary for the completed capital project.

Testing Attribute	New County Office Remodel
Facility / Address	Former Bonifay Elementary, 307 W. North Avenue, Bonifay
Duration	June 2021 to substantial completion in June 2024 (approximately three years)

Testing Attribute	New County Office Remodel
Expenditures	$1.1 million per Auditor General Report No. 2025-048 (state-audited); Project Detail reflects $751,386.71 through June 2025. The District was not able to provide documentation for the difference between the two (2) figures.
Board-Approved Project Budget	None identified
Reasonable Cost?	No. The District did not demonstrate that the project cost was reasonable. The District materially understated its costs, and its claimed savings against the $3.1 million contractor estimate cannot be verified. See the benchmarking analysis below.
Completed Well?	No. The District holds no completion, inspection, or certificate of occupancy records, and the District's own facilities inventory lists unfinished portions of the building as open maintenance needs several years after substantial completion.
On Time?	No. The project took approximately three (3) years, two to three times the 12 to 18 month delivery period that contractors typically achieve for interior renovations of comparable scope, and the District never established a schedule.
Within Budget?	No. The Board never established a project budget, and the District never tracked costs against one. The failure to establish and monitor a budget is itself the deficiency.

FIGURE 1-30: *Completed capital project testing summary.*
SOURCE: *Auditor General Report No. 2025-048; Project Detail (project 10510); Educational Plant Five-Year Survey; MNT 4 Facilities Inventory.*

Reasonable Cost: Determination

Determination: the District did not demonstrate that the project cost was reasonable. Reasonable cost does not simply mean the lowest cost; the criterion requires that the District accumulate complete, accurate costs and that those costs be reasonable in relation to the quality, scope, and timeliness of the work delivered. The District did not meet the reasonable cost criterion because it never established what the project actually cost.

The District accumulated costs incompletely. The District's financial system reflects project costs of $751,386.71, while the state-audited figure is $1.1 million, and the District could not provide documentation for the difference between its own records and the audited amount. The $1.1 million state-audited figure omits cost elements that Section 255.20(1)(c)9., *Florida Statutes*, requires a district to include when it evaluates self-performed construction: employee compensation and benefits, equipment and maintenance, insurance, direct materials, plus a 20 percent factor for management, overhead, and indirect costs. The District did not track its own labor over the three-year project, and Sheriff's Office inmates and volunteers provided part of the demolition labor. Neither the $1.1 million figure nor the District’s accounting system total captures those costs.

Completed Well

The District maintenance staff performed the labor, supplemented by inmate and volunteer labor. The District provided annual fire safety inspection reports prepared under the State Requirements for Educational Facilities for the 2025/2026 cycle, and the report covering the Superintendent's Office records no deficiencies noted. Those reports document recurring life safety inspections of facilities already in use, however, and they do not evidence completion of a remodeling project. The District provided no final building inspection records, no certificate of occupancy, and no architect, engineer, or building official certification that the remodel was complete and code compliant. Determination: the District did not demonstrate that it completed the project well.

On Time / Within Budget

Determination: the District did not complete the project timely and did not manage it within a budget. The District never established a schedule baseline, milestone dates, or a completion target, and the Board never adopted a project budget; the District never loaded costs into or tracked costs against a budget in the District's accounting system. The approximately 36-month duration of an interior remodel in an unoccupied building is two to three times the 12 to 24 month delivery period that published project reports document for contractor delivered school renovations of comparable or greater scope in the Southeast, including projects that contractors executed around occupied schools. The Auditor General reached a related conclusion: the District did not comply with the Section 255.20, *Florida Statutes*, public notice, meeting, and reporting requirements for self-performed construction projects exceeding $300,000, and consequently District records did not demonstrate that self-performing the project best served the public's interest (Report No. 2025-048, Finding 2).

In-Progress Grant Projects

In addition, the MJ team evaluated three (3) in-progress grant projects: the design-build replacement generator at Bonifay K-8 School (described below), School Safety and Security hardening improvements (described under Safety and Security), and interactive classroom technology at seven (7) district sites (described under technology).

The MJ Team applied the following evaluation procedures to the three (3) in-progress grant projects:

1. Review compliance with grant requirements;
2. Timely reporting to the grantor;
3. Vendor selection process;
4. Process to monitor the budget;
5. Process to monitor the project schedule; and
6. Grant fund drawdown/requisition controls and supporting documentation.

Figure 1-32 presents the design-build replacement generator at Bonifay K-8 School project.

Attribute	Replacement Generator
Grantor / Program	Florida Division of Emergency Management (Grant SA-56948)
Award / Budget	$1.4M project funding budgeted per RFP
Purpose	Design-build replacement generator, Bonifay K-8 School (Echo Power LLC, 140 Blue Devil Drive)
Status	In progress
Compliance with Grant Requirements?	The District partially evidences compliance. It selected the vendor competitively (design-build RFP; board approval of Echo Power LLC) but did not provide the executed amendment that establishes the actual Contract Sum.
Timely Reporting to Grantor?	The District provided no performance or financial reports to FDEM.
Budget Monitored?	The District provided no pay applications, schedule of values, or budget-to-actual reporting against the $1.4M budget.
Project Schedule Monitored?	No. Although the District provided a construction schedule, it provided no documentation of schedule monitoring.

FIGURE 1-32: *In-progress grant project: Replacement Generator.*
SOURCE: *MNT 5 RFP, board minutes approving the vendor, and Agreement Between Owner and Design-Builder.*

Project Monitoring

The MJ Team's document-by-document review of the project files indicates that the District monitors budgets and procurements but does not monitor project execution (schedules, milestones, completion evidence

SAFETY AND SECURITY

The MJ Team evaluated the cost, timing, and quality of the District's current school safety effort, the school hardening improvements. The District did not demonstrate that this effort was of reasonable cost, completed well, on time, and within budget. School Safety and Security does not meet Subtask 1.5.

Should voters pass the referendum, the School Safety Department will use its portion of the funds to keep schools safe while promoting a conducive learning environment, which includes the following:

- Upgraded fire alarm systems and intrusion alarms.
- Cameras and video surveillance.
- Door lock systems/card access.
- Upgraded doors/windows.
- School check-in management systems.

- Upgraded security and data communication systems.

In-Progress Grant Projects

Figure 1-33 presents the School Safety and Security hardening improvements project.

Attribute	School Hardening Grant
Grantor / Program	FDOE Fixed Capital Outlay
Award / Budget	$44,737 (2023-24); FDOE approved 2024-25 and 2025-26 allocations that the District cannot yet draw
Purpose	School Safety and Security hardening improvements
Status	In progress
Compliance with Grant Requirements?	The District substantially evidences compliance. It filed OEF 442 disbursement reports with FDOE, including the final 2023-24 report dated 2/17/2026, but did not provide the underlying purchase orders and invoices for the $44,737 it expended.
Timely Reporting to Grantor?	The District filed OEF 442 reports with FDOE through the final 2023-24 report (2/17/2026).
Budget Monitored?	Partially. The District tracks expenditures through the OEF 442 reports but provided no spending plan for the 2024-25 and 2025-26 allocations.
Project Schedule Monitored?	No. The District provided no implementation schedule.

FIGURE 1-33: *In-progress grant project: School Hardening Grant.*
SOURCE: *SAFE 1 OEF 442 disbursement reports.*

Project Monitoring

The MJ Team's review of the School Safety and Security Hardening Improvement project files indicates that the District monitors budgets and procurements but does not monitor project execution (schedules, milestones, completion evidence).

TECHNOLOGY

The Holmes County School District meets Subtask 1.5 for the Technology program area based on the following information. The MJ Team evaluated the cost, timing, and quality of the District's current technology effort, the Distance Learning and Telemedicine grant project. The District demonstrated that this effort was of reasonable cost, completed well, on time, and within budget.

Should voters pass the referendum, Technology will use its portion of the funds to make technology improvements including the following:

- Network switches and firewall license renewals.
- Student Windows and Chromebook devices.
- Teacher Laptops.

- Network Security.
- Off-site back-ups.
- Cloud-based Security Cameras.
- Phone System Network Hardware.

In-Progress Grant Projects

Figure 1-34 presents the interactive classroom technology project at seven (7) district sites.

Attribute	RUS DLT Grant
Grantor / Program	USDA Rural Utilities Service, Distance Learning & Telemedicine (DLT-2024-025 / FL0724-A16)
Award / Budget	\$970,931 grant + \$145,640 cash match (15.0%); \$1,116,571 total project budget
Purpose	Interactive classroom technology at seven (7) district sites
Status	In progress
Compliance with Grant Requirements?	The District substantially evidences compliance. It reconciles reimbursements line-by-line to the RUS-approved budget with serial numbers and invoice references, documents like-for-like equipment substitutions, and maintains the 15% match ratio on each request.
Timely Reporting to Grantor?	The District evidences reporting through Reimbursement Requests #1 (10/2025 invoices) and #2 (through 5/2026). However, Request #2 reports "Support Previously Submitted" of \$593,045, which does not agree to Request #1's total of \$128,448, and the District has not explained the inconsistency.
Budget Monitored?	Yes, at the reimbursement level: each request reconciles post-award pricing and quantities to the approved line-item budget. Total support of \$1,127,255 slightly exceeds the \$1,116,571 approved project budget, and the District should monitor this as the grant closes out.
Project Schedule Monitored?	No. The District provided no installation schedule or milestone tracking.

FIGURE 1-34: *In-progress grant project: RUS DLT Grant.*
SOURCE: *RUSDLT Notice of Award (12/2/2024) and Budget Reconciliation Requests #1 and #2.*

Project Monitoring

The MJ Team's review of the Interactive Classroom Technology project files indicates that the District monitors budgets and procurements but does not monitor project execution (schedules, milestones, completion evidence).

SCHOOL BUS TRANSPORTATION

The Holmes County School District meets Subtask 1.5 for the School Bus Transportation program area based on the following information. The MJ Team evaluated the cost, timing, and quality of the District's current transportation effort, the 2026 school bus lease-purchase. The District demonstrated that this effort was of reasonable cost, completed well, on time, and within budget.

Should voters pass the referendum, the Transportation department will use its allocation of the funds to:

- Liquidate lease obligations on buses acquired under a leasing arrangement
- Acquire new buses
- Subsidize school field trips

The District acquired nine (9) school buses in 2026 through a lease-purchase arrangement rather than an outright purchase. The buses were not procured through a purchasing cooperative. The District priced the units off Florida Department of Education state term contract ITB 2026-07, effective January 1, 2026, through Florida Transportation Systems, Inc., the awarded dealer. Use of the state term contract satisfies the competitive requirement for the equipment.

Figure 1-35 presents the bus units and pricing.

Unit Type	Quoted Price	Quote Date	Units Financed	Financed Amount
Type C, 77-passenger, Blue Bird Vision BBCV3507	$164,532	03/24/2026	8	$1,318,616
Type C with wheelchair lift, 29-passenger (24+1WC), Blue Bird Vision BBCV1910	$160,608	03/31/2026	1	$160,899
Total			9	$1,479,515

FIGURE 1-35: *Bus units and pricing under FDOE Contract ITB 2026-07.*
SOURCE: *DEBT 4 vendor quotes (Florida Transportation Systems, Inc.).*

The District separately competed the financing, soliciting four (4) proposals on the same acquisition cost and selecting the lowest rate.

Figure 1-36 presents the financing proposals received.

Proposer	Date	Interest Rate	Annual Payment	Total Payments
Santander Bank, N.A. (selected)	**04/30/2026**	**4.480%**	**$334,420.00**	**$1,672,100.00**

Proposer	Date	Interest Rate	Annual Payment	Total Payments
Sun South Equipment Leasing, Inc.	05/05/2026	5.5500%	$346,942.73	$1,734,713.65
Ascentium Capital, a Division of Regions Bank	05/05/2026	5.5600%	$347,037.80	$1,735,189.00
Fourth proposal	05/05/2026	6.500%	$350,901.07	$1,754,505.35

FIGURE 1-36: *Financing proposals received.*
SOURCE: *DEBT 5 financing proposals presented to the Board.*

Selecting Santander produced a finance charge of $192,585 and avoided approximately $62,600 in interest relative to the next-lowest proposal. Costs were reasonable.

Figure 1-37 presents the procurement timeline.

Date	Action
3/24/2026 and 3/31/2026	District obtained vendor quotes under FDOE contract ITB 2026-07
4/30/2026 and 5/5/2026	District received four (4) financing proposals
5/12/2026	Board approved the bus purchase proposal with financing rates
6/9/2026	Board approved the financing documents
6/9/2026	District executed the Municipal Lease-Purchase Agreement and filed IRS Form 8038-G reporting the issue as transportation debt

FIGURE 1-37: *Procurement timeline.*
SOURCE: *DEBT 3 board approval; DEBT 5 board minutes; DEBT 7 IRS Form 8038-G.*

The District completed the cycle in approximately eleven weeks. The process was timely. The District did not provide requisition or purchase order records for the acquisition. No other buses have been leased or purchased during the period.

INDEBTEDNESS

Should voters pass the referendum, the district will use some of the funds to liquidate lease obligations incurred to acquire buses.

On June 9, 2026, the school board approved a new five-year bus lease agreement for nine (9) 2027 Blue Bird school buses. The District will make lease payments beginning next year from October 15, 2027, through October 15, 2031. In Subtask 1.1, the MJ Team examined bus lease agreements and amortization schedules that the Director of Finance uses annually and determined that the information is adequate to monitor program performance and costs. As the lease payments will not begin until 2027, no further testing related to lease payments can be performed. Thus, this subtask is Not Applicable for indebtedness.

RECOMMENDATION 1.5 – Develop and implement documented project management procedures requiring the District to establish a Board-approved budget and a baseline schedule with milestone dates for every capital and grant-funded project, track actual costs against the approved budget in the accounting system to monitor schedule performance through project completion, and obtain and retain final inspection and completion documentation for each project.

SUBTASK 1.6 – Determine whether the program has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.

OVERALL CONCLUSION

Overall, the Holmes County School District partially meets Subtask 1.6. The District designed its purchasing policies adequately, and it follows them when purchases move through formal procurement channels: competitive solicitations, cooperative contracts, state term contracts, and the purchase order workflow. The deficiencies concentrate in self-performed construction and trade-level purchasing, where the District operates outside those channels without documenting compliance.

Purchasing policies and procedures apply to all program areas and therefore this analysis is not separated by the program areas (Facilities, Safety and Security, Technology, School Bus Transportation, and Indebtedness).

The Purchasing Policies and Guidelines primarily consists of the related Board policies and procedures, a summary page of requirements based on purchasing thresholds, and excerpts from the Uniform Guidance Procurement Standards. The Director of Finance oversees both the accounting and purchasing functions. This does not create a conflict of interest: under Chapter 112, Part III, *Florida Statutes*, a conflict turns on whether an employee or immediate family member holds a financial interest in a vendor doing business with the district, and we identified no such relationship. The concentration of accounting and purchasing oversight in one position is a separation of duties question and we identified no separation of duties issue, as purchase authorization rests with the Superintendent and School Board and the Board independently reviews and approves monthly financial reports.

Data Sources Reviewed

- Holmes County School Board Purchasing Policies 7.70 (Purchasing), 7.701, 7.71, 7.72, and 7.73;

- Purchasing cooperatives that the District uses: Florida Buy/PAEC, OMNIA Partners, Sourcewell, and PEPPM;
- Procurement records in the project file: the Replacement Generator design-build RFP, board minutes approving the vendor, and the Agreement Between Owner and Design-Builder (MNT 5); TREMCO roof repair proposals under AEPA state contract, Proposals 5071426 (Ponce de Leon HS) and 5069868 (Holmes County HS) (MNT 9); HVAC unit purchase orders, invoices, and rejected vendor labor quotes (MNT 6); Florida Transportation Systems bus quote (3/24/2026) under FDOE Contract ITB 2026-07 and competing financing proposals that the District presented to the Board (DEBT 4, DEBT 5); Howard Technology Solutions invoices under the RUS DLT grant; and the purchase order approval workflow (TECH 6);
- Policy design review: competition and quote/bid thresholds, sole-source controls, conflict-of-interest provisions, and board approval requirements;
- Cooperative purchasing usage: whether cooperative awards satisfy the policies' competitive requirements and how the District documents usage; and
- Compliance in practice: testing the procurements evidenced in the project file against the policies and applicable State law.

District Purchasing Policies

The District designed its purchasing policies adequately, and they directly address taking maximum advantage of competitive procurement, volume discounts, and special pricing agreements. The District follows the policies when purchases move through formal procurement channels: competitive solicitations, cooperative contracts, state term contracts, and the purchase order workflow. However, the District does not follow the purchasing policies in self-performed construction and trade-level purchasing.

Observations

Where the District procures through formal channels, the record demonstrates compliance.

- The District competitively procured the Replacement Generator through a design-build RFP containing minimum contractor qualification requirements consistent with Section 287.055, *Florida Statutes*, and the Board approved the selected vendor (Echo Power LLC) in its minutes.
- The District priced roof repairs through TREMCO under an AEPA cooperative state contract and priced bus acquisitions under FDOE Contract ITB 2026-07, both consistent with the policies' allowance for cooperative and state term contract purchasing.
- The District competitively sourced its bus financing, taking multiple financiers' proposals to the Board, which selected the lowest rate and payment.

- For the HVAC project, the District obtained vendor labor quotes before it elected to self-perform, and the purchase order module documents approval history, funding source, and payment status for purchases that the District routes through it.

Compliance breaks down where the District performs work itself or procures at the trade level. The Auditor General found that the District did not comply with Section 255.20, *Florida Statutes*, for the new County Office project, a self-performed demolition and renovation exceeding the $300,000 statutory threshold that the District undertook without the required public notice, public meeting, best-interest determination, or annual estimated-versus-actual cost report (Report No. 2025-048, Finding 2). In addition, the trade vendors that the District engaged on that project (Premier Paving, $158,500 + $17,805; Shaw flooring, $69,815; TCB Electronics, $38,500 + $5,420; Builders Door and Hardware; Wall 2 Wall Restoration; and AOLI-Norcross furniture) individually appear to exceed the Policy 7.70 quote/bid thresholds, and the District provided no procurement documentation (quotes, bids, or cooperative contract references) for any of them.

Finally, the District returned the consolidated grant schedule that the MJ Team requested to test grant-funded procurement district-wide as a blank file.

The MJ Team recommends that the District: (1) adopt procedures implementing the Section 255.20 public notice, meeting, best-interest, and annual reporting requirements before it self-performs any construction project estimated to exceed $300,000, consistent with the Auditor General's recommendation; (2) perform and document a Policy 7.70 threshold analysis before it engages any trade vendor, and retain the quotes, bids, or cooperative contract references supporting each award; (3) document the procurement basis for vendor selections under grant-funded projects, including the Howard Technology Solutions award under the RUS DLT grant; and (4) maintain the consolidated grant schedule that the MJ Team requested under MNT 14 so the District can monitor grant-funded procurement district-wide. The District must sustain compliance in these areas if voters approve the surtax, because surtax-funded projects will predominantly involve the capital and trade-level purchasing where the MJ Team observed the deficiencies.

RECOMMENDATION 1.6 – Develop and implement documented procedures requiring all departments, including self-performed construction and trade operations, to demonstrate and retain evidence that competitive procurement methods, volume discounts, and special pricing agreements were evaluated and utilized whenever practicable.

RESEARCH TASK 2

OVERVIEW

The MJ Team assessed the organizational structure responsible for administering Holmes County School District surtax funds, if approved by voters. This structure includes several functional areas, including Facilities, Safety and Security, Technology, School Bus Transportation, and Indebtedness. Each functional area has distinct responsibilities, objectives, and operational requirements and was therefore evaluated separately to provide a focused assessment of its role in the implementation, management, and oversight of surtax-funded projects and initiatives.

FINDING SUMMARY

THE STRUCTURE OR DESIGN OF THE PROGRAM TO ACCOMPLISH ITS GOALS AND OBJECTIVES.

Overall, the Holmes County School District partially meets Task 2.

The District maintains a clearly defined organizational structure with established reporting relationships and leadership responsibilities that generally support the administration of Facilities, Safety and Security, Technology, School Bus Transportation, and Indebtedness programs. Most departments operate within generally accepted span-of-control practices; however, the Superintendent directly supervises a large number of employees and functions, which may reduce administrative efficiency and limit strategic oversight opportunities.

The District has generally aligned staffing levels with declining enrollment and has maintained stable student-to-staff ratios over time. However, staffing analyses identified opportunities for improvement in several operational areas. Facilities staffing appears lean in custodial and maintenance functions when compared to selected industry benchmarks. Technology staffing is limited relative to the number of devices supported, and Transportation lacks reserve substitute-driver capacity necessary to provide operational flexibility during employee absences and other staffing disruptions. Safety and Security staffing appears adequate for current operational needs, and Finance Department staffing appears sufficient to administer debt-related responsibilities.

Findings by Subtask:

- Subtask 2.1 – Organizational Structure: Partially Met
- Subtask 2.2 – Program Staffing Levels: Partially Met

SUBTASK CONCLUSIONS, ANALYSIS AND RECOMMENDATIONS

SUBTASK 2.1 – Review program organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.

OVERALL CONCLUSION

Overall, the Holmes County School District partially meets Subtask 2.1. While the District maintains a clearly defined organizational structure, there are opportunities to improve administrative efficiency through greater functional consolidation and a reduction in the Superintendents' span of control.

To address the requirements of this subtask, the MJ Team interviewed the Superintendent of Schools, Director of School Safety, Director of Finance, Director of Operations, Director of Transportation, the Coordinator of Technology Integration & Media/Public Information Officer, and the Coordinator of Network Operations.

The MJ Team also reviewed the organizational structure of Holmes County School District and compared it with three (3) peer districts—Calhoun County School District, Jackson County School District, and Washington County School District—selected by district leadership as appropriate benchmarks.

For K-12 public school districts, educational leadership organizations such as The School Superintendents Association (AASA) and National School Board Association (NSBA) provide guidance on governance and district leadership but do not recommend a specific superintendent span of control. Instead, district organizational reviews often rely on broader organizational design principles, including the Society of Human Resource Management (SHRM) guidance on span of control, reporting relationships, and management effectiveness, which emphasizes factors such as role complexity, staff expertise, and leadership capacity. These practices are considered alongside peer district comparisons, education-specific benchmarks, school finance and operational standards, and K-12 governance analyses to evaluate organizational effectiveness, align responsibilities, and identify opportunities to improve efficiency and support district priorities.

In education and public administration, management spans commonly range from one supervisor for every five to ten employees (1:5 to 1:10), with ratios near 1:7 to 1:8 often viewed as most effective. For superintendents, whose direct reports generally include cabinet-level leaders such as assistant superintendents, chief financial officers, human resources directors, and chief academic officers, a span of approximately five (5) to nine (9) direct reports is typically considered appropriate. This structure supports effective oversight, cross-functional coordination, and accountability for districtwide goals and operations.

Figure 2-1 below presents the overall organizational structure and hierarchy of Holmes County School District and the peers selected by the District's leadership.

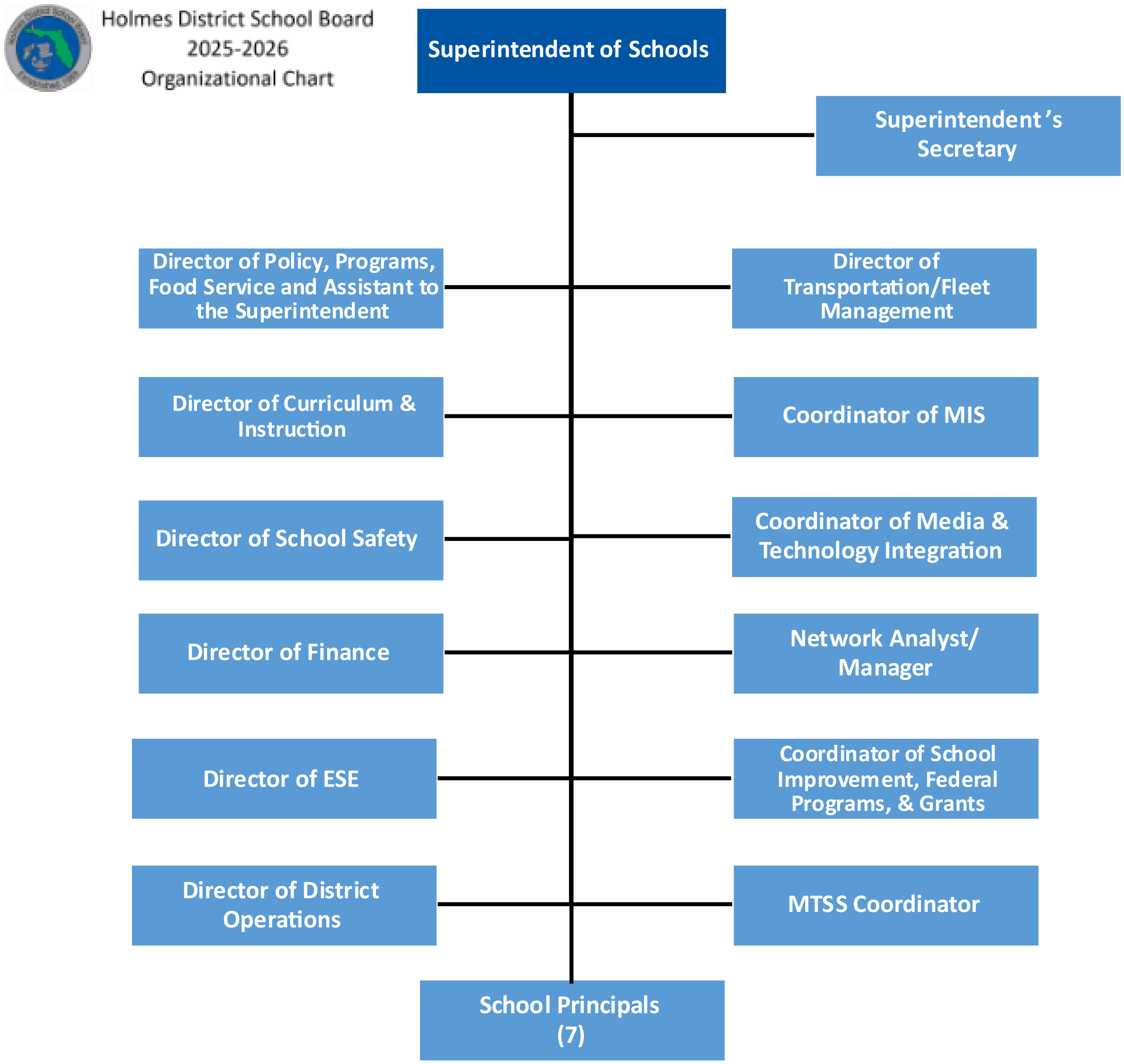


FIGURE 2-1: *Holmes County School District Organizational Structure.*
SOURCE: *Holmes County School District Administration.*

Figure 2-2 presents the overarching span of control for the Holmes County School District Superintendent.

Organizational Structure Measures	Holmes CSD
Senior Admin/Director Direct Reports to Superintendent (Including Admin. Assistants)	13
Principals Reporting to Superintendent	7
Total Superintendent Direct Reports	20
Superintendent Span of Control Ratio	20:1

FIGURE 2-2: *Comparison of Organizational Structure and Span of Control.*
SOURCE: *MJ Team Analysis.*

The Holmes County School District Superintendent directly supervises approximately 20 positions, including seven (7) principals and numerous department directors, which exceeds the SHRM recommended span of control. This broad span of control increases coordination demands and limits opportunities for strategic leadership. The district also maintains several stand-alone functions within technology services and student support services that require substantial cross-department collaboration and may create inefficiencies compared to more consolidated models.

The MJ Team also analyzed the Holmes County School District's span of control by program area and determined that the District partially meets the objective. While most departments operated within recommended span-of-control standards, the Superintendent's broad span of control and specialized reporting structure may reduce organizational efficiency and increase management demands.

FACILITIES

Based on the MJ Team's review and analysis, the District met Subtask 2.1 for the Facilities program. The MJ Team assessed the organizational structure of the Holmes County School District Department of Operations. **Figure 2-3** shows that the department's span of control is 1:7, which is consistent with recommended organizational practices and falls within accepted standards identified by SHRM and other professional organizations. Although the district's organizational chart shows custodians reporting directly to the Director of Operations, custodial staff are typically supervised on a day-to-day basis by the principals of their assigned schools, a common practice in school districts that supports effective oversight of building-level operations.

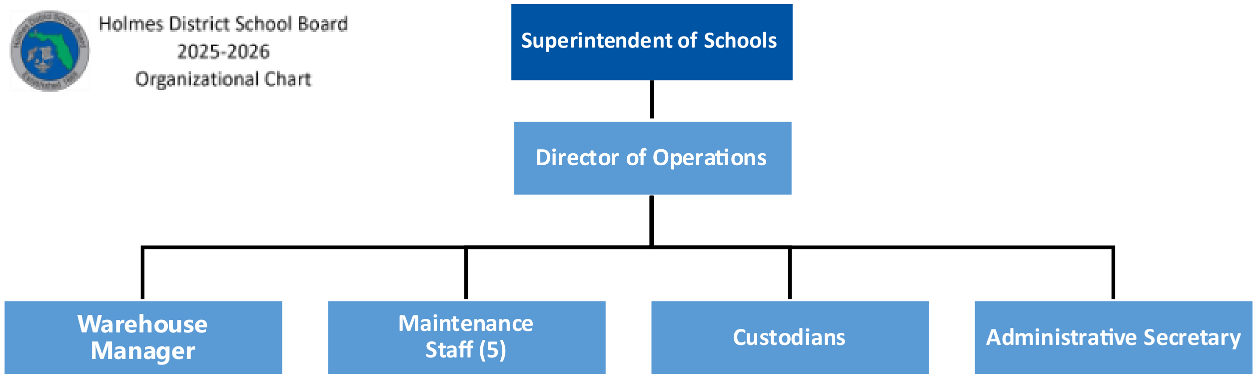


FIGURE 2-3: *Holmes County School District Department of Operations Organizational Structure.*
SOURCE: *Holmes County School District Administration.*

SAFETY AND SECURITY

Based on the MJ Team's review and analysis, the District met Subtask 2.1 for the Safety and Security program. The MJ Team assessed the departmental structure of the Holmes County School District Department of School Safety. **Figure 2-4** shows that the department's span of control is 1:3, which falls within the recommended organizational structure as determined by SHRM and other professional entities.

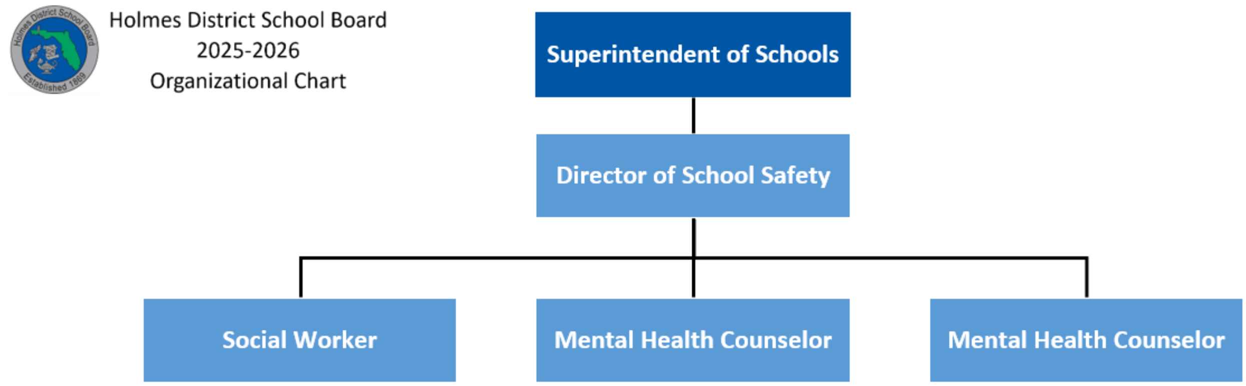


FIGURE 2-4: *Holmes County School District Safety and Security Organizational Structure.*
SOURCE: *Holmes County School District Administration.*

TECHNOLOGY

Based on the MJ Team's review and analysis, the District met Subtask 2.1 for the Technology program area. The MJ Team assessed the departmental structure of the Holmes County School District Department of Technology. **Figure 2-5** shows that the department's span of control is 1:3 and 1:1 for their Coordinator of Network Operations and the Coordinator of Technology Integration & Media/Public Information Officer respectively, which falls within the recommended organizational structure as determined by SHRM and other professional entities.

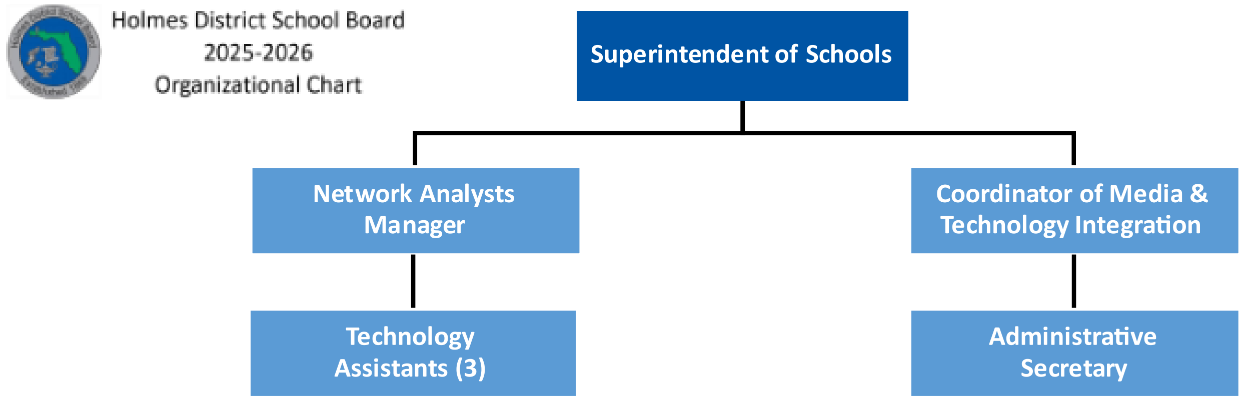


FIGURE 2-5: *Holmes County School District Department of Technology Organizational Structure.*
SOURCE: *Holmes County School District Administration.*

SCHOOL BUS TRANSPORTATION

Based on the MJ Team's review and analysis, the District met Subtask 2.1 for the School Bus Transportation program area. Based on the MJ Team's review and analysis, the District met the span of control expectations for the School Bus Transportation program area. The MJ Team assessed the organizational structure of the Transportation Department. **Figure 2-6** shows that one supervisor oversees 38 bus drivers with support from three (3) additional staff members.

While a span of control approaching 20 direct reports would generally be considered excessive for a superintendent or central office administrator due to the complexity, diversity, and strategic nature of those positions, transportation operations function differently. Industry organizations such as the National Association for Pupil Transportation (NAPT) recognize that transportation supervisors and fleet managers can effectively oversee larger numbers of employees because bus drivers perform standardized duties, operate independently on assigned routes, and are governed by established procedures, training requirements, and safety regulations.

As a result, wider spans of control are common in school transportation and other fleet-based operations, making the department's current reporting structure and supervisory ratio acceptable for operational purposes.

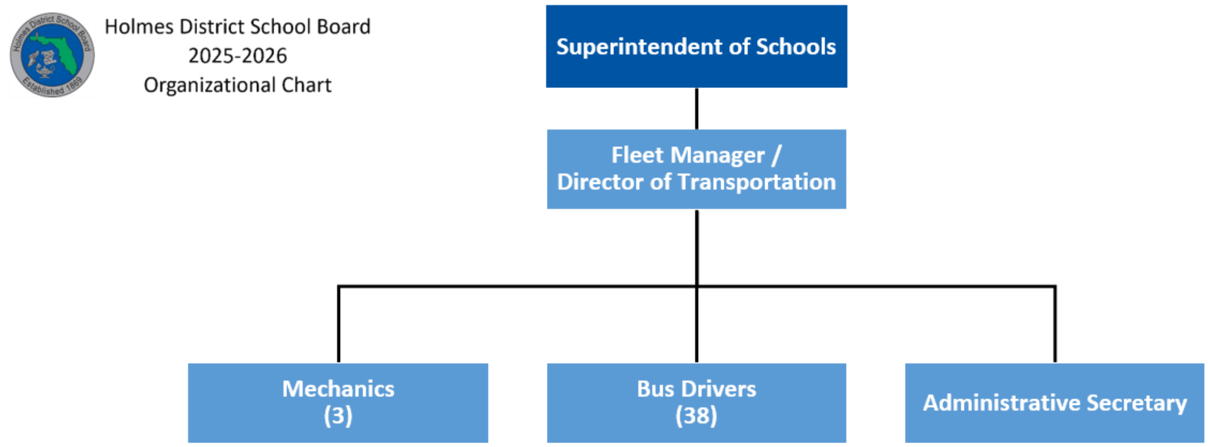


FIGURE 2-6: *Holmes County School District Department of Transportation Organizational Structure.*
SOURCE: *Holmes County School District Administration.*

INDEBTEDNESS

Based on the MJ Team's review and analysis, the District met Subtask 2.1 for the Indebtedness program area. The MJ Team assessed the departmental structure of the Holmes County School District Finance Department which oversees the District's Indebtedness program.

Figure 2-7 shows that the department's span of control is 1:5, which falls within the recommended organizational structure as determined by SRHM and other professional entities.

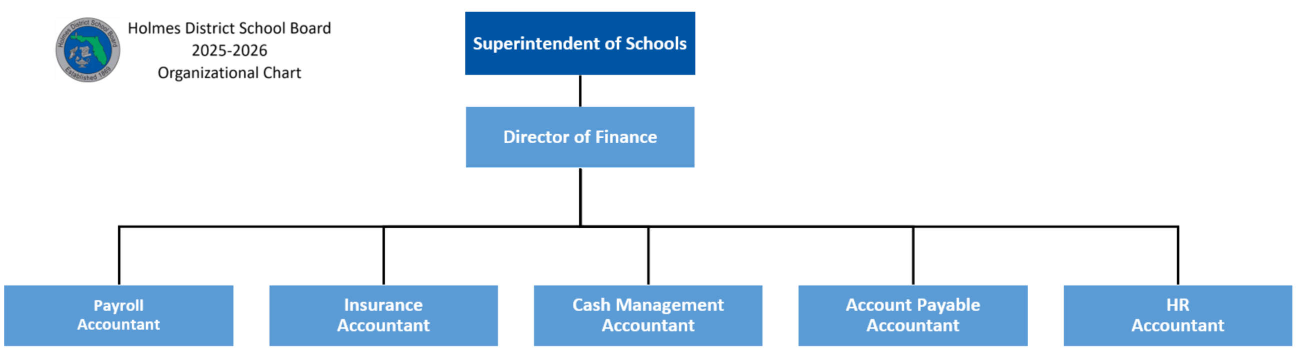


FIGURE 2-7: *Holmes County School District Finance Department Organizational Structure.*
SOURCE: *Holmes County School District Administration.*

Overall, Holmes County School District has established a clear organizational framework with defined reporting relationships and leadership responsibilities. However, the District's broader span of control and more specialized organizational structure, in comparison to industry standards and accepted practices, requires school leaders to spend more time coordinating work, managing direct reports, and clarifying responsibilities across separate functions.

While the organizational structure establishes clear lines of authority, the Superintendent's span of control of 20 direct reports is relatively broad and may create management challenges compared to organizational structures that distribute supervisory responsibilities across additional administrative levels. Consolidating related functions and streamlining reporting relationships would strengthen efficiency, improve accountability, and better position district leadership to focus on strategic priorities.

RECOMMENDATION 2.1– Reduce the Superintendent's span of control by consolidating related functions and delegating oversight through additional executive-level leadership positions.

SUBTASK 2.2 – Assess the reasonableness of current program staffing levels given the nature of the services provided, program workload, and accepted industry standards and best practices.

OVERALL CONCLUSION

Overall Holmes County School District partially meets Subtask 2.2. While the District has generally aligned overall staffing levels with declining enrollment and maintained stable student-to-staff ratios, the District has not fully demonstrated that staffing levels are reasonable across all surtax-related program areas. District-wide staffing levels appear fiscally responsible; however, custodial staffing within Facilities may be insufficient, maintenance and Technology staffing are slightly below industry benchmarks, and Transportation lacks adequate substitute-driver capacity.

To address the requirements of this subtask, the MJ Team interviewed the Superintendent of Schools, Director of School Safety, Director of Finance, Director of Operations, Director of Transportation, Coordinator of Technology Integration & Media/Public Information Officer, and the Coordinator of Network Operations.

OVERALL STAFFING LEVELS

Based on interviews with Holmes CSD leadership, the District addressed budget challenges through strategic personnel adjustments and operational efficiencies. Since the 2020–2021 school year, Holmes County School District has reduced its workforce from approximately 495 employees to 385 employees in the 2025–2026 school year, primarily in response to declining student enrollment and staffing reductions. District leadership also indicated that cost-control measures related to significant energy expenditures and retirement contributions, generated savings that were redirected to support employee salaries and compensation for remaining staff members.

The MJ Team used the Florida Department of Education's PK-12 Education Information Services database to assess the staffing levels for Holmes County School District. This database does not provide a breakdown of the staffing data by program areas for which the surtax will be used.

Therefore, the MJ Team used the high-level staffing categories available in the database to perform its analysis.

Figure 2-8 shows that the Holmes County School District's staffing trends demonstrate a stable and fiscally responsible approach to workforce management during a period of declining enrollment. Between Fiscal Year 2023-2024 and Fiscal Year 2025-2026, student enrollment decreased by 10.1%, while administrative staffing declined by 9.4% and support staffing declined by 6.4%. The district maintained relatively consistent student-to-administrator and student-to-support staff ratios throughout the period, indicating that staffing levels were adjusted in a measured manner to align with enrollment changes while preserving the operational and instructional support necessary to serve students effectively.

Based on National Center for Education Statistics (NCES) staffing benchmarks, the district's staffing trends appear reasonable and consistent with practices observed in similarly sized public school systems. As enrollment declined by approximately 10 percent over the three-year period, the district reduced administrative staffing by 9.4 percent and support staffing by 6.4 percent while maintaining stable student-to-staff ratios. These results indicate that staffing levels have generally remained aligned with student enrollment and do not suggest disproportionate growth in personnel relative to the population served.

Staffing Category	FY 2023-2024	FY 2024-2025	FY 2025-2026	Change	% Change
Student Enrollment From FLDOE	3,157	2,941	2,838	(319)	(10.1)%
OFFICIAL, ADMINISTRATORS AND MANAGERS					
Officials, Administrators & Managers	14	12	13	(1)	(7.1)%
Officials, Administrators & Managers – Non-Instructional	2	2	2	0	0.0%
Total Officials, Administrators, Mgrs.	16	14	15	(1)	(6.3)%
Consultants / Supervisors of Instruction	5	4	5	0	0.0%
Principal	14	12	13	(1)	(7.1)%
Assistant Principals	8	8	7	(1)	(12.5)%
Deans, Curriculum Coordinators	0	0	0	0	0.0%
Community Education Coordinators	0	0	0	0	0.0%
Total Administrative Staff	**32**	**29**	**29**	**(3)**	**(9.4)%**
Students to Administrative Staff Ratio	**98.7:1**	**101.4:1**	**97.9:1**	**(0.8)**	**(0.8)%**

Staffing Category	FY 2023-2024	FY 2024-2025	FY 2025-2026	Change	% Change
SUPPORT STAFF					
Other Professional Staff Noninstructional	11	11	9	(2)	(18.2)%
Paraprofessionals	60	56	53	(7)	(11.7)%
Technicians	3	3	3	0	0.0%
Administrative Support Workers	32	30	29	(3)	(9.4)%
Service Workers	67	77	67	0	0.0%
Skilled Crafts Workers	3	3	3	0	0.0%
Unskilled Laborers	11	11	11	0	0.0%
Total Support Staff	**187**	**191**	**175**	**(12)**	**(6.4)%**
Student to Support Staff Ratio	**16.9:1**	**15.4:1**	**16.2:1**	**(0.7)**	**(3.9)%**

FIGURE 2-8: *Comparison of Holmes CSD Selected Staff Categories for School Years 2023-2024 – 2025-2026.*
SOURCE: *Florida Department of Education's PK-12 Education Information Services Database.*

The District uses weekly staff meetings as a collaborative forum for employees to coordinate responsibilities, discuss workload needs, and collectively address duties associated with eliminated positions. District leadership has also encouraged cross-training among staff to promote shared knowledge, maintain operational continuity, and ensure backup support is available when needed. As a result, staff members regularly work together across departments, assist one another beyond their primary assignments, and contribute collectively to projects and operational priorities.

This collaborative approach is evident in financial planning, which is led by the Director of Finance in partnership with department leaders across the organization, ensuring that budget decisions reflect operational needs and strategic goals. It is also reflected in leadership roles that span multiple functions. For example, the Director of Transportation oversees student transportation operations while also serving in a mechanic capacity, coordinating bus route scheduling, and responding to emergency maintenance and facilities needs. Similarly, the Technology and Media Integration Coordinator serves as the District's Public Information Officer and is solely responsible for quality control and oversight of District social media communications. This shared responsibility model promotes coordination, accountability, and informed decision-making across the District.

Key Personnel Primary Job Functions Responsible for Overseeing the Surtax

In addition to reviewing the District's overall organizational structure, the MJ Team assessed the primary administrators responsible for overseeing the surtax fund, including their key responsibilities, tenure with the District, and experience in their current positions.

The combined tenure for the administrators shown in **Figures 2-9** to **2-18** have served in their current roles for nearly six (6) years, providing continuity, institutional knowledge, and experienced leadership in the management of District operations and oversight of surtax-funded programs and activities.

FACILITIES

Based on the MJ Team's review and analysis, the District partially meets Subtask 2.2 for the Facilities program. The Facilities Department is led by an experienced Director of Operations with clear oversight responsibilities; however, while maintenance staffing is only slightly below industry benchmarks, custodial staffing is well below recommended levels, indicating that staffing resources may not be sufficient to support all facilities-related workloads.

It should be noted that while square footage was a key factor in the MJ Team's review, custodial staffing needs can also be influenced by several operational and building-specific factors. These include building age and condition, the layout and complexity of the facility, occupancy and traffic levels, the number of restrooms and specialized spaces, hours of operation, and the expected level of cleaning service.

As shown in **Figure 2-9**, the Director of Operations has served the District for 23 years and has held the current role for four (4) years. This tenure supports consistent management of facilities functions, clearly delineated responsibilities, and demonstrates an organizational structure that minimizes unnecessary administrative layers.

Position Title	Tenure with District	Tenure in Current Role	Major Position Responsibilities
Director of Operations	23 years	4 years	• Facilities/Maintenance – Oversees all 8 of the District's facilities. – Makes all decisions on the facilities maintenance and replacements. – Oversees any projects realized by outside entities. • Other Duties – Risk Manager – FRS – Health Insurance – FTE

FIGURE 2-9: *District Administrator Direct Reports and Primary Job Functions.*
SOURCE: *Holmes County School District Surtax Administrators.*

Additionally, the MJ Team assessed the Facilities Department's staffing level by comparing industry standards for custodial and maintenance staff workload. **Figure 2-10** shows the MJ team analysis and comparison to industry standards. Based on APPA's custodial staffing guideline of approximately 18,500 square feet per custodian, the District would require approximately 46 custodial FTEs to adequately maintain 843,428 square feet. With 26.5 FTEs currently assigned, custodians are responsible for 31,827 square feet each, resulting in a staffing level that is approximately 42% below the APPA benchmark, indicating that more custodians may be required.

Measure	Amount
Total Facility Square Footage	843,428
Current Custodial FTEs	26.5
Current Sq. Ft. per Custodian	31,827
APPA Level 3 Standard (Sq. Ft. per Custodian)	18,500
Custodians Required per APPA Standard	45.6
Staffing Shortfall	19.1 FTE

FIGURE 2-10: *Comparison of Custodial District Staffing to APPA Standards.*
SOURCE: *The MJ Team.*

The MJ Team also assessed the workload and staffing levels of the District's maintenance staff. **Figure 2-11** compares Holmes County School District's current maintenance staffing level of 5.0 FTEs with APPA educational facilities maintenance benchmarks using the District's total building inventory of 843,428 square feet. The analysis indicates that Holmes CSD would require approximately 5.6 maintenance FTEs to meet the minimum benchmark of 150,000 square feet per maintenance worker, placing the District 0.6 FTE below the recommended staffing level and suggesting that it is slightly understaffed relative to accepted educational facilities maintenance standards.

Benchmark	APPA Suggested FTE	Current FTE	Status
150,000 SF/FTE (minimum acceptable)	5.6	5	Slightly Understaffed

FIGURE 2-11: *Comparison of District Maintenance Staffing to APPA Standards.*
SOURCE: *The MJ Team.*

RECOMMENDATION 2.2-1– Periodically review staffing levels for facilities construction and maintenance functions to determine whether current staffing is sufficient to meet operational needs, service expectations, and workload demands. Based on the results of the review and available resources, the District should determine whether adjustments to staffing levels, work processes, use of contracted services, or other resources are warranted.

SAFETY AND SECURITY

The MJ Team's review and analysis determined that the District met Subtask 2.2 for the Safety and Security program. The program is led by an experienced Director of School Safety with 14 years of District service and eight (8) years in the current role, providing continuity and oversight of safety compliance and risk assessment activities. Additionally, the District's staffing level of eight (8) School Resource Officers serving seven (7) schools facilities is generally aligned with recognized school safety practices and indicates that security staffing is adequate to support current operational needs.

As shown in **Figure 2-12**, the Director of School Safety has served the District for 14 years and has held the current role for eight (8) years. This experience provides continuity in the administration of District safety and compliance activities while maintaining a streamlined organizational structure with direct accountability for program oversight.

Position Title	Tenure with District	Tenure in Current Role	Major Position Responsibilities
Director of School Safety	14 years	8 years	• Evaluates the overall safety posture of the District using the Florida School Safety Assessment Tool (FSSAT). • Assists schools in using FSSAT to assess their school using the School Security Risk Assessment (SSRA). • Compiles data from FSSAT, SSRA and District Best Practices Assessment (DBPA) and report to the School Board. • Identifies needs in the SSRA and DBPA and produce a needs assessment. • Uses the FSSAT tools to determine adequate security staffing and seek funding to mitigate needs. • Uses FSSAT compliance tools to determine compliance with school safety protocols and effectiveness.

FIGURE 2-12: *District Administrator Direct Reports and Primary Job Functions.*
SOURCE: *Holmes County School District Surtax Administrators.*

According to interviews with District leadership, the Safety and Security Department receives financial support from the County Sheriff's Office to help ensure adequate staffing coverage. **Figure 2-13** demonstrates that the Holmes County School District is adequately staffed for security. The District's eight (8) School Resource Officers serving seven (7) campuses facilities is close to a one-officer-per-campus model and aligns reasonably well with recognized school safety practices.

Position Title	Number of Staff	Comparison to APPA – Leadership in Educational Facilities Standards
School Resource Officers (SROs)	8 7	Seven (7) officers for seven (7) campuses facilities leaves at least one facility without a dedicated SRO if distributed one per campus.
Students per SRO	**405:1**	Ratio falls within levels commonly seen in districts using campus-based SRO assignments.

FIGURE 2-13: *Comparison of Safety and Security District Staffing to APPA Standards.*
SOURCE: *Holmes County School District Surtax Administrators.*

TECHNOLOGY

Based on the MJ Team's review and analysis, the District partially meets Subtask 2.2 for the Technology program. As shown in **Figures 2-14**, the District's technology function is led by administrators with an average of 22 years of District experience and an average of 9.5 years in their current roles. Their longevity and clearly defined spans of control support continuity of operations, distinct responsibilities across technology functions, and efficient lines of authority. In addition, the District maintains an inventory of 6,817 devices, consisting of 4,198 Chromebooks and 2,619 Windows devices, supported by three (3) technology assistants, resulting in a ratio of approximately 2,272 devices per technician.

Position Title	Tenure with District	Tenure in Current Role	Major Position Responsibilities
Coordinator of Technology Integration & Media ***Also serves as Public Information Officer***	30 years	10 years	• Plans for technology purchases to include product evaluation, securing price quotes, and determining funding source. • Manages educational software solutions including data integration between our SIS and ClassLink (single-sign-on solution). • Manages all aspects of the E-Rate funding process. • Oversees the district's library media program including preparing school library budgets and assisting with purchasing. • Administers of the district's parent communication platform, ParentSquare. • District website and social media administrator. • Oversees the district's telecommunication system, including cell phones.

Position Title	Tenure with District	Tenure in Current Role	Major Position Responsibilities
Network Analyst / Manager	14 years	9 years	• Maintains all aspects of the district's local area network, to include internet connectivity, filtering, and wireless connectivity. • Supervises technicians and assign workflows. • Collaborates with the Coordinator of Technology Integration & Media to plan for technology purchases. • Manages the technology inventory including end-user devices. • Creates & manage network access accounts, including O365 email for both employees and staff.

FIGURE 2-14: *District Administrator Direct Reports and Primary Job Functions.*
SOURCE: *Holmes County School District Surtax Administrators.*

However, while the District maintains sufficient staffing and workload data to assess technology support capacity, the current ratio exceeds commonly referenced K-12 technology support benchmarks. The Consortium for School Networking (CoSN) identifies staffing capacity as a key component of effective technology operations, while K12TechPro, a professional resource focused on K-12 technology operations and support practices, notes that many school districts use staffing benchmarks ranging from approximately 700 to 1,000 devices per technician when evaluating technology support capacity.

As shown in **Figure 2-15,** the District's ratio of 2,272 devices per technician exceeds these benchmarks, indicating that the District operates with a lean technology support staff relative to the number of devices supported. Therefore, although the District maintains the information necessary to evaluate staffing levels and workload, available data suggest that current staffing levels may not align with commonly referenced technology support benchmarks.

Evaluated Area	Number of Staff	Comparison to Industry Benchmarks
Technology Technicians	3	Three (3) technicians support all district technology devices.
Total Devices	6,817	Includes 4,198 Chromebooks and 2,619 Windows devices.
Devices per Technician	**2,272:1**	Exceeds the commonly referenced K-12 benchmark of 700 to 1,000 devices per technician.
K12TechPro Benchmark	**700-1,000 devices per technician**	District ratio exceeds commonly referenced K-12 support levels.

FIGURE 2-15: *Comparison of Technology District Staffing to Industry Standards.*
SOURCE: *Holmes County School District Surtax Administrators.*

RECOMMENDATION 2.2-2– Periodically review technology support staffing levels to determine whether current staffing is sufficient to address workload demands and the District's growing device inventory, and ensure timely, effective, and sustainable technology support services. Based on the results of the review and available resources, the District should determine whether adjustments to staffing levels, work processes, use of contracted services, or other resources are warranted.

SCHOOL BUS TRANSPORTATION

Based on the MJ Team ʾ s review and analysis, the District partially meets Subtask 2.2 for the School Bus Transportation program. The program is led by an experienced Director of Transportation, providing continuity and oversight of transportation operations. While the District maintains sufficient drivers to cover its 38 regular routes, it lacks the recommended reserve capacity of substitute drivers to accommodate absences, training, and leave, indicating that transportation staffing is slightly below industry best practices.

As shown in **Figure 2-16**, the District's technology function is led by administrators with an average of 13 years of District experience and an average of four (4) years in their current roles. Their longevity and familiarity in the role support continuity of operations, distinct responsibilities across functions, and efficient lines of authority.

Position Title	Tenure with District	Tenure in Current Role	Major Position Responsibilities
Fleet Manager/Director of Transportation	13 years	4 years	• Supervises Bus drivers, van drivers • Supervises mechanics • Manages bus/vehicle maintenance • Manages bus/vehicle inventory • Manages trip requests and bus/vehicle pick up and return • Substitutes Bus Driver • Collaborates with other district directors and school principals for transportation scheduling, routes, viewing cameras for discipline issues • Delivers district mail and shipments to schools twice weekly • Seeks information about the pricing of new buses to replace oldest buses in the fleet. Collaborate with Director of Finance to obtain quotes for financing of new buses.

FIGURE 2-16: *District Administrator Direct Reports and Primary Job Functions.*
SOURCE: *Holmes County School District Surtax Administrators.*

Figure 2-17 shows that based on national school transportation staffing practices, Holmes County School District's transportation department is slightly understaffed. With 38 drivers for 38 routes, the District maintains enough personnel to cover its scheduled daily operations; however, it has no built-in reserve capacity for driver absences, training, and medical leave. National transportation industry data indicates that districts typically require approximately

10% to 15% substitute-driver capacity, which for a 38-route operation would equal about 4 to 6 additional drivers.

Measure	Holmes County Schools	National School Transportation Association (NSTA) Standard
Regular Routes	38	38
Regular Drivers	38	38
Driver-to-Route Ratio	1.00	1.10-1.15 desirable when substitutes are included
Backup Drivers Available	0	Approximately 4-6 drivers (10%-15% of 38 routes)
Staffing Cushion	0%	10%-15% recommended operational reserve
Ability to Cover Absences	Limited	Moderate to Strong

FIGURE 2-17: *Comparison of the District's School Bus Transportation Staffing to Industry Standards.*
SOURCE: *Holmes County School District Surtax Administrators.*

RECOMMENDATION 2.2-3– Develop and implement a transportation workforce staffing plan that establishes and maintains an appropriate substitute-driver staffing reserve, aligned with industry benchmarks and operational demands, to ensure continuity of transportation services during driver absences, training activities, medical leave, and other staffing disruptions.

INDEBTEDNESS

Based on the MJ Team's review and analysis, the District met Subtask 2.2 for the Finance program. The Finance Department is led by a Director of Finance with clear responsibility for the District's financial management, budgeting, reporting, internal controls, and debt-related activities. The position's oversight of five direct reports and well-defined responsibilities provide appropriate management structure and accountability for financial operations.

As shown in **Figure 2-18**, the Director of Finance has served the District and held the current role for an average of 1.5 years. Combined with oversight of five (5) direct reports, the position maintains clearly defined responsibility for the District's financial management, reporting, and debt-related activities.

Position Title	Tenure with District	Tenure in Current Role	Major Position Responsibilities
Director of Finance	1.5 years	1.5 years	• Directs the accounting for receipts and expenditures of the district funds and ensure that appropriate ledgers are maintained in conformity with generally accepted accounting principles. • Manages the district's investment and borrowing programs. • Directs preparation of: Annual financial report, cost report, IRS 1099 forms, indirect cost report, salary schedules, Medicaid reimbursement, and other DOE reporting requirements. • Develops and present the District's annual budget including allocation formulas for FEFP and categorical programs and ensure the budget laws are complied with. • Reviews grant application budgets for inclusion in the financial records. • Monitors and report on budget performance in schools and district departments. • Approves all journal entries and disbursement vouchers. • Prepares requests for disbursement of state and federal funds. • Prepares budget amendments for school board action. • Monitors the administration of financial contracts. • Responds to Florida's Auditor General, audit concerns, and coordinate the District's response to criticism. • Initiates and maintain a system of internal controls to safeguard the assets of the District and provide the highest level of accountability. • Serves as a member of the Superintendent's leadership team. • Provides leadership and direction for assigned areas of responsibility.

FIGURE 2-18: *District Administrator Direct Reports and Primary Job Functions.*
SOURCE: *Holmes County School District Surtax Administrators.*

RESEARCH TASK 3

OVERVIEW

The MJ Team assessed alternative methods of providing services or products by evaluating three (3) areas: formal evaluation of existing in-house services to assess outsourcing opportunities; assessment of contracted services to verify effectiveness and cost savings; and opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services.

FINDING SUMMARY

ALTERNATIVE METHODS OF PROVIDING SERVICES OR PRODUCTS.

Overall, Holmes County School District partially meets Research Task 3. The District demonstrated that certain program areas, including Technology, Transportation, and Indebtedness, evaluate service delivery methods and consider outsourcing opportunities when potential performance improvements or cost savings exist. However, documentation supporting these evaluations was not consistently maintained across all program areas, particularly within Facilities, Safety and Security, and Transportation.

The District also demonstrated varying levels of oversight of contracted and outsourced services. While Technology and Transportation program administrators assess service effectiveness and cost considerations, Facilities and Safety and Security programs lacked sufficient documentation to demonstrate formal evaluations of outsourced services, effectiveness, or achieved cost savings. Indebtedness was not applicable to this area of review.

Finally, Technology and Transportation program administrators identified opportunities for alternative service delivery methods through consideration of peer practices and cost-saving opportunities. For Facilities and Safety and Security, the review did not identify additional alternative service delivery methods beyond current procurement approaches, and Indebtedness was not applicable to this assessment area.

Findings by Subtask:

- **Subtask 3.1 – Evaluation of Service Delivery Alternatives: Partially Met**
- **Subtask 3.2 – Oversight of Outsourced Services: Partially Met**
- **Subtask 3.3 – Alternative Service Delivery Opportunities: Met**

SUBTASK CONCLUSIONS, ANALYSIS AND RECOMMENDATIONS

SUBTASK 3.1 – Determine whether program administrators have formally evaluated existing in-house services to assess the feasibility and cost savings of alternative methods of providing services, such as outside contracting and privatization, and determine if services were outsourced when the evaluations found that doing so could result in improved performance or cost savings.

OVERALL CONCLUSION

Overall, Holmes County School District partially meets Subtask 3.1. Based on information obtained from interviews and the data sources discussed below for each program area, the Technology and Indebtedness programs meet the subtask. However, Facilities, Safety and Security, and Transportation only partially meet the subtask.

While Facilities program administrators perform informal evaluations when determining whether facilities projects should be completed by District personnel or outsourced, they do not document the basis for their decisions.

Safety and Security program administrators procured school safety improvements in accordance with established purchasing procedures; however, the information provided is not sufficient to demonstrate formal evaluation of existing in-house services.

While School Bus Transportation program administrators did not provide documentation supporting their choice of the make and model of buses acquired, they did evaluate the alternative of leasing rather than purchasing buses to achieve cost savings. Supporting analysis is presented by program area below.

To address this research objective, the MJ Team interviewed personnel responsible for Facilities, Safety and Security, Technology, School Bus Transportation, and Indebtedness to understand how service delivery decisions are made and how the District determines whether work should be performed by District personnel or outsourced to qualified contractors. Conclusions are drawn in each section discussed in this section of the report.

The MJ Team examined the District's overall decision-making framework to determine whether program administrators formally evaluated existing in-house services to assess the feasibility and cost savings of alternative methods of procurement. Discussions focused on organizational responsibilities, staffing resources, planning, and procurement practices.

FACILITIES

Based on the information provided, Subtask 3.1 is partially met for the Facilities program. The MJ Team interviewed the Director of Operations regarding the District's organizational structure, maintenance operations, procurement practices, and the processes used to determine whether facilities-related work should be performed by District personnel or outsourced.

Operations is a centralized department responsible for maintaining eight (8) District facilities, including the transportation facility, as well as supporting athletic facilities and risk management activities. A core team of skilled District employees with experience in HVAC, plumbing, electrical systems, carpentry, and general building maintenance performs routine and preventive maintenance. Each school also maintains on-site maintenance personnel who report administratively to the principal while receiving functional support from the Facilities & Operations Department.

The District relies on experienced personnel to perform routine and preventive maintenance while reserving outsourced services for projects requiring specialized expertise, professional engineering, additional workforce capacity, or significant capital investment.

This service delivery model is based on staffing capabilities, available funding, project complexity, and the District's ability to safely and efficiently complete work using internal resources.

The Director of Operations explained that capital improvement projects such as major roof replacements, generator installations, and cooling tower improvements exceed the capabilities or available resources of the District's maintenance staff because they require specialized expertise, additional workforce capacity, significant capital resources, and/or professional engineering services.

The Director further explained that management considers project complexity, available resources, statutory requirements, and overall cost-effectiveness when determining whether projects should be completed by District personnel or outsourced. When practical and appropriate, the District uses experienced in-house maintenance personnel to perform work within their capabilities.

Figure 3-1 shows project types that include major roof replacements, cooling tower improvements, generator installations, and specialized capital improvements. Management's basis for decisions to either outsource or perform services in-house is shown by service and project type.

Service / Project Type	Primary Delivery Method	Primary Basis for Decision
Routine Building Maintenance	District maintenance staff with management's daily oversight and supervision	Efficient use of experienced and available in-house personnel resulting in cost savings.
Preventive Maintenance	District maintenance staff with management's daily oversight and supervision	Efficient use of experienced and available in-house personnel resulting in cost savings.
Minor Routine Repairs	District maintenance staff with management's daily oversight and supervision	Operational efficiency and workforce availability

Service / Project Type	Primary Delivery Method	Primary Basis for Decision
Minor Roof Repairs	District maintenance staff with management's daily oversight and supervision	Routine roof maintenance and minor repairs are performed internally whenever practical to maximize facility life and defer future capital expenditures.
Major Roof Replacement	Outside contractors with Operations department oversight, contractor consultation, and weekly coordination meetings.	Specialized expertise and capital funding requirements. Complete roof replacements, estimated to range between approximately $3 million and $6 million per campus, exceed the financial capacity of the annual maintenance budget and therefore require long-range planning.
Generator Installation	Outside contractors with Operations department oversight, contractor consultation, and weekly coordination meetings.	Technical complexity and regulatory requirements. Engineering consultants prepare design documents, administer construction contracts, monitor performance, verify compliance with contract documents, and participate in weekly project coordination meetings.
Cooling Tower Improvements	Outside contractors with Operations department oversight, contractor consultation, and weekly coordination meetings.	Specialized equipment and engineering expertise

FIGURE 3-1: *Examples of Current Facilities Service Delivery Methods.*
SOURCE: *Operations Department staff interviews.*

The examples summarized above demonstrate that the District does not rely exclusively on either internal personnel or outsourced contractors. Rather, the District makes service delivery decisions on a project-specific basis after considering the factors outlined above.

Facilities program administrators perform informal evaluations when determining whether facilities projects should be completed by District personnel or outsourced; however, they do not document the criteria considered or the basis for their decisions.

RECOMMENDATION 3.1-1 – Document assessments of whether existing in-house facilities services could be more effectively or cost-efficiently provided through alternative service-delivery methods, including outside contracting or privatization.

SAFETY AND SECURITY

Based upon the information provided, Subtask 3.1 is partially met for the Safety and Security program. To address Subtask 3.1 for Safety and Security, the MJ Team interviewed the Director of School Safety to determine whether program administrators formally evaluate existing in-house services to assess the feasibility of alternative methods of procurement to improve performance and/or achieve cost savings.

The Director described School Safety and Security as a comprehensive program responsible for district-wide safety planning, statutory compliance, emergency preparedness, physical security, school hardening initiatives, threat management, and coordination with the Holmes County Sheriff's Office. In addition to serving as Director of School Safety, the Director also serves as the District's Mental Health Coordinator and Threat Management Coordinator, providing centralized leadership for several programs supporting campus safety and student well-being.

Unlike the Operations program, where service delivery decisions are often driven by technical complexity and available workforce resources, the School Safety and Security program is driven primarily by risk assessment and statutory compliance. Interview responses indicate that security improvements are identified through a structured evaluation process rather than through isolated requests or reactive maintenance activities.

This assessment-driven philosophy enables the District to prioritize safety-related projects based upon documented operational need, available funding, and statewide school safety requirements.

The Director provided the following examples of systems and equipment typically procured for the School Safety and Security program.

- Classroom security hardware;
- Surveillance camera systems;
- Perimeter fencing;
- Protective window film;
- Visitor access controls;
- Security vestibules;
- Weapons detection technologies; and
- And other school hardening initiatives.

Projects identified through the School Safety and Security Needs Assessment become eligible for school hardening grant funding administered by the State of Florida. Depending upon project scope, available funding, and technical requirements, implementation may occur through District personnel, competitive procurement, or cooperative purchasing programs.

The MJ Team requested follow-up information regarding the District's evaluation of alternative procurement methods for school safety goods and services. In response, the Director provided procurement documentation for a perimeter fencing project that included vendor quotations, a project approval memorandum, and a Florida Buy cooperative purchasing contract.

This documentation demonstrates that Safety and Security program administrators procured school safety improvements in accordance with established purchasing procedures. However, the information is not sufficient to demonstrate that program administrators formally evaluated existing in-house services to assess the feasibility and cost savings of alternative methods of providing services, such as outside contracting and privatization to improve performance or achieve cost savings.

RECOMMENDATION 3.1-2 – Document assessments of whether existing in-house school safety and security services could be more effectively or cost-efficiently provided through alternative service-delivery methods, including outside contracting or privatization.

TECHNOLOGY

Based on the information provided, Subtask 3.1 is met for the Technology program. To address the requirements of subtask 3.1 as it relates to Technology, the MJ Team interviewed the Coordinator of Network Operations and the Coordinator of Technology Integration & Media/Public Information Officer. We also examined relevant data sources that technology managers use to formally evaluate alternative methods of providing services that resulted in cost savings.

During the interviews it was indicated that the technology departments have no dedicated budgets, so E-rate and grant funds are used as alternative methods to outsource qualified projects and services. E-rate and grant guidelines are used to evaluate eligibility for funding. E-rate is a U. S. federal program that helps schools and libraries afford broadband internet and telecommunications services. **Figure 3-2** shows the E-Rate category 1 and 2 guidelines for eligible products and services.

E-Rate Category 1 and Category 2 Guidelines

Category 1 focuses on services necessary to support broadband connectivity **to** school and library buildings.

This category consists of the services that provide broadband to eligible locations including data links that connect multiple points, services used to connect eligible locations to the Internet, and services that provide basic conduit access to the Internet.

Data Transmission Services and Internet Access are eligible for E-Rate.

Examples:

- Ethernet
- Leased Lit Fiber
- Leased Dark Fiber
- Broadband over Power Lines
- Self-Provisioned Broadband Networks
- Satellite Services
- Wireless (e.g. fixed wireless, microwave)

Eligible costs include monthly charges, special construction, installation and activation charges, software, and modulating electronics and other equipment necessary to make a Category One wired or wireless broadband service functional.

Maintenance and operations charges, including costs of software needed for the operation of or maintenance of network equipment are eligible. Network equipment and maintenance and operation costs for existing networks are eligible. All equipment and services, including maintenance and operation, must be competitively bid.

Category 2 focuses on broadband connectivity **within** school and library buildings

Support is limited to the internal connections necessary to bring broadband into, and provide it throughout, schools and libraries. Basic maintenance of these connections, as well as services that manage and operate owned or leased broadband internal connections (e.g., managed internal broadband services or managed Wi-Fi) are also eligible.

Category 2 funding is subject to fixed five year pre-discount budget cycles.

Internal connections support is limited to those broadband distribution services and equipment needed to deliver broadband to students and library patrons.

- antennas, connectors, and related components used for internal broadband connections
- cabling
- caching (including caching service, caching equipment or components, caching servers)
- firewall services and firewall components separate from basic firewall protection provided as a standard component of a vendor's Internet access service
- racks that house eligible equipment
- routers
- network switches
- uninterruptable power supply that supports eligible equipment
- access points used in a LAN or WLAN
- wireless controller systems
- improvements, upgrades, and software necessary to distribute high-speed broadband throughout school buildings and libraries
- cloud-based functionality of eligible equipment, such as cloud wireless controllers, are eligible.
- licenses for eligible equipment
- software supporting the components on this list used to distribute high-speed broadband throughout school buildings and libraries, as well as bug fixes, security patches, and remote technical support or configuration to support associated equipment
- taxes, surcharges and other similar reasonable charges
- shipping charges
- training on how to use eligible equipment
- installation and configuration (no longer has to be provided by the equipment vendor)

FIGURE 3-2: *E-Rate Category 1 and Category 2 Guidelines.*
SOURCE: *Technology Department.*

By using E-Rate the District qualifies for discounts of 90% for category 1 and 85% for category 2 products and services.

The Community Oriented Policing Services (COPS) grant is being used to replace the telephone system and upgrade the intercom system at all the district's schools. The COPS grant is a federal program that helps state and local agencies strengthen community policing and improve public safety. Although the Technology department is managing the outsourced system replacement effort, the School Safety Department is responsible for administering the COPS grant.

To assess and secure funding for other projects and services that meet the RFP bid threshold, federal $15,000 and state/local $250,000, RFP quotes are evaluated using a rubric prepared by technology management. **Figure 3-3** shows the rubric chart with the weighted areas that are evaluated. **Figure 3-4** shows the Vendor bid tally sheet summary.

Vendor/Service

Evaluation criteria used to award a contract:

Selection Criteria	Weight*	Raw Score**	Weighted Score***
Cost including unit prices & labor rates	40%		
Vendor experience installing/configuring wireless networking equipment	20%		
Compatibility with existing wireless management system	20%		
Client references and/or citations from prior installations where equal services have been provided for projects of similar size and scope	10%		
Prior experience with HDSB	10%		
	100%		

Notes:
* Percentage weights must add up to 100%. Price will be weighted the heaviest according to E-Rate rules.
** Each vendor will be evaluated on a raw score from 1 to 100 on each line item of the selection criteria
1 = lowest; 10=highest
***Weighted score equals weight x raw score.

FIGURE 3-3: *Weighted Vendor bid evaluation rubric.*
SOURCE: *Technology Department.*

BID TALLY SHEET

E-Rate Year 2026-27

Bids for Holmes District School Board Category 2--Switches

VENDOR	SCORE

Date: ____________________ Bid awarded to: ______________________

Authorized signature: ________________________________

Printed name: ______________________________________

FIGURE 3-4: *Vendor Bid Tally Sheet.*
SOURCE: *Technology Department.*

SCHOOL BUS TRANSPORTATION

To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and the Director of Transportation. We also reviewed the available information in budget reports, state reports, and capital planning documents. Based on the information provided, the School Bus Transportation program partially meets Subtask 3.1.

Across Florida, there is a very limited presence of transportation outsourcing. Santa Rosa and Duval are the two (2) school districts that have outsourced all or the predominance of their transportation services. Orange and Hillsborough county school districts have also outsourced a limited component of their services due primarily to the driver shortage many districts have experienced.

The interviews indicated that the district has not formally assessed the feasibility of fully outsourcing transportation services. This is primarily due to the relatively small size of the operation and the lack of market participants in the area. **Figure 3-5** presents data from the Florida School District 2024-25 Transportation Profiles. It demonstrates that Santa Rosa County Schools is much larger in terms of students, buses, and expenditures. Holmes and Santa Rosa both transport approximately 45 percent of the enrolled students. Holmes County School District provides a lower cost of service considering the key metrics of cost per student and cost per bus. The higher cost per mile can be attributed to the dramatically fewer miles per bus traveled by Holmes County School District buses. This is likely attributable to the effectively single-tier bus schedule in place.

Title	Holmes	Santa Rosa
Expenditures	$1,519,861	$15,201,019
Daily buses	37	183
Eligible students transported	1,393	13,204
Total route miles	192,020	3,994,325
Cost per daily bus	$41,077	$83,066
Cost per student	$1,091	$1,151
Cost per mile	$7.92	$3.81

FIGURE 3-5: *Holmes and Santa Rosa Counties Cost Comparisons.*
SOURCE: *Florida Department of Education Annual Energy Report-Fiscal Year 2025.*

The significantly smaller size is a contributor to the lack of private vendors available to the District.

The District outsources windshield repair and replacement due to the high cost of the items and the specialized nature of the repairs. The outsourcing of this activity is particularly important for the Transportation Department due to the prevalence of dirt and otherwise unpaved roads that increase the probability of a rock strike. The District has considered partial outsourcing of other services including some special needs, homeless transportation, towing, and other specialized fleet maintenance services but these assessments have not been documented in writing. The informal analyses have focused on the lack of viable alternatives in the immediate area, the reported expense of similar services, and previous district history on the cost of targeted activities such as towing services.

Because the District's bus fleet is aging and new buses require a significant upfront investment, outright purchase is not currently a practical option for the District. As a result, the District uses leasing as a short-term strategy to acquire buses to minimize the drain on cash flow. **Figure 3-6** shows that the District's 50 bus fleet has a weighted average age of 11.7 years and an average of 115,789 miles per bus.

Description	Number	Age as of 2026	Mileage
2004 Thomas Bus	1	22 years	155,765
2005 Thomas	2	21 years	325,319
2005 Thomas handicap	2	21 years	559,382
2006 BLUE BIRD BUS	1	20 years	98,149
2007 BUS	2	19 years	238,356
2008 Thomas Bus	8	18 years	1,152,931
2010 Blue Bird handicap	2	16 years	441,483
2012 Thomas Bus	1	14 years	185,105
2014 SAF-T_Liner C2 Bus	11	12 years	1,391,716
2019 Blue Bird Bus	10	7 years	881,101
2023 BLUE BIRD BUS	10	3 years	360,129
Total	**50**		**5,789,436**
Weighted Average Age & Average Mileage per Bus		**11.7 Years**	**115,789**

FIGURE 3-6: *The District's oldest bus is 22 years old while the newest are 3 years old. The weighted average of the fleet is 11.7 years.*
SOURCE: *Operations Department staff interviews.*

If voters approve the referendum, the District plans to use available surtax proceeds to pay down or eliminate existing lease obligations and transition to a more sustainable replacement approach by purchasing one (1) or two (2) buses annually until the fleet is replenished.

The Director of Finance stated that a transportation consultant met with District administrators in person to discuss leasing options and to obtain a quote from a vendor on the state contract. While the District did not provide evidence that it considered other vendors or documented the basis for the bus make and model selected, program administrators did evaluate the alternative of leasing rather than purchasing buses to achieve cost savings.

RECOMMENDATION 3.1-3 – Assess the vehicle inventory to determine which buses could be salvaged to better structure a fleet replacement strategy, and develop a structured approach to determine the unit cost of specialized services such as special needs services to determine whether a solicitation for services should be developed

RECOMMENDATION 3.1-4 – Document assessments of whether existing in-house transportation services could be more effectively or cost-efficiently provided through alternative service-delivery methods, including outside contracting or privatization.

RECOMMENDATION 3.1-5 – Document assessments of the lease versus purchase decision-making process including the potential benefits and drawbacks of each choice along with the cost differences.

INDEBTEDNESS

Subtask 3.1 is met for Indebtedness. Program administrators evaluated four (4) financing proposals to obtain a lower interest rate to reduce financing costs. The MJ Team reviewed the rate proposals noting interest rates of 4.48%, 5.55%, 5.56%, and 6.50%. Upon the Director of Finance's recommendation, the school board approved the finance company offering the lowest rate of 4.48%.

Based upon the analysis performed and documents reviewed, program administrators formally evaluated bus lease financing options to assess the feasibility of potential interest cost savings.

SUBTASK 3.2 – Determine whether program administrators have assessed any contracted and/or privatized services to verify effectiveness and cost savings achieved and, when appropriate, made changes to improve the performance or reduce the cost of any outsourced services.

OVERALL CONCLUSION

Overall, the Holmes County School District partially meets Subtask 3.2. Based on information obtained from interviews and the data sources discussed below for each program area, the Technology program meets the subtask. However, the Facilities, Safety and Security, and School Bus Transportation programs only partially meet the subtask, and the Indebtedness program is not applicable because debt is not consistent with contracted and/or privatized services.

Facilities program administrators have discussions with contractors regarding project outcomes and opportunities for improvement, no documentation of assessments of contracted and/or privatized services was provided.

Safety and security program administrators maintain records supporting procurement decisions and contractor selection for school safety projects; however, the information provided does not demonstrate that projects are formally evaluated to verify effectiveness and cost savings achieved.

School Bus Transportation program administrators consider key criteria such as direct costs, indirect impacts, alternative providers, and quality concerns when assessing contracted and/or privatized services. However, the process for evaluation of which services to outsource is not documented.

To evaluate Subtask 3.2, the MJ Team interviewed personnel responsible for Facilities, Safety and Security, Technology, School Bus Transportation, and Indebtedness to identify existing outsourced services and determine whether program administrators have assessed them to validate improved performance and cost savings and, when appropriate, made changes to contracted arrangements to improve performance and/or reduce costs.

FACILITIES

Based on the information provided, the Facilities program partially meets Subtask 3.2.

Organizations such as Florida Buy, Sourcewell, OMNIA Partners, and the Panhandle Area Educational Consortium (PAEC) provide competitively solicited contracts that allow Florida school districts to procure goods and services efficiently and cost effectively.

Contracted services generally include professional engineering services that provide technical oversight throughout construction. Engineering consultants prepare construction documents, administer contracts, review contractor submittals, respond to requests for information, observe construction activities, verify compliance with project specifications, and document project progress through regular coordination meetings.

The MJ Team discussed procedures for monitoring contractor performance and evaluating projects after contract award. Based on the interview, program administrators do not formally assess contracted and/or privatized services to verify effectiveness and cost savings achieved and, when appropriate, made changes to improve the performance or reduce cost.

The information provided demonstrates that the District informally monitors contracted facilities projects throughout design and construction. Engineering consultants provide construction administration, construction observation, and technical oversight, while regular project meetings, field inspections, and documented corrective actions are used to verify that contracted work complies with project requirements. Procurement records, engineering documentation, and project field reports demonstrate that the District follows established procedures for administering contracted facilities projects.

However, the information provided does not demonstrate that completed contracted facilities projects are formally evaluated to verify contractor performance, operational effectiveness, or documented cost savings after project completion. Although the Director described discussions regarding project outcomes and opportunities for improvement, no post-project evaluations, performance assessments, cost analyses, or documented examples demonstrating changes made resulting from completed project evaluations were provided.

RECOMMENDATION 3.2-1 – Assess and document the effectiveness and cost savings achieved from contracted facilities and, when appropriate, use the results to improve contractor performance, reduce outsourced service costs, and strengthen future project planning and contracting decisions.

SAFETY AND SECURITY

Based upon the information provided, the Safety and Security program partially meets Subtask 3.2. The School Safety and Security Program works collaboratively with the Operations department throughout the planning and implementation of school safety projects. School Safety and Security administrators focus on ensuring that completed facility maintenance, repair, and construction projects address school safety and security concerns.

The documentation provided demonstrates that the District maintains records supporting procurement decisions and contractor selection for school safety projects. The procurement records include vendor quotations, a project approval memorandum documenting the basis for contractor selection, and a Florida Buy cooperative purchasing contract supporting the procurement process. These records demonstrate that the District follows established procurement procedures when acquiring school safety goods and services.

However, the information provided does not demonstrate that completed projects are formally evaluated to verify contractor performance, operational effectiveness, or documented cost savings after implementation. Likewise, no post-project evaluations, performance reviews, operational assessments, or documented examples demonstrating changes made resulting from completed project evaluations were provided.

RECOMMENDATION 3.2-2 – Assess and document the effectiveness and cost savings achieved from contracted safety and security procurement and, when appropriate, use the results to improve contractor performance, reduce outsourced service costs, and strengthen future project planning and contracting decisions.

TECHNOLOGY

Based on the information provided, the Technology program meets Subtask 3.2. To address the requirements of this subtask as it relates to Technology, the MJ Team interviewed the Coordinator of Network Operations and the Coordinator of Technology Integration & Media/Public Information Officer. We also examined relevant data sources that technology managers use to assess and monitor the effectiveness of outsourced services. The technology department also changed the method of providing support services that resulted in cost savings.

The Technology Managers use the E-rate and grant requirements to monitor and assess the effectiveness of contracted outsourced services. **Figure 3-7** shows the E-rate eligibility requirements for internet services.

For E-Rate, internet services are primarily funded under **Category One (C1)**. The program has both **service eligibility requirements** and **program compliance requirements** that schools and libraries must meet.

1. Eligible internet services

Category One supports services that provide broadband connectivity to eligible schools and libraries, including:

- Internet access (ISP service)
- Data transmission services
- Leased lit fiber
- Leased dark fiber
- Self-provisioned broadband networks (when cost-effective)
- Basic conduit access to the internet
- Maintenance and technical support when included as part of the eligible broadband service

Internet service may include standard features bundled with the service, such as:

- Basic firewall protection
- Domain Name Service (DNS)
- Dynamic Host Configuration Protocol (DHCP)

However, separately priced firewalls are generally considered Category Two equipment rather than Category One services. Applications, email services, content subscriptions, computers, tablets, and other end-user devices are not eligible for Category One funding.

2. Competitive bidding requirements

In most cases, applicants must:

1. File **FCC Form 470**
2. Conduct an open and fair competitive bidding process
3. Wait at least **28 days** before selecting a provider
4. Choose the **most cost-effective** solution, with price of eligible services being the primary evaluation factor
5. Retain documentation supporting the procurement and award decision

3. Eligible applicants

Internet service discounts are available only to eligible:

- Public K–12 schools
- Many nonprofit private K–12 schools
- Public libraries

FIGURE 3-7: *e-Rate Eligibility Requirements.*
SOURCE: *Technology Department.*

The District assessed and made changes to delivery methods for product and services to reduce cost. For example, the District evaluated and made the decision to purchase refurbished computers versus buying new to provide cost savings. Another benefit of this decision was a longer warranty period of 5-years for the refurbished versus 3-years for new. **Figure 3 -8** shows a quote for a refurbished computer.

BDJ TECH

Quote

BDJtech
P.O. Box 737382
Chicago, IL 60673
513-404-9354
office@bdjtech.net

Date	June 29, 2026
Expiration	July 29, 2026
Quote Number	J5563

Ship To
Holmes County School Board
Attn: Dale Thomas
307 W. North Ave
Bonifay, FL 32425
(850)547-9341
dale.thomas@hdsb.org

Purchase order number:

Customer Signature:

Date:

Rep	Payment Method	Project Name	Shipping Method
Josh Stranathan	Net 30	Holmes County LPT	Dock to Dock

QTY	Item	DESCRIPTION	UNIT PRICE	LINE TOTAL
1.00	Laptop	Dell Latitude 5420, 14" Display Laptop, Intel Core I5 11th Gen, 32GB RAM, 256GB NVMe, Windows 11 Pro	$ 645.00	$ 645.00
1.00	Memory	32GB RAM		$ -
2.00	Warranty	5 Year Warranty		$ -
			Shipping	22.00
			Tax	-
			Total	667.00

FIGURE 3-8: *Quote for a refurbished laptop.*
SOURCE: *Technology Department.*

The District evaluated the outsourcing of computer repair but implemented a self-insurance program that provided student device repairs at a cost savings. To support the program, parents contributed to a device protection fund that was used to pay for repairs and purchase of repair parts. **Figure 3-9** shows a bin of computer repairs parts.

FIGURE 3-9: *Bin of computer repair parts.*
SOURCE: *Technology Department.*

For efficiency and cost saving purposes, the District has contracted with the PAEC to host and support its student and financial system. The cost of this support is bundled into other services provided by PAEC providing a cost savings to the District.

SCHOOL BUS TRANSPORTATION

The department does not outsource any significant amount of services as indicated in subtask 3.1. Based on the information provided, the School Bus Transportation program partially meets Subtask 3.2.

The District had previously outsourced certain towing services, but the high expense associated with heavy duty vehicle towing has led to a change in process where nearly all towing services are now provided in-house or in coordination with the County. The process for evaluation of the ongoing insourcing of towing services including a detailed assessment of cost differences and operational rationale is not documented in writing but, according to Director of Transportation, key criteria such as direct costs, indirect impacts, alternative providers, and quality concerns are the leading considerations.

The District has followed a similar approach with windshield replacement. The evaluation of costs and benefits is not documented in writing. However, the skills, expertise and tooling required for windshield replacements are such that utilizing a specialized vendor with expertise has been considered more efficient and effective.

RECOMMENDATION 3.2-3 – Assess and document the effectiveness and cost savings achieved from insourced towing services and, when appropriate, use the results to continue to ensure that maintaining the service in-house remains efficient and effective. Additionally, document the cost savings and operational efficiencies associated with outsourced windshield repair to ensure that vendor-provided services continue to offer an effective, high value alternative to acquiring the skills, equipment, and tooling needed were those services provided in-house.

INDEBTEDNESS

The District's debt consists of bus lease obligations, which do not involve assessing contracted or privatized services. Although leases involve a contract, leasing itself is not a contracted service; it is debt. Accordingly, Subtask 3.2 is not applicable to Indebtedness.

SUBTASK 3.3 – Identify possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities (e.g., other counties, etc.).

OVERALL CONCLUSION

Overall, Holmes County School District meets Subtask 3.3. Based on information obtained from interviews and the data sources discussed below all programs meet this subtask. The MJ Team identified no additional opportunities for alternative service delivery. However, the Indebtedness program is not applicable because debt does not involve alternative service delivery methods.

To evaluate Subtask 3.3, the MJ Team interviewed personnel responsible for Facilities, Safety and Security, Technology, School Bus Transportation, and Indebtedness to Identify possible opportunities for alternative service delivery methods based on a review of similar programs in peer entities (e.g., other counties, etc.).

Subtask 3.3 moves beyond District service delivery practices to those of peer entities to identify opportunities that might improve the District's operational efficiency and reduce costs.

FACILITIES

Based upon the information provided and the analysis conducted, Subtask 3.3 is met for the Facilities program. The MJ Team reviewed the Facility program's service-delivery practices and considered alternative approaches used by similarly situated public agencies and school districts.

The Facilities program currently uses competitive procurement, cooperative purchasing programs when appropriate, professional engineering consultants for specialized services, and project-specific contractor selection processes. Collectively, these practices are generally consistent with service-delivery approaches commonly used by similarly situated public agencies and school districts. Based on the interview responses, supporting documentation, and MJ's professional experience, the MJ Team did not identify additional alternative service-delivery methods that would reasonably reduce program costs without significantly affecting the quality of facilities services.

SAFETY AND SECURITY

Based upon the information provided and the analysis conducted, Subtask 3.3 is met for the Safety and Security program. To identify potential opportunities for alternative service-delivery methods, the MJ Team evaluated the Safety and Security program using interview responses, supporting documentation, peer practices, and the professional experience of the audit team. Based on this evaluation, the MJ Team did not identify additional alternative service-delivery methods that would reasonably reduce program costs without significantly affecting the quality of school safety services.

The Safety and Security program uses competitive procurement and participates in cooperative purchasing programs, including Florida Buy and OMNIA Partners. Program administrators also conduct statewide school safety assessments and collaborate with peer school districts, school safety organizations, and the Holmes County Sheriff's Office to identify alternative service-delivery methods that may reduce costs without significantly affecting service quality. Collectively, these practices provide procurement and service-delivery opportunities consistent with approaches commonly used by similarly situated school districts.

TECHNOLOGY

Based upon the information provided and the analysis conducted, Subtask 3.3 is met for the Technology program. To address the requirements this subtask as it relates to Technology, the MJ Team interviewed the Coordinator of Network Operations and the Coordinator of Technology Integration & Media/Public Information Officer. We also examined documentation that indicated Technology managers actively participate in the below listed forums to identify possible alternate delivery methods that could result in cost savings. The MJ Team identified no additional opportunities for alternative delivery service methods.

- Panhandle Area Education Consortium (PAEC).

1. Cyber Florida Workshops (CFCW).

- Future of Education Technology Conference (FETC).

Based on the interviews, the District collaborates with peer districts on a regular basis to discuss new techniques for productivity improvements and potential cost savings ideas. For example, the district replaced the student system parent communications module with Parent Square to provide functionality improvements. Also, through collaboration with vendors, the district has explored outsourcing switch and network management using E-rate category two (2) funds to improve service and reduce cost.

SCHOOL BUS TRANSPORTATION

Based upon the information provided and the analysis conducted, Subtask 3.3 is met for the School Bus Transportation program. To address the requirements of this subtask, the MJ Team interviewed Director of Finance and the Director of Transportation. Budget documents and state reports were also reviewed for comparative cost guidelines. The MJ team did not identify additional services that offered opportunities for alternative service delivery.

Route data submitted to the State indicates that the average count of students assigned to a large bus is 50 students. The majority of buses have 77 available seats based on manufacturer's rated capacity. However, given that students from Kindergarten through Grade 12 ride the bus together, it is common to reduce that capacity to accommodate the different student sizes. Assuming 80 percent of available seats would equate to 62 functional seats in a 77-passenger vehicle. This data indicates that capacity utilization (the percentage of available seats with students assigned) would be approximately 80 percent, on average. This value is consistent with efficient operation expectations. This would indicate that it is unlikely that outsourcing routing services to increase efficiency would not yield significant value.

The interviews indicated that many of the low-volume, high-cost services that school districts typically outsource (e.g., paint and body work and engine and powertrain repairs) continue to be done in-house due to the lack of available vendor supply and potential downtime. Approximately 12 shops that provide paint and body services are in the region, but none of these would appear to offer the scope of services that would be required by the Transportation Department. The circumstances are similar but with even fewer providers for other maintenance type services such as engine replacement, transmission replacement, or other powertrain services. The lack of a thick vendor market is the key reason why warranty and other services The district has a single technician who coordinates with its original equipment provider to perform a limited range of maintenance services that can be reimbursed as warranty-related services.

The interviews indicated that partnerships with other local agencies who provide transportation services have been considered, but they are not a viable alternative. Transit services are provided by Tri-County Community Council, Inc. (a non-profit organization that services in Holmes, Walton, Washington, and Santa Rosa county school districts). While this organization provides transportation services to disadvantaged individuals in the counties, the services are not well aligned with school operations.

INDEBTEDNESS

The District’s debt consists of bus lease obligations, which do not involve alternative service delivery methods. Accordingly, Subtask 3.3 is not applicable to Indebtedness.

RESEARCH TASK 4

OVERVIEW

The MJ Team assessed goals, objectives and performance measures for the program areas by assessing four (4) areas: if goals and objectives are clearly stated, measurable and address key aspects of the program's performance and cost; if they are consistent with the District's strategic plan; if measures and standards are sufficient to assess program progress toward meeting its stated goals and objectives; and if internal controls, including policies and procedures, provide reasonable assurance that program goals and objectives will be met.

FINDING SUMMARY

GOALS, OBJECTIVES, AND PERFORMANCE MEASURES USED BY THE PROGRAM TO MONITOR AND REPORT PROGRAM ACCOMPLISHMENTS

Overall, the Holmes County School District did not meet this task.

The District stated that departments (or programs) associated with the surtax proposal do not have written program-level operational goals and objectives that focus on key expectations for each program's performance and cost, provide daily direction for program staff, and provide a means to assess each program. Instead, planning primarily occurs through in-person budget sessions with each department Director.

Although the District has some goals/objectives related to the program areas embedded in the strategic plan, the District lacks program-level, operational goals and objectives that link back to the strategic plan goals/objectives.

The departments monitor program cost versus budgets using financial reports. However, performance measures per the strategic plan are sometimes too broad to address program progress toward meeting the strategic plan goals and objectives and the district lacks a periodic progress report.

While some School Board policies are maintained on the District's website, the policies do not provide adequate guidelines for the programs to ensure performance, and several of the policies are out of date. In addition, the District lacks clearly defined program-level goals and objectives needed to determine whether existing internal controls are meeting the District's operational and instructional needs.

Findings by Subtask:

- **Subtask 4.1 – Clear and Measurable Goals and Objectives: Not Met**
- **Subtask 4.2 – Consistency with Strategic Plan: Partially Met**
- **Subtask 4.3 – Performance Measures and Standards: Not Met**
- **Subtask 4.4 – Internal Controls: Not Met**

SUBTASK CONCLUSIONS, ANALYSIS AND RECOMMENDATIONS

SUBTASK 4.1 – Review program-level goals and objectives to determine whether they are clearly stated, measurable and address key aspects of the program's performance and cost.

OVERALL CONCLUSION

Overall, Holmes County School District did not meet Subtask 4.1. Based on the MJ Team's review and analysis, the District stated that departments (or programs) associated with the surtax proposal do not have written program-level, operational goals and objectives and that focus on key expectations for each program's performance and cost, provide daily direction for program staff, and provide a means to assess each program. Instead, planning primarily occurs through in-person budget sessions with each department Director.

To address the requirements of this subtask, the MJ Team requested documentation of the District's program goals and objectives. A goal is a desired result and is typically broad and long-term. An objective, on the other hand, defines the specific, measurable actions to achieve the overall goal. The District stated that departments (or programs) associated with the surtax proposal do not maintain formal, written strategic or tactical plans. Instead, planning primarily occurs through in-person budget sessions with each department Director. While these discussions are productive, they are not documented in a structured or standardized format.

During these budget sessions, department Directors present a list of projects they identify as priorities for the upcoming fiscal year. These project lists serve as the basis for discussions, and efforts are made to incorporate the associated costs into the proposed budget. However, in the absence of formalized plans, there is limited documentation of long-term goals, strategic objectives, prioritization criteria, or measurable outcomes tied to these projects.

FACILITIES

To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and Director of Operations. Based on the MJ Team's review and analysis, the Facilities program did not meet Subtask 4.1 for program-level goals and objectives. The program could not provide documented goals and objectives.

A school district typically maintains core operational documents representing the execution tools and data trackers that prove whether the district is meeting their goals. Core operational documents for this program may include the following.

- **Facilities Master Plan**: Outlines long-term building goals and repair schedules.
- **Work Order Logs**: Tracks response times and completed maintenance tasks.
- **Safety Inspection Reports**: Records compliance with fire, health, and building codes.
- **Energy Consumption Logs**: Measures utility use and sustainability targets.

Although Facilities tracks maintenance-related expenditures versus the budget, maintenance requests are managed through phone calls, emails, and manual recordkeeping instead or an automated system which could track work orders, monitor performance, and produce comprehensive operational reports.

- The best **practice** is to maintain a facilities master plan or department improvement plan with goals and objectives and supported with other core operational documents. The key elements of a department improvement plan consist of the following.
- **Alignment Mapping**: A matrix that directly connects each departmental goal to a specific district-level priority.
- **SMART Objectives**: Specific, measurable, achievable, relevant, and time-bound targets for the school year.
- **Action Steps**: The precise tasks, timelines, and staff assignments required to meet each objective.
- **Resource Allocation**: The budget, tools, or staffing needed to execute the plan.
- **Evaluation Metrics**: The clear key performance indicators (KPIs) used to measure success at the end of the cycle.

RECOMMENDATION 4.1-1 – Develop clearly stated and measurable Facilities and Maintenance Department goals and objectives as part of an overall facilities master plan or departmental improvement plan.

SAFETY AND SECURITY

To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and Director of School Safety. Based on the MJ Team's review and analysis, the Safety and Security program did not meet Subtask 4.1 for program-level goals and objectives. The program could not provide documented goals and objectives.

A school district typically maintains core operational documents representing the execution tools and data trackers that prove whether the district is meeting their goals. Core operational documents for this program may include the following.

1. Emergency Operations & Response Plan (e.g., comprehensive school safety plan, continuity of operations plan).
2. Training, Drills, & Compliance (e.g., drill logs, staff safety training registry, visitor and access control logs).
3. Threat Assessment & Incident Tracking (e.g., daily incident reports, Clery Act/state crime statistics reports).
4. Technology & Infrastructure Maintenance (e.g., security hardware inspection logs, door hardware and lock audits).

The best practice is to maintain a department improvement plan with goals and objectives and supported with other core operational documents.

RECOMMENDATION 4.1-2 – Develop clearly stated and measurable goals and objectives as part of an overall departmental improvement plan.

TECHNOLOGY

To address the requirements of this subtask, the MJ Team interviewed Director of Finance and Coordinator of Technology Integration & Media/Public Information Officer. Based on the MJ Team's review and analysis, the Technology program did not meet Subtask 4.1 for program-level goals and objectives. The program could not provide documented goals and objectives.

A school district typically maintains core operational documents representing the execution tools and data trackers that prove whether the district is meeting their goals. Core operational documents for this program may include the following.

- **Technology Strategic Plan:** Defines hardware upgrade cycles and software goals.
- **Help Desk Ticketing Metrics:** Measures resolution times and user satisfaction.
- **Device Inventory and Lifecycle Logs:** Tracks asset deployment and replacement needs.
- **Cybersecurity Audits:** Records network security measures and data privacy compliance.

The best practice is to maintain a department improvement plan with goals and objectives and supported with other core operational documents.

RECOMMENDATION 4.1-3 – Develop clearly stated and measurable goals and objectives as part of an overall departmental improvement plan.

SCHOOL BUS TRANSPORTATION

To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and Director of Transportation. Based on the MJ Team's review and analysis, the School Bus Transportation program did not meet Subtask 4.1 for program-level goals and objectives. The program could not provide documented goals and objectives.

A school district typically maintains core operational documents representing the execution tools and data trackers that prove whether the district is meeting their goals. Core operational documents for this program may include the following.

- **Fleet Maintenance Records:** Details repair histories and routine service dates.
- **Route Efficiency Reports:** Measures on-time arrivals and cost per route.
- **Driver Training and Certification Logs:** Tracks safety compliance and licensing.
- **Incident and Accident Reports:** Documents safety rates and policy violations.

The best practice is to maintain a department improvement plan with goals and objectives and support with other core operational documents.

RECOMMENDATION 4.1-4 – Develop clearly stated and measurable goals and objectives as part of an overall departmental improvement plan.

INDEBTEDNESS

To address the requirements of this subtask, the MJ Team interviewed the Director of Finance. The Director indicated that the District has no documented goals or objectives related to indebtedness. Based on the MJ Team's review and analysis, the Indebtedness program did not meet Subtask 4.1 for program-level goals and objectives.

A school district typically maintains core operational documents representing the execution tools and data trackers that prove whether the district is meeting their goals. Core operational documents for this program may include the following.

- **Debt Management Policy:** Sets rules for borrowing and risk limits.
- **Bond Amortization Schedules:** Tracks principal and interest payment timelines.
- **Credit Rating Agency Reports:** Documents fiscal health and borrowing capacity.
- **Annual Financial and Compliance Audits:** Verifies legal use of funds and budget adherence.

The best practice is to maintain a department improvement plan with goals and objectives and supported with other core operational documents.

RECOMMENDATION 4.1-5 – Develop clearly stated and measurable goals and objectives as part of an overall departmental improvement plan.

SUBTASK 4.2 – Review program-level goals and objectives to ensure that they are consistent with the District's strategic plan.

OVERALL CONCLUSION

Overall, the Holmes County School District partially meets Subtask 4.2. Based on the MJ Team's review and analysis, the individual programs reviewed do not have formal goals and objectives. While the district has some strategic goals and performance objectives related to the program areas embedded in the strategic plan, it lacks program-level, operational goals and objectives that link back to the strategic plan.

FACILITIES

To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and Director of Operations. Based on the MJ Team's review and analysis of program goals and performance objectives embedded in the district's strategic plan, the Facilities program partially meets Subtask 4.2 for program-level goals and objectives which align with the strategic plan.

The MJ Team reviewed the goals and objectives in the District's 2023-2028 Strategic Plan approved by the School Board on April 25, 2023, noting that the following goal and objective apply to this program area.

- **Goal 4:** Fiscal and Operation Efficiency
  - **Performance Objective:** Ensure operational effectiveness and efficiency of resources are aligned with strategic priorities. The key performance indicators reference the technology, transportation and facilities program areas.

RECOMMENDATION 4.2-1 – Develop clearly stated and measurable program goals and objectives which align with the District's strategic plan.

SAFETY AND SECURITY

To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and Director of School Safety. Based on the MJ Team's review and analysis of program goals and performance objectives, embedded in the district's strategic plan, the program partially meets Subtask 4.2 for program-level goals and objectives which align with the strategic plan.

The MJ Team reviewed the goals and objectives in the District's 2023-2028 Strategic Plan approved by the School Board on April 25, 2023, noting that the following goal and objective apply to this program area:

- **Goal 2:** Safe and Positive Learning and Working Environment – Provide a safe and supportive learning and working environment for students and staff.
  - **Performance Objective:** Holmes County School District will provide a physically and emotionally safe and supporting learning and work environment for all students and staff by ensuring conditions for learning -- physical safety, student wellness, attendance, teacher-student relationships, social-emotional learning, and student conduct -- are evident.

RECOMMENDATION 4.2-2 – Develop clearly stated and measurable program goals and objectives which align with the District's strategic plan.

TECHNOLOGY

To address the requirements of this subtask, the MJ Team interviewed Director of Finance and Coordinator of Technology Integration & Media/Public Information Officer.

Based on the MJ Team's review and analysis of program goals and performance objectives embedded in the district's strategic plan, the program partially meets Subtask 4.2 for program-level goals and objectives which align with the strategic plan.

The MJ Team reviewed the goals and objectives in the District's 2023-2028 Strategic Plan approved by the School Board on April 25, 2023, noting that the following goal and objective apply to this program area:

- **Goal 4:** Fiscal and Operation Efficiency
  - **Performance Objective:** Ensure operational effectiveness and efficiency of resources are aligned with strategic priorities. The key performance indicators reference the technology, transportation, and facilities program areas.

RECOMMENDATION 4.2-3 – Develop clearly stated and measurable program goals and objectives which align with the District's strategic plan.

SCHOOL BUS TRANSPORTATION

To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and Director of Transportation. Based on the MJ Team's review and analysis of program goals and performance objectives embedded in the district's strategic plan, the program partially meets Subtask 4.2 for program-level goals and objectives which align with the strategic plan.

The MJ Team reviewed the goals and objectives in the District's 2023-2028 Strategic Plan approved by the School Board on April 25, 2023, noting that the following goal and objective apply to this program area:

- **Goal 4:** Fiscal and Operation Efficiency
  - **Performance Objective:** Ensure operational effectiveness and efficiency of resources are aligned with strategic priorities. The key performance indicators reference the technology, transportation, and facilities program areas.

RECOMMENDATION 4.2-4 – Develop clearly stated and measurable program goals and objectives which align with the District's strategic plan.

INDEBTEDNESS

To address the requirements of this subtask, the MJ Team interviewed the Director of Finance. Based on the MJ Team's review and analysis of program goals and objectives embedded in the district's strategic plan, the program did not meet Subtask 4.2 for program-level goals and objectives which align with the strategic plan.

The MJ Team reviewed the goals and objectives in the District's 2023-2028 Strategic Plan approved by the School Board on April 25, 2023 noting no key performance indicators related to indebtedness

Although the district has a broad strategic plan goal/objective related to fiscal and operation efficiency, the district lacks operational goals and objectives for the Indebtedness program that link back to the strategic goal, and that focus on key expectations for the Indebtedness program's performance and cost, provide daily direction for Indebtedness program staff, and provide a means to assess the Indebtedness program.

RECOMMENDATION 4.2-5 – Develop clearly stated and measurable program goals and objectives which align with the District's strategic plan.

SUBTASK 4.3 –Review the measures and standards the school district uses to evaluate program performance and cost, and determine if they are sufficient to assess program progress toward meeting its stated goals and objectives.

OVERALL CONCLUSION

Overall, the Holmes County School District does not meet Subtask 4.3. Based on the MJ Team's review and analysis, the operational departments monitor program cost versus budgets using financial reports. However, performance measures per the strategic plan are sometimes too broad to address program progress toward meeting the strategic plan goals and objectives and the district lacks a periodic progress report.

Although performance measures may have other characteristics, these best practices criteria have been established by the Governmental Accounting Standards Board.

- Relevant measures matter to the intended audience, and clearly relate to the activity being measured.
- Understandable measures are clear, concise, and easy for a non-specialist to comprehend. This applies to language used in the title and description, and to technical aspects of the measure such as the scale used in charts or selection of performance targets.
- Timely measures have information available frequently enough to have value in making decisions.
- Comparable measures provide the reader with a frame of reference or context to tell if current performance meets or exceeds expectations.

- Reliable measures have data that is verifiable, free from bias, and an accurate representation of what it is intended to be.
- Cost effective measures justify the time and effort to collect, record, display, and analyze the data given the measure's value.

FACILITIES

Based on the MJ Team's review and analysis, the Facilities program area does not meet Subtask 4.3 because of insufficient performance measures and periodic progress reporting. To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and Director of Operations.

The MJ Team also reviewed the District's 2023-2028 Strategic Plan, noting that the following key performance indicators which evaluate program performance apply to this program area as shown in **Figure 4-1**. The only key performance indicator per the strategic plan is limited to obtaining funds to build a facility. This one performance measure is insufficient for ongoing monitoring of the program. In addition, the district lacks a periodic progress report.

Goal	Performance Objective	Strategic Plan Key Performance Indicator: Facilities	KPI Outcomes
4: Fiscal and Operation Efficiency	Ensure operational effectiveness and efficiency of resources are aligned with strategic priorities	Seek Special Facilities funds from the State of Florida to construct K-12 school for Ponce de Leon and complete construction by 2028.	No KPI outcomes and progress report maintained. Action Taken: District provided an example of District's Appropriate Request Form for 2026-27 submitted to the Florida House of Representatives for the funds to build the school.

FIGURE 4-1: *Summary of District's Strategic Plan Key Performance Indicators.*
SOURCE: *District's 2023-28 Strategic Plan and KPI Outcomes per Director of Operations.*

RECOMMENDATION 4.3-1 – Develop performance measures and standards to evaluate program effectiveness and cost, ensuring they are sufficient to assess progress toward achieving the District's stated goals and objectives.

SAFETY AND SECURITY

Based on the MJ Team's review and analysis, for the Safety and Security program does not meet Subtask 4.3 because of insufficient performance measures and periodic progress reporting. To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and Director of School Safety.

The MJ Team also reviewed the District's 2023-2028 Strategic Plan, noting that the following key performance indicators which evaluate program performance apply to this program area as shown in **Figure 4-2**.

Goal	Performance Objective	Strategic Plan Key Performance Indicator: Safety and Security	KPI Outcomes
2 – Safe and Positive Learning and Working Environment: *Provide a safe and supportive learning and working environment for students and staff.*	Holmes County School District will provide a physically and emotionally safe and supporting learning and work environment for all students and staff by ensuring conditions for learning -- physical safety, student wellness, attendance, teacher-student relationships, social-emotional learning, and student conduct -- are evident.	1. Increase the percentage of schools that are secured with fences, cameras, and door buzzers installed from 86% to 100% by 2025. 2. Upgrade existing communications systems to provide a seamlessly integrated phone system that will allow easier communication among district schools and offices and ensure compliance with federal school safety laws.	No KPI outcomes and progress report maintained. Action Taken: 1. District provided a Florida Department of Education project application dated 1/29/2025 to install fencing at the schools. 2. District provided an example communications project invoice dated 4/15/2026 to install a new Emergency Management/HCSO repeater to improve the radio system integration with a countywide fiber-linked repeater system at all schools.

FIGURE 4-2: *Summary of District's Strategic Plan Key Performance Indicators.*
SOURCE: *District's 2023-28 Strategic Plan and KPI Outcomes per Director of School Safety.*

Key performance indicator number 2 is too broad to clearly define the appropriate key performance measures.

RECOMMENDATION 4.3-2 Develop performance measures and standards to evaluate program effectiveness and cost, ensuring they are sufficient to assess progress toward achieving the District's stated goals and objectives.

TECHNOLOGY

Based on the MJ Team's review and analysis, the Technology program area does not meet Subtask 4.3 because of insufficient performance measures and periodic progress reporting. To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and Coordinator of Technology Integration & Media/Public Information Officer.

The MJ Team also reviewed the District's 2023-2028 Strategic Plan, noting that the following key performance indicators which evaluate program performance apply to this program area as shown in **Figure 4-3**.

The Director indicated that each year the district utilizes E-Rate Category 2 funding to assist with network upgrades.

Goal	Performance Objective	Strategic Plan Key Performance Indicators: Technology	KPI Outcomes
4: Fiscal and Operation Efficiency	Ensure operational effectiveness and efficiency of resources are aligned with strategic priorities	Annually upgrade the network to support growing bandwidth needs.	No KPI outcomes or progress report maintained. Action Taken: 1. For 2025-26, District provided an E-Rate funding commitment for additional licensing for wireless access points, and a purchase order showing that those items were purchased. 2. For 2026-27, District provided the RFP for network equipment upgrades (switches), along with the funding commitment letter from USAC, the organization that administers federal E-Rate funding.

FIGURE 4-3: *Summary of District's Strategic Plan Key Performance Indicators.*
SOURCE: *District's 2023-28 Strategic Plan and KPI Outcomes per Director of Technology.*

RECOMMENDATION 4.3-3 – Develop performance measures and standards to evaluate program effectiveness and cost, ensuring they are sufficient to assess progress toward achieving the District's stated goals and objectives.

SCHOOL BUS TRANSPORTATION

Based on the MJ Team's review and analysis, the School Bus Transportation program area does not meet because of insufficient performance measures and periodic progress reporting.

To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and Director of Transportation. The MJ Team also reviewed the District's 2023-2028 Strategic Plan, noting that the following key performance indicators apply to this program area as shown in **Figure 4-4**.

Goal	Performance Objective	Strategic Plan Key Performance Indicators: Transportation	KPI Outcomes
4: Fiscal and Operation Efficiency	Ensure operational effectiveness and efficiency of resources are	1. Improve average daily bus driver attendance by 2% annually. 2. Reduce transportation fleet age by 5% annually through reinvestment	No KPI outcomes or progress report maintained.

	aligned with strategic priorities	and reduce the fleet maintenance expenditures by 2% annually.	Action Taken: no information provided to support the status.

FIGURE 4-4: *Summary of District's Strategic Plan Key Performance Indicators.*
SOURCE: *District's 2023-28 Strategic Plan and KPI Outcomes per Director of Transportation.*

RECOMMENDATION 4.3-4 – Develop performance measures and standards to evaluate program effectiveness and cost, ensuring they are sufficient to assess progress toward achieving the District's stated goals and objectives.

INDEBTEDNESS

This subtask is "not met" for indebtedness as there is no key performance indicator in the Strategic Plan related to indebtedness. In the absence of debt goals or measures, the district may be limited in developing strategies for leveraging financial resources. To address the requirements of this subtask, the MJ Team interviewed the Director of Finance. The MJ Team also reviewed the key performance indicators in the District's 2023-2028 Strategic Plan, although the program area lacks documented key performance indicators.

RECOMMENDATION 4.3-5 – Develop performance measures and standards to evaluate whether the District's debt is consistent with the District's stated goals and objectives.

SUBTASK 4.4 – Evaluate internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met.

OVERALL CONCLUSION

Overall, the Holmes County School District does not meet Subtask 4.4. Based on the MJ Team's review and analysis, some School Board policies are maintained on the website but do not provide adequate guidelines for the program to ensure performance. In addition, periodic program progress reports required by the District's Strategic Planning Policy are not maintained.

To address the requirements of this subtask, the MJ Team interviewed the Director of Finance regarding implementation of the District's Strategic Planning Policy which states the strategic plan shall include strategies which are analyzed for effectiveness in leading to the desired outcome and for cost-effectiveness.

The District maintains Board Policy No. 2.255 ***Strategic Planning*** dated adopted 7, 2012 on its website which includes the following overview and reporting requirements. The District has not provided the quarterly or annual progress reports referenced in the policy. In addition, the policy does not show the last revised date.

According to the Board's policy, a strategic plan shall be adopted by the School Board for achieving the District's vision, goals, and beliefs. Performance standards, assessment procedures for collecting data, benchmarks, and an evaluation process to determine whether the goals are being successfully achieved shall be established. The strategic plan shall include, but not be limited to, the District's mission statement, goals, desired outcomes, objectives, strategies, a detailed action plan, timelines, assessment tools, evaluation criteria, periodic reporting procedures, allocation of financial and human resources, budget appropriations and a process for revision.

The Board's policy also has several reporting requirements.

A. The Superintendent shall provide quarterly written progress reports to the School Board.
B. The School Board shall use the quarterly reports to monitor progress, make revisions, and update the strategic plan as necessary.
C. The dates for the quarterly progress reports shall be included in the District's master calendar.
D. An annual report shall be prepared and distributed to School Board employees, students, parents, and the community about the implementation of the strategic plan. Such reports shall include, but not be limited to, the status of achieving the strategic plan, performance levels, cost-efficiency data, and identification of any modifications or revisions to the strategic plan.

RECOMMENDATION 4.4-0 – Implement procedures to strengthen internal controls to provide reasonable assurance that program goals and objectives will be met including updating and enforcing compliance with the Board Policy, Strategic Planning and generating quarterly progress reports and annual status reports.

FACILITIES

Based on the MJ Team's analysis, this subtask is "not met." To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and Director of Operations.

While some school board policies are maintained on the District's website, the policies do not provide adequate guidelines for the program to ensure performance and, as discussed in subtask 6.2, several of the policies are out of date. In addition, the District lacks clearly defined program-level goals and objectives that are necessary to establish the criteria against which the effectiveness of facilities-related internal controls, policies, and procedures can be evaluated and to determine whether they provide reasonable assurance that facility operations, maintenance activities, and capital projects are achieving intended results.

RECOMMENDATION 4.4-1 – Implement procedures to strengthen internal controls to provide reasonable assurance that program goals and objectives will be met including developing program goals and objectives and department policies and procedures to align with Board policies.

SAFETY AND SECURITY

Based on MJ Team's analysis, this subtask is "partially met". While some School Board policies are maintained on the District's website, the policies do not provide adequate guidelines for the program to ensure performance and, as discussed in subtask 6.2, several of the policies are out of date. However, the District is required to use the Florida Safe Schools Assessment Tool ("FSSAT") to evaluate physical site security an establish risk mitigation procedures. Implementation of FSSAT, including the mandatory annual reporting required by statute, provides the District with some program controls that could provide reasonable assurance that program goals and objectives would be met.

The school security risk assessment (SSRA) is a tool used in the Florida School Safety Assessment Tool (FSSAT). FSSAT is an online tool used by the office of safe schools to assist schools and districts in creating a strategic plan for school safety. This tool has many layers to create this plan. Before Oct 1st of each year all schools in the state of Florida must complete an SSRA. District School Safety Specialist (SSS), must review, approve, and submit the assessment in FSSAT prior to October 15th.

Prior to November 1st, the SSS must complete and submit to the school board the District Best Practices Assessment (DBPA). The DBPA is a summary of the District's safety posture and plan to remedy to weaknesses identified in the assessments. The final product of the SSRA and DBPA is the needs assessment which is to be completed and submitted Prior to the end of the calendar year. The needs assessment is a prioritized list of actions to be completed. The action items are identified by priority, although the district can complete them out of that order as need arises. All the above assist the district in improving the safety procedures of the schools and identified areas become eligible for non-competitive school hardening grants.

Components of the SSRA and DBPA are:

- Exclusive and non-exclusive zone safe concerns- fencing, landscaping, etc.
- Entryway and window hardening.
- Weapons detection.
- Increased security staff (SROs and Guardians).
- Technology improvements- cameras, anomaly detection, access control, etc.
- Public safety tours and planning.
- Identification of safe zones, classroom safety concerns, and evacuation plans.
- Planning, training, drills, and exercises.

RECOMMENDATION 4.4-2 – Implement procedures to strengthen internal controls to provide reasonable assurance that program goals and objectives will be met including developing program goals and objectives and department policies and procedures to align with Board policies.

TECHNOLOGY

Based on the MJ Team's analysis, this subtask is "not met." To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and Coordinator of Technology Integration & Media/Public Information Officer.

While some School Board policies are maintained on the District's website, the policies do not provide adequate guidelines for the program to ensure performance and, as discussed in subtask 6.2, several of the policies are out of date. In addition, the District lacks clearly defined program-level goals and objectives that are necessary to establish the criteria against which the effectiveness of technology-related internal controls, policies, and procedures can be evaluated and to determine whether they provide reasonable assurance that technology resources, systems, and services are meeting the district's operational and instructional needs.

RECOMMENDATION 4.4-3 – Implement procedures to strengthen internal controls to provide reasonable assurance that program goals and objectives will be met including developing program goals and objectives and department policies and procedures to align with Board policies.

SCHOOL BUS TRANSPORTATION

Based on the MJ Team's analysis, this subtask is "not met". To address the requirements of this subtask, the MJ Team interviewed the Director of Transportation. While some School Board policies are maintained on the District's website, the policies do not provide adequate guidelines for the program to ensure performance and, as discussed in subtask 6.2, several of the policies are out of date. In addition, the District lacks clearly defined program-level goals and objectives that are necessary to establish the criteria against which the effectiveness of technology-related internal controls, policies, and procedures can be evaluated and to ensure the safe, efficient, and reliable delivery of transportation services.

RECOMMENDATION 4.4-4 – Implement procedures to strengthen internal controls to provide reasonable assurance that program goals and objectives will be met including developing program goals and objectives and department policies and procedures to align with Board policies.

INDEBTEDNESS

Based on the MJ Team's analysis, this subtask is "not met." To address the requirements of this subtask, the MJ Team interviewed the Director of Finance. The District lacks clearly defined program-level goals and objectives that would establish clear benchmarks for determining whether internal controls, policies, and procedures are adequately designed and implemented to support effective debt management and related financial outcomes.

RECOMMENDATION 4.4-5 – Implement procedures to strengthen internal controls to provide reasonable assurance that program goals and objectives will be met including developing program goals and objectives and department policies and procedures to align with Board policies.

RESEARCH TASK 5

OVERVIEW

The MJ Team assessed the District's public information, transparency, and communication practices related to potential surtax-funded activities. The review evaluated financial and nonfinancial information systems, public access to program information, processes used to ensure the accuracy and completeness of information provided to the public, and procedures for correcting erroneous or incomplete information. Because public communications, website content, social media activity, and information correction processes are centrally administered, these areas were evaluated at the District level. Financial and nonfinancial information systems were evaluated by program area where different software applications and management systems are used to support operations.

FINDING SUMMARY

THE ACCURACY OR ADEQUACY OF PUBLIC DOCUMENTS, REPORTS, AND REQUESTS PREPARED BY THE DISTRICT WHICH RELATE TO THE PROGRAM.

Overall, Holmes County School District partially meets Research Task 5.

The District maintains financial and operational information systems that provide useful information for management and public reporting; however, the Facilities and School Bus Transportation programs continue to rely on manual processes for certain operational activities. The District provides public access to financial and nonfinancial information through its website and other communication channels, but some information is outdated and program-level performance and cost information is limited.

The District demonstrated processes to support the accuracy and completeness of financial information; however, formal procedures for validating performance information were not consistently demonstrated. In addition, the District does not maintain formal written procedures for identifying, correcting, and documenting erroneous or incomplete public information. While the District provided limited evidence demonstrating that certain corrections were made, it did not provide sufficient documentation to demonstrate that corrections are consistently implemented, tracked, and communicated in a timely manner.

Findings by Subtask:

- **Subtask 5.1 – Systems that Provide Publicly Available Information: Partially Met**
- **Subtask 5.2 – Public Access to Information: Partially Met**
- **Subtask 5.3 – Accuracy and Completeness of Public Information: Partially Met**
- **Subtask 5.4 – Public Information Correction Procedures: Not Met**
- **Subtask 5.5 – Correction of Erroneous or Incomplete Information: Partially Met**

SUBTASK CONCLUSIONS, ANALYSIS AND RECOMMENDATIONS

SUBTASK 5.1 – Assess whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public.

OVERALL CONCLUSION

Overall, the Holmes County School District partially meets Subtask 5.1. The District employs technology systems that provide useful and accurate information to support management oversight, reporting, accountability, and informed decision-making. Financial information is well-documented and accessible across multiple departments, and Safety and Security and Technology demonstrated effective use of financial and non-financial information systems. However, Facilities and Maintenance and Transportation continue to rely partly on manual processes or lack comprehensive operational information systems for key activities, limiting tracking capabilities, reporting efficiency, and real-time access to information. As a result, while the District maintains adequate financial information systems districtwide, opportunities remain to improve the timeliness, consistency, and accessibility of program information through greater automation and integration of non-financial information systems.

FACILITIES

Based on the MJ Team's review and analysis, the District partially meets Subtask 5.1 for the Facilities program. While the Department uses its integrated ERP system for K-12 school districts and local governments to document maintenance-related expenditures and support financial oversight, maintenance requests are managed through phone calls, emails, and manual recordkeeping, limiting its ability to track work orders, monitor performance, and produce comprehensive operational reports. As a result, the District has implemented adequate financial information systems but has not fully established operations-related non-financial information systems that support efficient program monitoring and public reporting.

The Facilities and Maintenance Department leadership reported that they previously used computerized maintenance management software to manage preventive maintenance and service requests but discontinued the system due to cost. Currently, maintenance requests are submitted directly to the Facilities Director by phone or email and are manually recorded, prioritized, and scheduled. While this process supports issue resolution, it provides limited tracking, reporting, and documentation capabilities.

The Department also uses its integrated ERP system to support the planning and oversight of facility-related projects, repairs, and maintenance activities. The system documents purchases and payments for building maintenance, equipment, supplies, and contracted services, providing a centralized record of costs across District facilities. This information enables management to monitor spending trends, track project costs, and compile financial data that supports decision-making, accountability, and public reporting. Information maintained within the system can also be compiled into reports that promote transparency and provide stakeholders with accurate program information upon request.

RECOMMENDATION 5.1-1 – Develop and implement a standardized, internal maintenance work order tracking process (e.g., using an excel spreadsheet) that documents maintenance requests, work performed, and completion status to improve operational oversight, performance monitoring, record retention, and reporting capabilities while leveraging the District's existing resources and information systems.

SAFETY AND SECURITY

Based on the MJ Team's review and analysis, the District met Subtask 5.1 for the Safety and Security program. The Department uses a student information system to centrally document, monitor, and report student disciplinary and safety-related incidents, providing management and stakeholders with information that supports program oversight, performance evaluation, accountability, and public reporting while maintaining student confidentiality.

The Safety and Security Department uses its student information system to document and monitor student disciplinary incidents, school safety events, and related student data. The system generates reports, including School Environmental Safety Incident Reporting (SESIR) and Early Warning System (EWS) reports, that provide management with information on discipline, attendance, academic performance, and other indicators used to evaluate program effectiveness and identify areas requiring intervention.

The department's student information system provides centralized tracking and reporting capabilities that support program oversight, data-driven decision-making, and public accountability. By maintaining detailed records and producing management reports, the system enables the District to provide useful, timely, and accurate safety and performance information while protecting the confidentiality of individual student records.

TECHNOLOGY

Based on the MJ Team's review and analysis, the District met Subtask 5.1 for the Technology program. The Department indicated that they use a centralized technology asset management system, an integrated ERP system, and real-time technology operations platforms to maintain financial and operational information related to technology assets, service requests, purchasing activities, cybersecurity, network performance, and internet usage.

These systems support reporting of technology asset valuation and funding sources, help desk service request tracking and utilization reporting, expenditure tracking, purchase order processing, vendor payment records, and approval workflows. Additional technology management tools provide real-time monitoring of devices, cybersecurity threats, network infrastructure, and internet activity to support issue resolution, resource management, and operational oversight.

Collectively, these platforms provide accurate, timely, and centralized information that supports management oversight, accountability, decision-making, and public reporting. Information maintained within these systems can be compiled into reports that promote transparency and provide stakeholders with reliable program information upon request.

SCHOOL BUS TRANSPORTATION

Based on the MJ Team's review and analysis, the District partially meets Subtask 5.1 for the School Bus Transportation program. The Department uses the District's centralized financial management system to track transportation-related expenditures and support financial oversight, providing useful, timely, and accurate financial information. However, operational information related to bus routing, fleet management, and vehicle maintenance is maintained through manual forms, logs, and other paper-based records. As a result, the Department lacks a centralized non-financial information system that fully supports efficient reporting, performance monitoring, and public access to program information.

The Transportation Department relies on manual records to document bus routing, fleet management, vehicle maintenance, and other operational activities. While these records support day-to-day operations, historical documentation, and management reporting, they limit the efficiency and accessibility of non-financial information.

The Department's centralized financial management system serves as the primary tool for tracking expenditures, purchase orders, vendor payments, and other transportation-related transactions. The system enables management to monitor spending, manage budget resources, evaluate the financial impact of fleet operations, and provide accurate financial information to the public when requested. However, the absence of a centralized non-financial information system reduces the Department's ability to efficiently compile, monitor, and provide operational performance information to the public.

RECOMMENDATION 5.1-2 – Develop and implement a standardized electronic process for managing bus routing, fleet management, and vehicle maintenance records using existing District software, shared digital tools, or low-cost cloud-based applications to reduce reliance on paper-based records and improve reporting, performance monitoring, data accessibility, and operational oversight.

INDEBTEDNESS

Based on the MJ Team's review and analysis, the District partially meets Subtask 5.1 for the Indebtedness program. The District uses a centralized financial management system to track and report financial obligations, including purchase orders, invoices, vendor payments, outstanding balances, and other debt-related commitments. The system provides reliable financial data that supports the monitoring of indebtedness and related transactions and can generate reports to promote transparency and provide stakeholders with accurate information upon request. However, the District did not demonstrate the use of a corresponding non-financial information system to support broader program oversight, performance monitoring, or public reporting of debt-related activities.

As a result, while the District has an effective tool for managing and monitoring financial information, it lacks evidence of a system for tracking and communicating non-financial program performance measures.

SUBTASK 5.2 – Determine whether the public has access to program performance and cost information that is readily available and easy to locate.

OVERALL CONCLUSION

Overall, the Holmes County School District partially meets Subtask 5.2. Based on the MJ team's review and analysis, the District's website, which serves as the primary means of communicating with the public, provides access to financial and operational information through Board materials, financial reports, public records resources, and links to Transparency Florida. These resources support public access to District information; however, opportunities exist to improve the visibility, organization, and accessibility of program performance and cost information.

To assess this subtask, the MJ team interviewed the Superintendent of Schools, Director of School Safety, Director of Finance, Director of Operations, Coordinator of Technology Integration & Media/Public Information Officer, and Coordinator of Network Operations.

In conducting this assessment, the MJ team did not evaluate individual programs separately because the District utilizes a centralized communications model. Information regarding District operations, programs, and services is coordinated and disseminated through the Coordinator of Technology Integration & Media/Public Information Officer rather than being managed independently by individual departments. Accordingly, the assessment focused on the District's overall public-facing transparency and communication practices.

The MJ team also reviewed information available through the District's website, along with sample content from social media and other public communications. While financial and operational information is available, users may need to navigate through multiple pages and document repositories to locate specific budget, financial, or performance-related information. In contrast, several peer districts provide dedicated webpages that prominently display current budget documents, financial reports, performance measures, strategic plans, and accountability information in a centralized and easily accessible format.

Holmes County School District Website

A school district's website and social media platforms typically serve as primary channels for providing the public with useful, timely, accurate, and accessible financial and non-financial information. For educational and government entities, this information is commonly managed centrally rather than reported separately by program.

The Holmes County School District does not present financial or non-financial information by program on its website or social media platforms. While the District provides basic financial and non-financial information on its website, much of the financial information reviewed pertained to the 2024-2025 school year rather than the current 2025-2026 school year, limiting the timeliness and usefulness of information available to stakeholders.

Figure 5-1 summarizes some of the financial and non-financial data on the website.

Sample Holmes County School District Documents Available to the Public	
Financial Information	**Description/Purpose**
Annual Financial Report 2024-2025	An analysis of financial activities that presents an overview of the District's financial position and changes thereof. This evaluation is intended to highlight significant transactions, events, and conditions based on generally accepted accounting principles. https://www.hdsb.org/_cache/files/0/d/0d72b291-7b5a-492a-bbde-9c26a5117ea2/9D0A5828DB27E499F5CD24B4A96CFF10.annual-financial-report-2024-25.pdf
Financial Audit, Year Ended June 30, 2025*	An objective examination and evaluation of the District's financial records to ensure it was presented fairly, in all material respects, in accordance with prescribed financial reporting standards. **NOTE:** Neither the Holmes County School District, nor 2 out of 3 of its peers, post the financial audit information within its webpage. For the fiscal years 2023-2024 and 2024-2025, the financial audit report is instead hosted in the webpage of the State of Florida Auditor General: https://flauditor.gov/pages/pdf_files/2025-134.pdf
Annual Financial Report Expenditures Per Unweighted FTE FY24-25	Standard financial report that calculates the District's total operational or core spending by their total student enrollment in comparison with other Florida County school districts. https://www.hdsb.org/_cache/files/6/9/69d4322b-0904-43ef-8636-be0b3d6998b3/F07B81E8D82178D80E5722EEC9858D86.expenditures-per-unweighted-fte-24-25.pdf
2024-2025 Holmes County School District Tentative Budget (Same as Proposed)*	Preliminary and draft budget data, which provides general funds, debt service funds, capital project funds, special revenue funds, and supplemental information. https://www.hdsb.org/?a=Files.Serve&File_id=CB2DE5F5-D1C4-4C46-8D48-802B417E084B
2024-2025 Holmes County School District Final Budget*	Detailed District Budget that provides general funds, debt service funds, special revenue funds, capital funds, and internal service funds. https://www.hdsb.org/?a=Files.Serve&File_id=F098096D-9AE5-444A-A3FE-0B38F6411DAA

Sample Holmes County School District Documents Available to the Public	
2024-2025 School Financial Reports	District presented financial information in the form of a school financial report to inform parents and the public of how funds were spent operating the school during the prior fiscal year. The District has not published the required financial statements in its website since the Fiscal Year 2022-2023. https://www.hdsb.org/fiscal-year-2023
Schoolwide Improvement Plan 2024-2025 and 2025-2026	Document reviewed and approved by the District intended to function as a primary artifact used by every school with stakeholders to review data, set goals, create an action plan and monitor progress. The district has reviewed and approved a Schoolwide Improvement Plan for the following schools and programs in 2025: 5. Bethlehem High School 6. Bonifay K-8 School 7. Graduation Assistance Program 8. Holmes County High School 9. Ponce De Leon High School 10. Poplar Springs High School https://cims2.floridacims.org/public_access/30
School Financial Reports	Combination of reports providing a condensed breakdown of the financial information for each individual school within the District in accordance with the Educational Funding Accountability Act *Section 1010.215, F.S.* https://www.hdsb.org/fiscal-year-2025 https://www.hdsb.org/_cache/files/0/e/0e2f2174-2498-491c-bf09-f6733c0732ed/47A2F75205B96B8C1D0430CF789A8EE9.2024-25-school-financial-report-bhs.pdf
School Budget / Financial Information	The District does not maintain or publish records of its individual School's budgets.
Holmes County School Board Fiscal Transparency Graphs*	Report providing a visual breakdown of the FTE to Instructional and Administrative Staff Ratio, the Operating and Instructional Expenditures and General Administrative Expenditures for each individual school within the District in accordance with the Educational Funding Accountability Act *Section 1010.215, F.S.* https://www.hdsb.org/_cache/files/e/9/e99f7ef4-33a1-4491-b235-539a5c66099b/8DAF6C7773DE0A25563020CDAD1EFDA6.fiscal-transparency-graphs-2024-2025.pdf
Non-Financial Information	**Description/Purpose**
Board Meeting Agendas & Minutes	Archive of public meeting agendas and recordings of previous meetings so that community members are kept appraised of relevant issues and decisions discussed by the Board. The District maintains these records on a third-party website: https://go.boarddocs.com/fl/hdsb/Board.nsf/Public. The third-party website is easily accessible on two (2) distinct sections of the home page.
Holmes District News	Official statements and articles that cover upcoming events and relevant changes to policy and timelines by the District. Most recent articles are easily accessible within the main page of the District's website: https://www.hdsb.org/. There is no clear repository or archive of past articles.

Sample Holmes County School District Documents Available to the Public	
Public Records Requests	Detailed instructions and process for submitting forms in order to request documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business. https://www.hdsb.org/public-records-requests
Superintendent Notice	Communication to parents detailing the strategic plan and comprehensive vision followed by the District in order to meet its goals regarding Academic Achievement & Growth, Financial Prudence, Community Engagement and Safe Schools. https://www.hdsb.org/superintendent

FIGURE 5-1: *Current Financial and Non-Financial Information on the website.*
SOURCE: *Summary listing publicly available financial and non-financial information compiled by the MJ Team.*
NOTE: *As of July 31, 2026, the District website provides outdated information and is included for review purposes only.*

Figure 5-2 compares the Holmes County School District website with peer districts, highlighting transparency and the public availability of information related to performance and costs, facilities, school safety, technology services, and student transportation.

District	Public Access to Performance & Cost Information	Facilities	School Safety & Security	Technology	School Bus Transportation
Holmes County School District	Moderate; Board agendas, minutes, public records and Transparency Florida available, but limited public-facing performance dashboards.	Limited visibility of facilities info on homepage.	Strong; bullying/safety reporting and FortifyFL* links.	Minimal IT information prominently displayed.	Not prominently featured.
Washington County School District	Moderate to strong; organizational transparency and departmental visibility.	Dedicated Maintenance, Facilities & Operations leadership listed.	Dedicated Safety Specialist identified.	Dedicated Technical Services Department.	Transportation Specialist identified.
Jackson County School District	Strong; governance, budget hearings and facilities planning information visible.	Facilities work plan publicly discussed and announced.	Dedicated Safety section and FortifyFL* links.	Technology portals available.	Limited visibility on homepage.
Calhoun County School District	Strong; student performance metrics such as enrollment, graduation rate, and college enrollment displayed.	Departments available although school facilities are not highlighted.	FortifyFL* prominently displayed.	Technology resources available.	Limited visibility on homepage.

FIGURE 5-2: *Comparison of Available Program Information for Holmes CSD and its peers.*
SOURCE: *Information compiled by the MJ Team.*
NOTE*: *FortifyFL is a suspicious activity report application accessible to students and parents.*

While the District provided Facebook engagement analytics demonstrating public reach and interaction with District communications, the information was not sufficient to determine whether the public has access to sales surtax program performance and cost information that is readily available and easy to locate.

Figure 5-3 shows an example of the analytics provided by the Facebook performance tracking dashboard used to monitor post reach and engagement. The analytics measure audience exposure and engagement with social media content but do not demonstrate the availability, accessibility, organization, or comprehensiveness of publicly available program performance and financial information.

The analytics measure audience exposure and engagement with social media content but do not demonstrate the availability, accessibility, organization, or comprehensiveness of publicly available program performance and financial information.

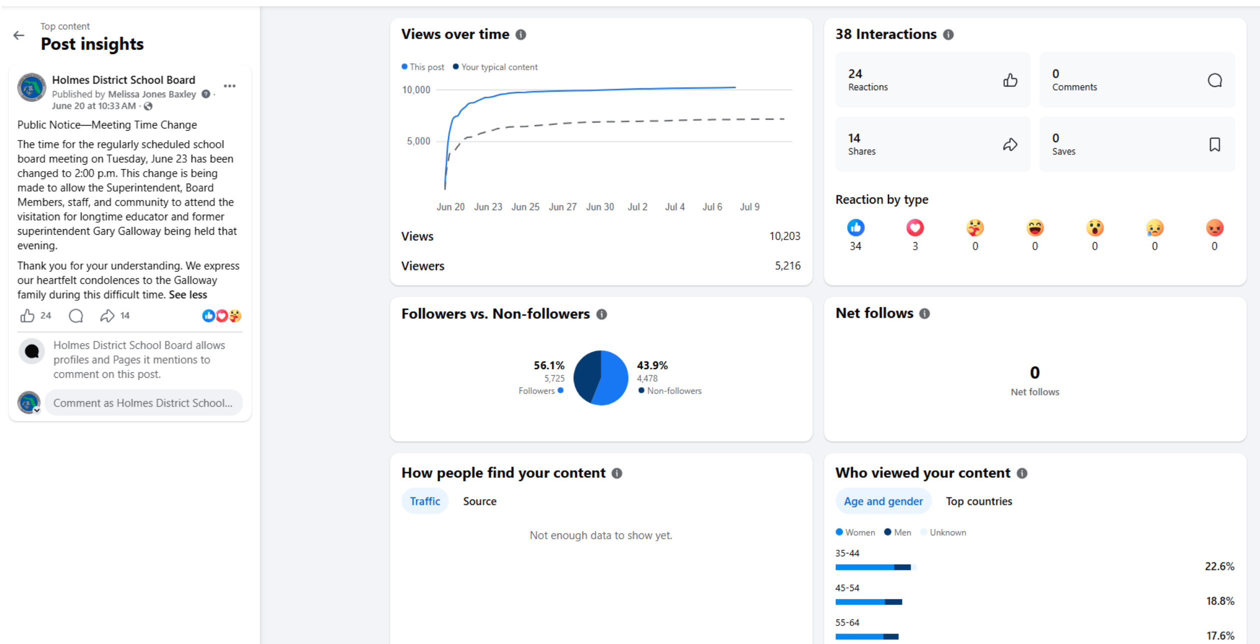


FIGURE 5-3: *Holmes County School District Facebook Post Insight Dashboard.*
SOURCE: *Provided by the Holmes County School District.*

Comparisons to Peer District Websites

At the time the MJ team conducted its peer district analysis, some comparable districts had already published FY 2026-2027 tentative budgets and related financial information on their websites. The MJ Team reviewed Holmes CSD and peer district websites at the close of its fieldwork on August 20, 2026, to illustrate the differences in presentation and accessibility of publicly available financial information. For example, as shown in **Figures 5-4** through **5-6**, the Washington County School District website includes a dedicated "2026-2027 Financial Report" page with direct links to the proposed budget and tentative budget documents within its own website.

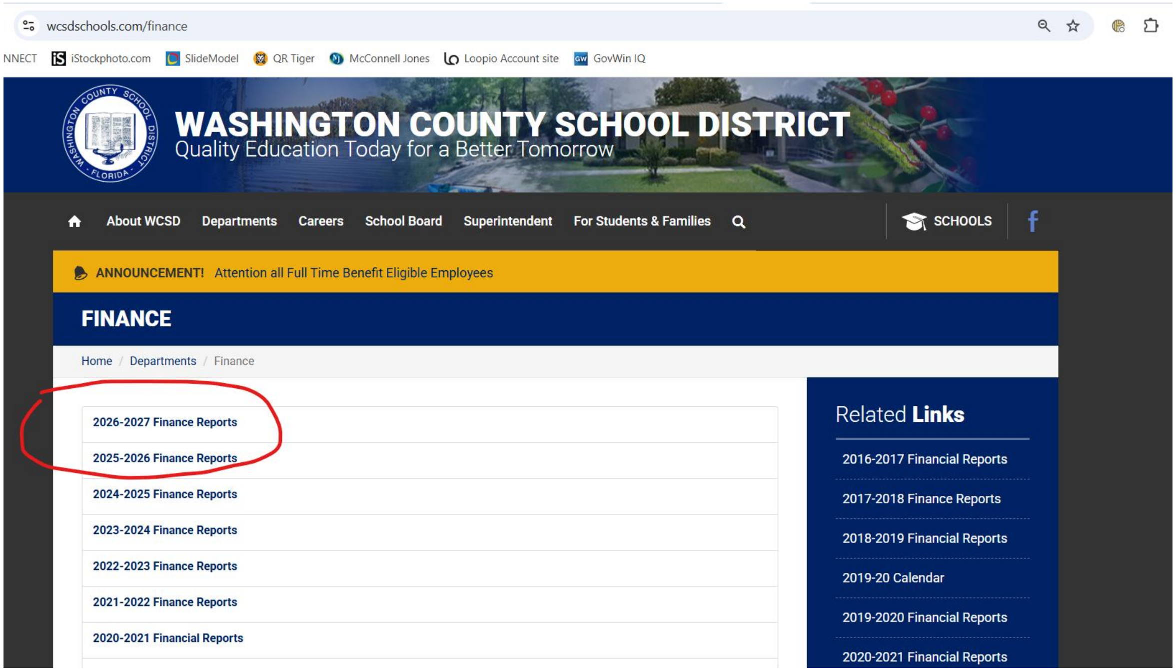


FIGURE 5-4: *Washington County School District 2026/2027 and 2025/2026 Financial Reports.*
SOURCE: *Washington County School District Website.*

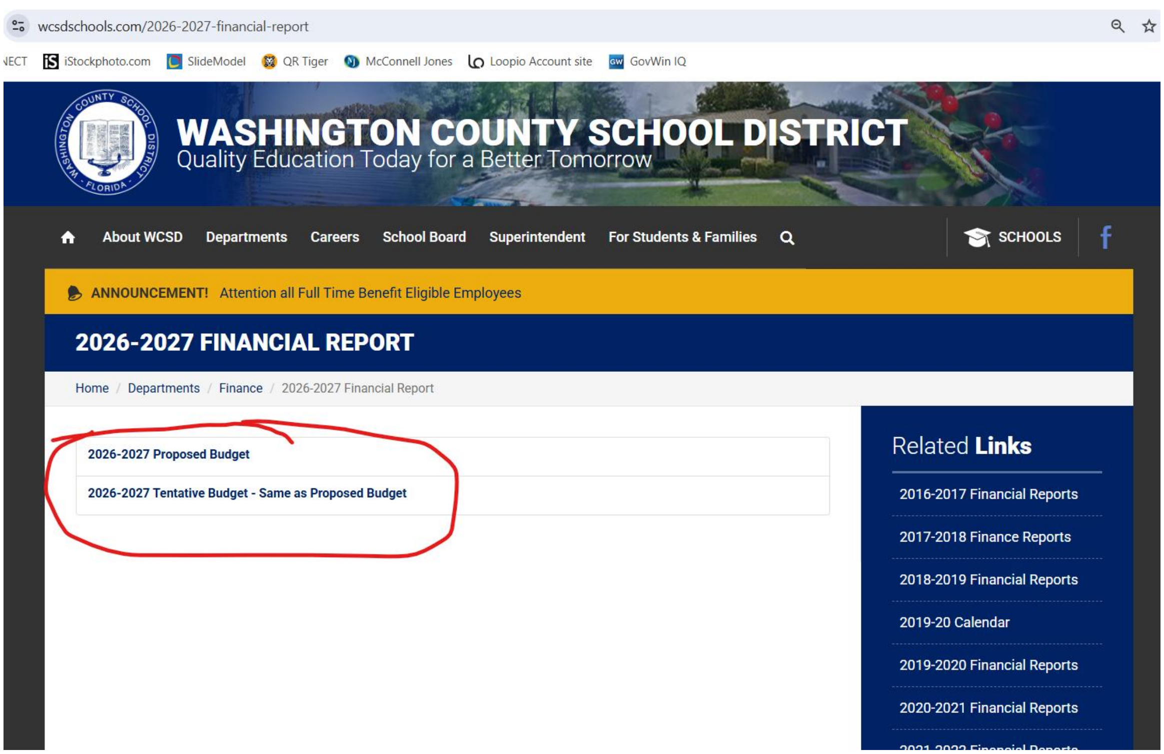


FIGURE 5-5: *Washington County School District 2026/2027 Proposed and Tentative Budgets.*
SOURCE: *Washington County School District Website.*

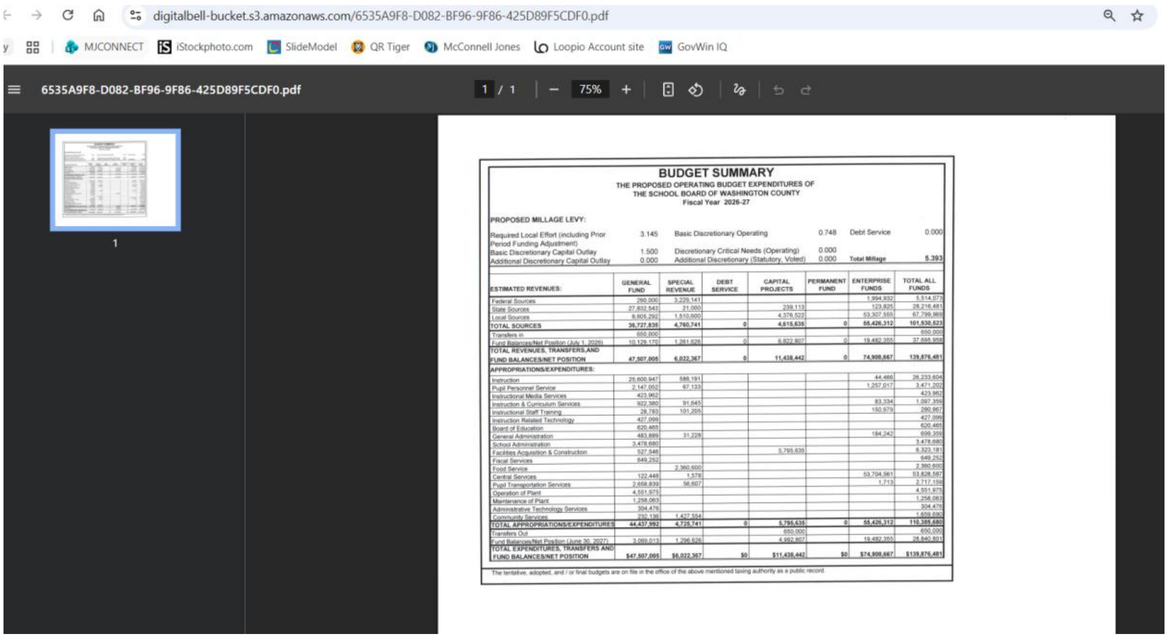


FIGURE 5-6: *Washington County School District detailed 2026/2027 Budget Summary.*
SOURCE: *Washington County School District Website.*

Similarly, the Calhoun County School District website provides an "Approved Budget Documents" page that prominently displays direct links to the FY 2026-2027 Tentative Budget, Final Budget, and Budget Schedule, which is shown in **Figures 5-7** and **5-8.**

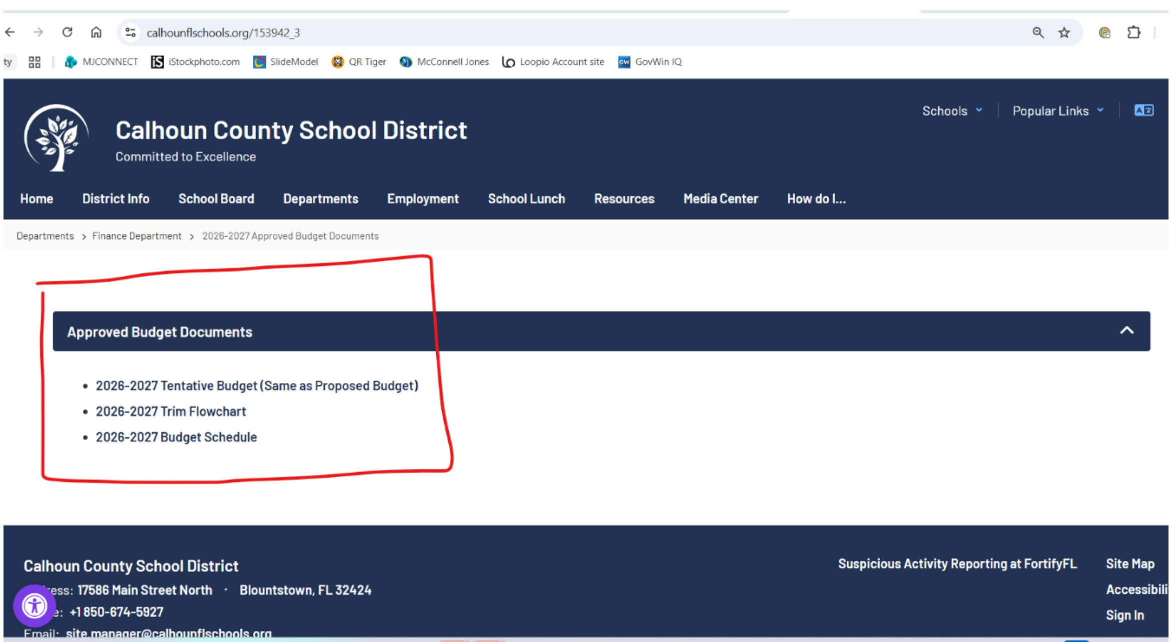


FIGURE 5-7: *Calhoun County School District 2026/2027 Tentative Budget, 2026/2027 Trim Flowchart, and 2026/2027 Budget Schedule.*
SOURCE: *Calhoun County School District Website.*

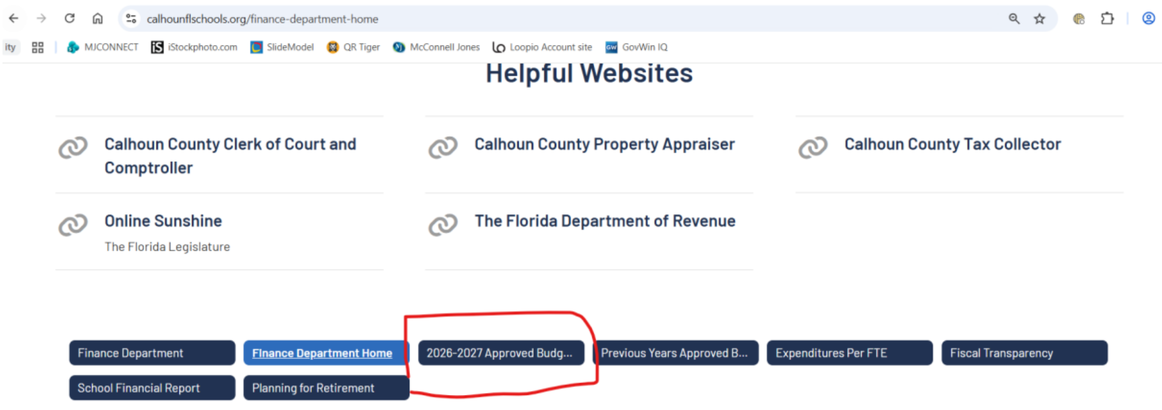


FIGURE 5-8: *Calhoun County School District 2026/2027 Approved Budget direct link.*
SOURCE: *Calhoun County School District Website.*

In contrast, the Holmes County School District website, shown in **Figures 5-9** and **5-10**, does not provide direct access to current budget documents on a dedicated budget webpage. Instead, users are directed to the Florida Department of Education website, which is shown in **Figure 5-11**, to obtain budget information, requiring additional navigation and making the information less readily accessible than the budget resources provided by peer districts.

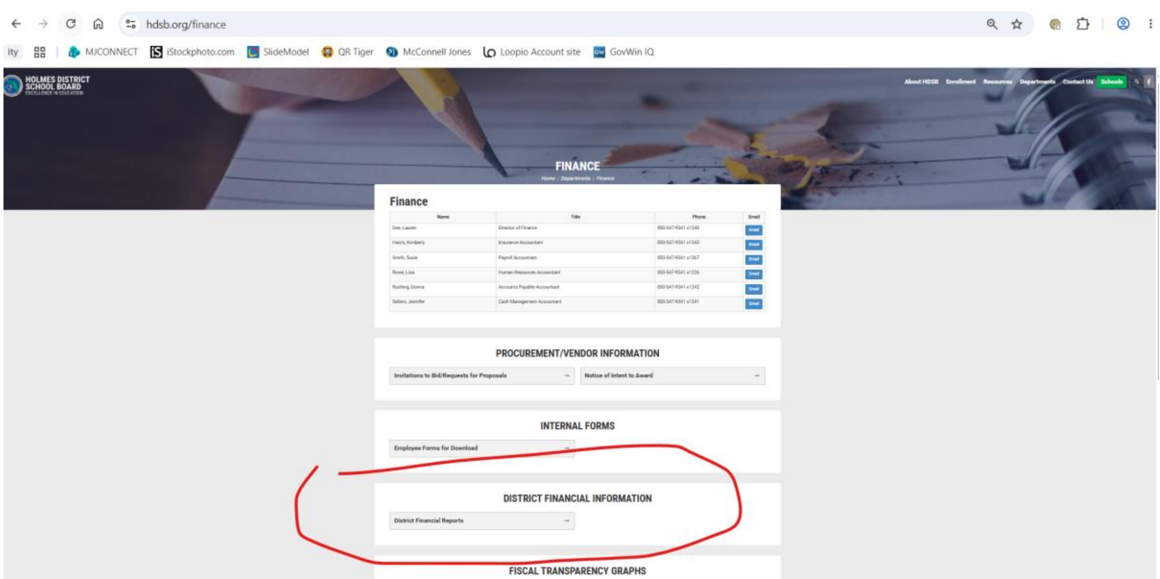


FIGURE 5-9: *Holmes County School District Financial Information.*
SOURCE: *Holmes County School District Website.*

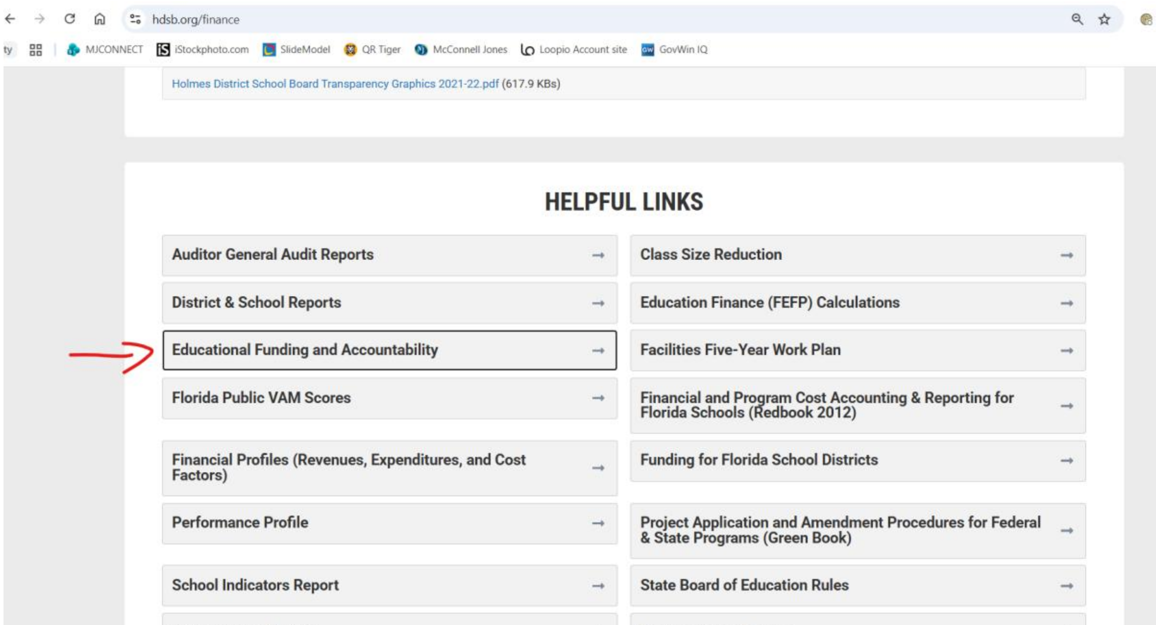


FIGURE 5-10: *Holmes County School District, Educational Funding and Accountability link.*
SOURCE: *Holmes County School District Website.*

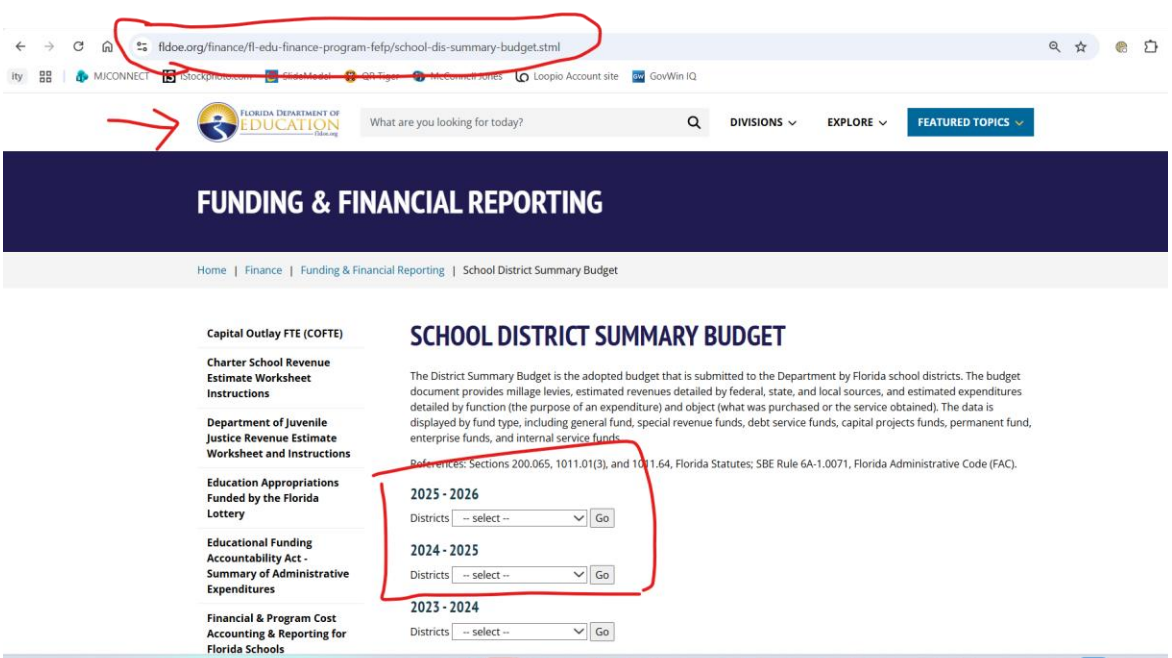


FIGURE 5-11 *Florida Department of Education, Funding & Financial Reporting, School District Summary Budget.*
SOURCE: *Florida Department of Education Website.*

By comparison, the Holmes County School District website provides access to financial information through a multi-year document repository listing individual fiscal years. While this approach makes financial records publicly available, it does not offer the same level of visibility, contextual information, or ease of navigation as the peer district examples. The peer district sites allow users to quickly identify and access current budget information from a single page, whereas Holmes users must first locate the financial information page and then identify the applicable fiscal year within a longer list of available documents.

The screenshots also demonstrate notable differences in the level of detail provided. The peer district budget pages highlight current-year budget documents, clearly identify proposed and adopted budgets, and provide supporting budget-related information in a manner designed for public consumption. Holmes County School District's webpage primarily functions as a document archive and provides less contextual information regarding budget priorities, program costs, performance outcomes, or other information that would assist stakeholders in evaluating District operations and resource allocation.

As a result, while the District provides public access to financial information, the MJ team concluded that the accessibility, visibility, and presentation of program performance and cost information could be enhanced to better align with practices observed among peer districts.

RECOMMENDATION 5.2 – Periodically review and update financial and nonfinancial information published on the District’s website and other publicly accessible platforms to ensure information is current, easy to locate, and useful for supporting public understanding of District operations, performance, expenditures, and other key activities.

SUBTASK 5.3 – Review processes the program has in place to ensure the accuracy and completeness of any program performance and cost information provided to the public.

OVERALL CONCLUSION

Overall, the MJ Team determined that the Holmes County School District partially meets the research objectives of Subtask 5.3. The MJ Team did not divide this subtask into separate program areas because the District's processes for ensuring the accuracy and completeness of performance and cost information provided to the public are applied consistently across all departments and functions; therefore, the MJ team evaluated this subtask at the District level. Evaluating these processes districtwide provides a more accurate assessment of the controls, review procedures, and oversight mechanisms used to validate information before it is released to the public.

The District demonstrated established controls and procedures to support the accuracy and completeness of financial and cost information, including the use of the Florida Department of Education's Red Book, budget-to-actual reconciliations, and independent financial audits. However, although the District demonstrated established processes to support the accuracy and completeness of financial and cost reporting, it did not provide sufficient evidence of formalized procedures for verifying and validating program performance information prior to public reporting. Therefore, the District only partially addressed the requirement to ensure the accuracy and completeness of both program performance and cost information provided to the public.

To address the requirements of this subtask, the MJ Team conducted interviews with the Superintendent of Schools, Director of School Safety, Director of Finance, Director of Operations, Director of Transportation, Coordinator of Technology Integration & Media/Public Information Officer and the Coordinator of Network Operations.

The MJ Team evaluated the District departments and functions responsible for administering and/or benefiting from the sales surtax. During these interviews, District leadership described the District's financial reporting processes, including the preparation of annual financial statements and the completion of independent financial audits.

FINANCIAL INFORMATION PROCESSES AND PROCEDURES

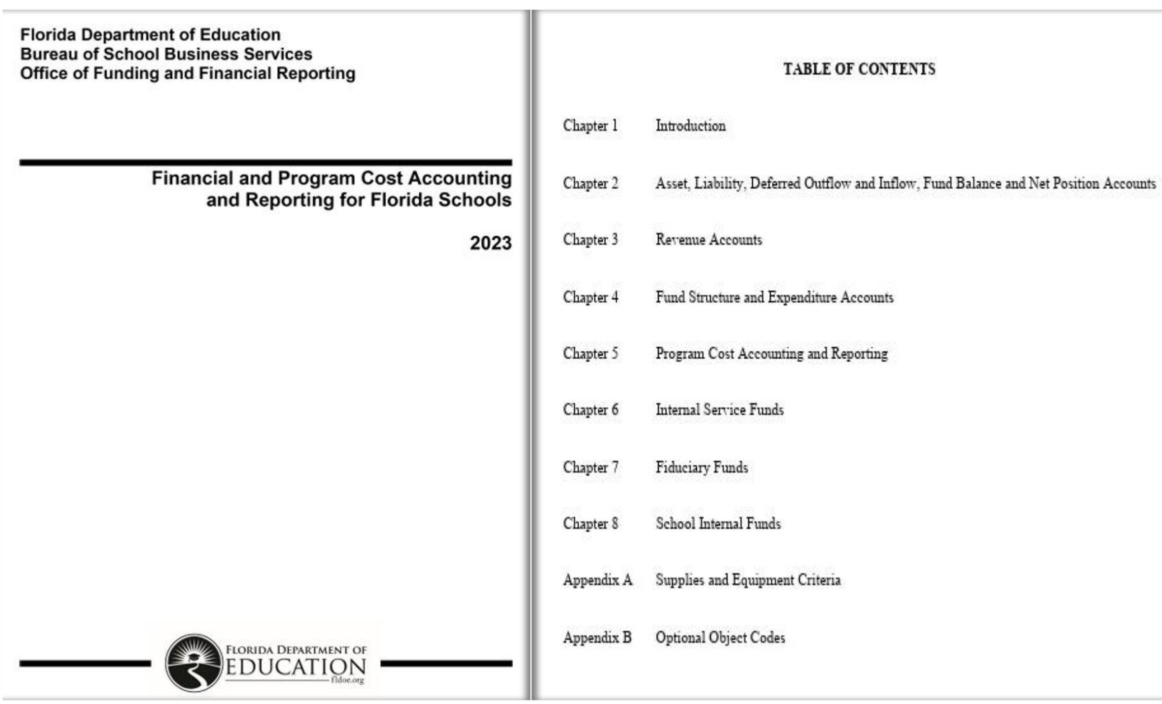
According to District leadership, the Holmes County School District Finance Department relies on the *Florida Department of Education Red Book*, the State's official accounting and financial reporting manual, to ensure the accuracy, consistency, and completeness of financial and program-related reporting. The Red Book establishes a standardized chart of accounts and reporting framework that enables all Florida school districts to consistently track revenues, expenditures, assets, liabilities, grants, and budgets while maintaining compliance with state and federal requirements.

District leadership explained that the manual serves as the foundation for managing and reporting a wide range of financial activities, including state and federal funding, payroll, instructional expenditures, transportation services, food service operations, capital projects, debt service, and school internal funds. The Red Book also provides the coding structure necessary for budgeting, financial reporting, grant administration, audits, and the preparation of annual financial statements.

In addition, the manual supports Florida's program cost accounting system by requiring districts to track and report the costs associated with educational programs and services at the individual school level. This framework promotes financial transparency, accountability, and consistency across districts while helping state agencies, auditors, school boards, and the public understand how educational resources are allocated and spent.

Figure 5-12 presents key excerpts from the Red Book, including its table of contents. The table of contents illustrates the breadth of financial processes addressed in the manual and highlights the standardized procedures and documentation requirements that all Florida school districts are expected to follow.

District leadership further stated that information submitted during the budgeting process is routinely compared with final financial reports. This practice provides an additional layer of oversight and helps ensure the accuracy, reliability, and completeness of reported financial information. Leadership also reported that the District has not experienced instances of inaccurate financial information being reported.


Florida Department of Education
Bureau of School Business Services
Office of Funding and Financial Reporting

Financial and Program Cost Accounting and Reporting for Florida Schools

2023

FLORIDA DEPARTMENT OF EDUCATION
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FIGURE 5-12: *Cover and Table of Contents for the Florida Department of Education Red Book.*
SOURCE: *Florida Department of Education Website.*

SUBTASK 5.4 – Determine whether the program has procedures in place that ensure that reasonable and timely actions are taken to correct any erroneous and/or incomplete program information included in public documents, reports, and other materials prepared by the district and that these procedures provide for adequate public notice of such corrections.

OVERALL CONCLUSION

Overall, the Holmes County School District does not meet the expectations for Subtask 5.4. The MJ Team did not divide this subtask into separate program areas, as the District's procedures for addressing erroneous or incomplete information and notifying the public of corrections are implemented uniformly across departments and functions; therefore, subtask 5.4 was reviewed at the District level. A districtwide assessment provides a more comprehensive evaluation of the protocols, review practices, and accountability measures used to ensure corrections are made and communicated to the public in a reasonable and timely manner.

Based on information obtained during interviews, the District does not maintain written procedures for reviewing, verifying, or correcting public information when inaccuracies are identified. Additionally, the District has not established formal procedures or implemented practices to help ensure that information published and communicated to the public is accurate and complete.

To evaluate the requirements of this subtask, the MJ Team met with the Superintendent of Schools, Director of School Safety, Director of Finance, Director of Operations, Director of Transportation, Coordinator of Technology Integration & Media/Public Information Officer, and the Coordinator of Network Operations.

Based on information obtained during interviews, the District has established informal practices to help ensure that information published and communicated to the public is accurate and complete. However, the District does not have written procedures documenting this process. District leadership stated that the District does not maintain a formal written policy for correcting public information. Instead, corrections are conducted through email communication with the Coordinator of Technology Integration & Media, who serves as the Public Information Officer.

When an error is identified, Coordinator of Technology Integration & Media/Public Information Officer is responsible for updating the District's website and any affected social media platforms. After the correction is made, the updated information is typically marked as "Corrected" or "Updated" and includes the date and time of the revision on the District's website, social media platforms, or parent communication system.

The District has not established practices to help ensure that erroneous information published and communicated to the public is corrected to be accurate and complete in a timely manner.

RECOMMENDATION 5.4 – Develop and implement a written procedure for timely correction of inaccurate or incomplete public information and appropriate public notice of those corrections.

SUBTASK 5.5 – Determine whether the district has taken reasonable and timely actions to correct any erroneous and/or incomplete program information.

OVERALL CONCLUSION

Overall Holmes County School District partially meets the objective for Subtask 5.5. While the District provided examples showing that public information is updated when circumstances change, the documentation did not provide sufficient evidence to assess the timeliness of those updates. Additionally, the District was unable to provide documentation of recent erroneous or incomplete information and the corresponding corrections, limiting the MJ Team's ability to fully evaluate the effectiveness of its error-correction process.

The MJ Team did not divide this subtask into separate program areas, as the District's actions to correct procedures for correcting erroneous or incomplete information are implemented uniformly across departments and functions; therefore, subtask 5.5 was reviewed at the District level.

To evaluate compliance with this subtask, the MJ Team interviewed the Director of Finance, Director of Operations, and the Coordinator of Technology Integration & Media/Public Information Officer.

During interviews, District leadership described an example in which information about the District's Summer Meal Program was posted on the District website and social media platforms. According to District personnel, the information was accurate at the time it was initially published. Subsequent changes to the program schedule required the District to update the original communication to reflect revised information.

Documentation provided by the District indicated that the updated information was posted 14 days after the original communication. However, the documentation did not establish when the underlying program changes occurred, limiting the MJ Team's ability to assess the timeliness of the update. While the example demonstrates that the District updates publicly communicated information when circumstances change, it does not provide sufficient evidence to fully evaluate the timeliness of those updates.

Additionally, while the District provided examples of corrected meeting notices, it did not include the original notices containing the errors, preventing verification that corrections were made appropriately and in a timely manner. As a result, the documentation does not adequately demonstrate compliance with the subtask requirements. These were not corrections; rather changes to the information. The initial information was correct at the time. It has been a very long time since there was incorrect info posted.

Figures 5-13 and **5-14** were provided by the District as examples of a timely and appropriate response to correcting information on its website. **Figure 5-13** indicated that the updated information related to the District's Summer Meal Program was posted 14 days after the original communication. However, the documentation did not establish when the underlying program changes occurred, limiting the MJ Team's ability to assess the timeliness of the update. **Figure 5-14** shows only the corrected meeting notice and does not include the original notice containing the identified error. As a result, the MJ Team was unable to verify the nature of the error, assess the significance of the correction, or determine whether the corrective action fully addressed the original issue. Access to both the original and corrected versions of a public document is important when evaluating the effectiveness and timeliness of an organization's error-correction process.

FIGURE 5-13: *Shows the original post (left) and the corrected version (right) on the District Facebook page.*
SOURCE: *Holmes County School District Public Information Officer.*

FIGURE 5-14: *Example of corrected/updated information on District website.*
SOURCE: *Holmes County School District Public Information Officer.*

Figure 5-15 shows another example of a corrected meeting notice and does not include the original notice containing the identified error.

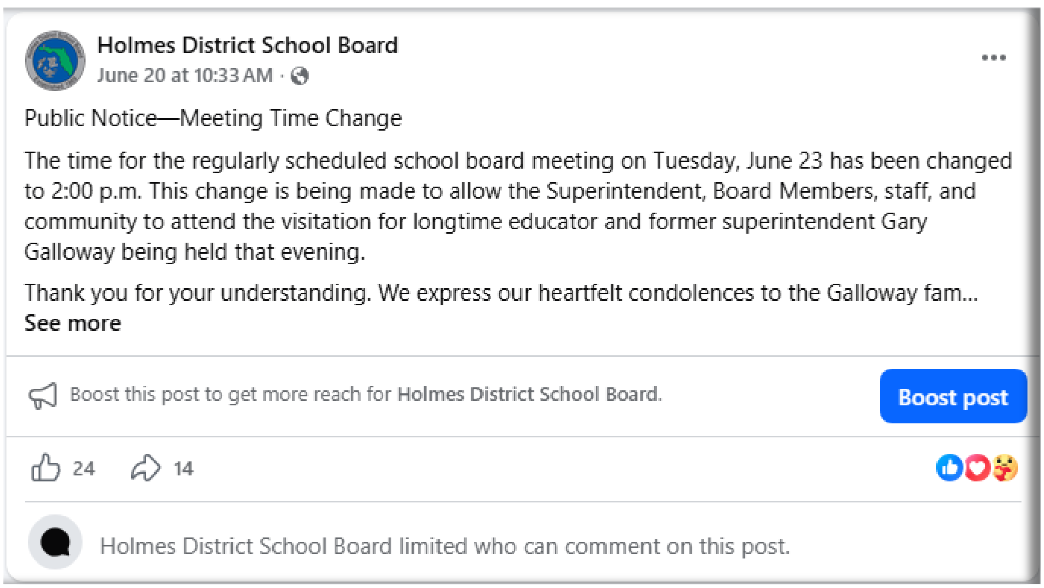

FIGURE 5-15: *Updated/corrected information on District Facebook page.*
SOURCE: *Holmes County School District Public Information Officer.*

The District indicated it has processes in place to update information when circumstances change, the documentation provided was not sufficient to demonstrate full compliance with Subtask 5.5. Specifically, the District did not provide adequate evidence to verify the timeliness of updates or to evaluate how recent erroneous or incomplete information had been corrected.

RECOMMENDATION 5.5 – Ensure inaccurate or incomplete program information is corrected promptly and maintain documentation of both the original and corrected information to demonstrate timely corrective action.

RESEARCH TASK 6

OVERVIEW

The MJ Team assessed compliance of surtax programs with appropriate policies, rules, and laws by evaluating four (4) areas: process to assess legal compliance; reasonableness of internal controls to ensure legal compliance; actions taken to address noncompliance; and actions taken to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations.

FINDING SUMMARY

COMPLIANCE OF THE PROGRAM WITH APPROPRIATE POLICIES, RULES, AND LAWS.

Overall, Holmes County School District partially meets Research Task 6. The District has processes in place to assess compliance with applicable federal, state, and local laws, regulations, contracts, grant agreements, and local policies, primarily through guidance provided by an external school board attorney and through District departments' participation in professional associations that monitor legislative and regulatory changes. However, the District's overall internal control environment reflects weaknesses, including operational audit findings, outdated policies and procedures, and instances of noncompliance identified during project reviews.

The District did not provide policies and procedures to demonstrate that recommendations from prior evaluations or audits had been adequately implemented. The District also demonstrated reasonable and timely efforts to ensure that planned uses of surtax funds complied with applicable legal and regulatory requirements.

As a result, while some compliance monitoring processes were functioning effectively, other elements were not fully supported or operating as expected.

Findings by Subtask:

- **Subtask 6.1 – Compliance Monitoring and Regulatory Oversight: Met**
- **Subtask 6.2 – Internal Controls for Compliance Assurance: Not Met**
- **Subtask 6.3 – Corrective Actions and Resolution of Compliance Findings: Partially Met**
- **Subtask 6.4 – Surtax Compliance Review and Oversight: Met**
- **Subtask 6.5 – Charter School Funding Distribution and Reporting: Not Applicable**

SUBTASK CONCLUSIONS, ANALYSIS AND RECOMMENDATIONS

SUBTASK 6.1 – Determine whether the program has a process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.

OVERALL CONCLUSION

Overall, the Holmes County School District meets Subtask 6.1. Based on interviews with the School Board Attorney and the Director of Finance and analysis of data for programs that will administer or benefit from the sales surtax. The MJ Team determined that programs have a process to assess compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. Supporting analysis is presented below for the district as whole and by program.

OVERARCHING LEGAL FRAMEWORK

An outside attorney provides legal services to the District and three (3) other Florida school boards. To determine whether the District has a process to assess compliance with applicable federal, state, and local laws, etc., the MJ Team examined the evidence discussed below.

Consultation. Examined emails from the outside attorney to the superintendent related to the following:

- Contracting with vendors for services that the District would normally perform;
- Using the school's public address system for prayer at athletic events;
- Updating the board with the impact of new legislation such as property tax reductions and consolidation of school boards;
- Evidence of attorney's attendance at board meetings; and
- Advice on a state law requiring contractors to comply with Florida's public record laws.

Field Guides for School Board Attorneys. Helps school board attorneys conduct an initial review of new issues by identifying the type of matter, applicable deadlines, responsible staff, and legal and operational risks. Enables the attorney to guide administrators and board members and move matters toward resolution while improving district processes afterward. The MJ Team reviewed three (3) field guides used to provide legal information and assess compliance: "AI-Generated Parent Claims," "School Board Attorney Toolkit—One-Page Cheat Sheets for the Issues School Lawyers Handle," and "Special Education IEP and Accommodations."

Florida School Board Attorneys Association (FSBAA). The District's school board attorney is a member of the FSBAA. This organization keeps school board attorneys abreast of evolving legal issues and organizes peer-to-peer discussions of emerging compliance risks. It provides school board attorneys with a statewide professional network for sharing interpretations, approaches, and resources. The MJ Team reviewed a FSBAA presentation entitled; “Direct-Support Organizations: A Primer for School Board Counsel.”

2026 Legislative Session Recap. Following the Florida legislative session, the general counsel for the Florida Association of District School Superintendents (FADSS) provides the District with a presentation on new laws and related legal issues. The MJ Team reviewed the 2026 legislative session presentation, which covered student-centered laws, district operations, budget issues, and State Board of Education rules.

In addition to the school board attorney, the District is also a member of the Panhandle Area Educational Consortium (PAEC). The PAEC contracts with law firms to ensure that members’ policies reflect and meet applicable statutory requirements.

The MJ Team also addressed Subtask 6.1 for each of the programs discussed below. Each program meets the subtask through its connection to and interaction with the District’s overall process to assess compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.

FACILITIES

The Florida Department of Education’s Office of Educational Facilities publishes the State Requirements for Educational Facilities (SREF), which establishes requirements for Florida public educational facilities. School boards are responsible for ensuring that their facilities comply with applicable SREF standards, and facilities program administrators use SREF as a key reference for maintaining compliance with facility-related legal requirements. When questions arise, District administrators may consult a designated FDOE liaison and network with colleagues in other school districts facing similar issues.

SAFETY AND SECURITY

Legal compliance related to the School Safety program consists of a multi-layered process in which school-level inspections, district-level reviews, and operational audits all contribute to compliance oversight. PAEC contracted attorneys ensure District policies align with applicable statutory requirements. Program administrators also participate in shared services with other districts, which promotes regional consistency in the application of and compliance with legal requirements.

TECHNOLOGY

Technology program administrators must comply with the Children’s Internet Protection Act (CIPA). The CIPA is a federal law that requires schools receiving certain federal technology funding to implement internet safety protections, including content filtering and internet safety policies, to restrict student access to inappropriate online content. In the District’s Technology program, CIPA compliance is supported through the District’s use of a CIPA-compliant content filtering solution and related policies designed to promote safe student internet use.

The MJ Team reviewed the District's policy on Internet Safety noting that it addressed the following topics:

- Access to inappropriate material.
- Inappropriate network usage.
- Education, supervision and monitoring.
- Internet safety.
- Prohibited activities.
- Enforcement.

SCHOOL BUS TRANSPORTATION

FDOE provides school districts with the Florida Vehicle Safety Inspection Form, which incorporates applicable legal and regulatory requirements for school bus inspections. School Bus Transportation program administrators maintain compliance by using the current FDOE inspection form and by monitoring annual updates and related email notifications. FDOE maintains the most recent inspection forms on its website. The MJ Team examined a form noting that it included the following inspection categories and items:

- **Inside Bus**- 21 inspection points.
- **Outside Bus**- 5 inspection points.
- **Engine Compartment**- 8 inspection points.
- **Underneath Bus**- 13 inspection points.
- **Tires**- depth and air pressure.
- **Lubrication**- 1 0 inspection points.
- **Road Test**- 3 inspection points.

INDEBTEDNESS

Indebtedness involves acquiring, monitoring, and paying debt obligations rather than assess its compliance with applicable laws other than the bus lease agreements. Accordingly, the MJ Team reviewed indebtedness in Subtask 1.1 focusing on whether the District efficiently manages and liquidates lease obligations in accordance with the lease agreement. Accordingly, this subtask does not apply to indebtedness.

SUBTASK 6.2 – Review program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.

OVERALL CONCLUSION

Overall, the Holmes County School District does not meet Subtask 6.2. Based on the MJ Team's analysis of the results of operational audit findings, outdated policies and procedures, and noncompliance identified in the review of a sample of projects, internal controls require improvement to ensure compliance with laws, agreements, and policies and procedures.

To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and reviewed the monitoring component of the internal control framework which includes determining if the district performs the following:

- Evaluates the quality of internal control performance over time.
- Uses ongoing managerial reviews, audits, and periodic evaluations.
- Ensures that control deficiencies are identified and corrected quickly.

The district does not meet this subtask based on the MJ Team's analysis of the results of operational audit findings, outdated policies and procedures, and noncompliance identified in the review of a sample of projects, internal controls require improvement to ensure compliance with laws, agreements, and policies and procedures.

District's Policies and Procedures

Although the District indicated that policies and procedures are periodically updated and reviewed, several of the policies provided show a last revised or reviewed date which is over fifteen (15) years old.

According to the Director of Policy, Programs, Food Service and Assistant to the Superintendent, the District contracts with Panhandle Area Educational Consortium (PAEC) for the board policy updates. PAEC sends a list of model policies each fall, winter, spring and summer based on legislation that changes board policy.

When the District receives the updates, the Director advertises them, schedules a public hearing and adds the list to a board agenda for approval. As shown in **Figure 6-1**, the last updated board policies were approved at the December 9th, 2025, board meeting which included policies last revised more than 20 years ago.

Agenda Item Details

Meeting	Dec 09, 2025 - HOLMES COUNTY SCHOOL DISTRICT-EXECUTIVE SESSION/REGULAR SESSION
Category	ADMINISTRATIVE PROGRAMS
Subject	HDSB Board Policy Revisions and New Policy Summer 2025 (C. Bush)
Type	Action

FIGURE 6-1: *Agenda for Board Policy Revisions.*
SOURCE: https://go.boarddocs.com/fl/hdsb/Board.nsf/Public.

The MJ Team reviewed various policies for relevant content and timely revisions as summarized in **Figure 6-2**.

Number	Last Revised Date	Purpose	Status
7.50 Payment of Vouchers and Invoices	6/21/2004	Expenditures for payment of vouchers and invoices shall be made by warrants or electronic transfers of the School Board. Authorization shall be deemed approved by the Board if within amounts approved in the Board-adopted District budget or amendment thereto. Payment for purchases and services shall be made in a timely manner as set forth in Chapter 218, *Florida Statutes.*	Date of last policy revision is over five (5) years ago.
7.25 Grant Management	3/10/2025	All grant monies awarded to the District shall be used in accordance with applicable federal and state laws and rules, grantor rules, and School Board policies. The Superintendent shall develop procedures for grant administration including cash management, financial reporting, and internal evaluation of accomplishments as related to program goals.	Recently adopted policy.
7.20 Accounting and Control Procedures	5/21/2013	The Superintendent shall submit to the School Board a financial statement for each month of the school fiscal year including a cumulative report to date of all receipts and expenditures for the school year.	Date of last policy revision is over 5 years ago.
7.10 School Budget System	8/7/2012	The Superintendent shall submit the proposed annual budget to the School Board for review. The tentative budget, adopted budget, and any amended budget shall be posted on the District's official website.	Date of last policy revision is over five (5) years ago.
7.74 Lease and Lease-Purchase of Land, Facilities and Equipment	6/21/2004	Prior to final action for a lease or lease-purchase agreement, the School Board shall hold an open and public hearing. The proposed agreement shall be made available for inspection and review by the public. The Superintendent may recommend the acquisition under the provision of *Florida Statutes* through competitive bids or proposals. The Superintendent's recommendation shall include estimated annual costs and sources of funding, terms, and that	Date of last policy revision is over 5 years ago.

Number	Last Revised Date	Purpose	Status
		agreements do not constitute a debt, liability or obligation of the State or Board.	
7.70 Purchasing and Bidding	6/20/2017	All purchases of materials, supplies, equipment, and services paid from School District funds shall be the responsibility of the Chief Financial Officer or designee under the general supervision of the Superintendent.	Date of last policy revision is over five (5) years ago.
7.71 Selecting Professional Services	3/10/2025	Provides procedures when the School Board may need to contract for the professional services of an architect, professional engineer, land surveying, landscape architects, construction management, or registered land surveyor.	Current policy.
8.512 Change Order	12/19/2005	The Superintendent can approve changes up to $6,000 over the contract amount	Date of last policy revision is over 15 years ago.

FIGURE 6-2: *Summary of Key Policies.*
SOURCE: *Holmes CSD.*

As an example of a best practice relating to policies and procedures, Duval County Public Schools has developed a written Board Policy Review Procedures with a two-year review cycle as depicted in **Figure 6-3**.

Board Policy Review Procedures

While some board policies are revisited annually, the School Board conducts a review of all the board policies over a two-year rotation. This is to ensure that policies reflect current practices and legislative mandates. In some instances, policies must be updated prior to the scheduled review. All policy review subcommittee meetings are noticed, posted, and open to the public.

All revisions to Board Policy are published in a Public Hearing Notice at least 28 days prior to the Public Hearing. A Public Hearing will be held at a noticed Board Meeting prior to a board vote on any policy changes.

Unless otherwise noticed, all meetings are held at 1701 Prudential Drive, Room 613.

In addition to the review of the designated chapters, additional policies may be reviewed at these scheduled meetings due to changes in legislation, administrative rules, or district changes in practices.

Even Years: January - Chapter 1, March - Chapter 2, May - Chapter 3, September - Chapter 4, November - Chapter 5

Board Policy Review Procedures
Odd Years: January - Chapter 6, March - Chapter 7, May - Chapter 8, September - Chapter 9, November - Chapter 10

FIGURE 6-3: *Duval County Public Schools' Board Policy Review Procedures.*
SOURCE: *Duval County Public Schools Website - https://www.duvalschools.org/page/duval-county-school-board-policy-manual*.

Auditor General's Financial and Federal Single Audit

Independent audits conducted by the State of Florida Auditor General did not identify any deficiencies in internal control considered to be a material weakness. During an audit of a governmental entity, independent auditors perform procedures and issue reports that address the entity's internal controls. The MJ Team reviewed the District's external audit reports for the Fiscal Years 2024 and 2025 to determine if the external auditors had identified internal control weaknesses that impact program internal controls.

RECOMMENDATION 6.2-0 – Implement procedures to strengthen internal controls including maintaining current Board policies and program policies and procedures to align with Board policies.

FACILITIES

The program does not meet this subtask based on the MJ Team's analysis of the results of operational audit findings, outdated policies and procedures, and noncompliance identified in the review of a sample of projects, internal controls require improvement to ensure compliance with laws, agreements, and policies and procedures.

To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and Director of Operations and reviewed available operational policies and internal control evaluations. The analysis indicated internal control weaknesses.

Policies and Procedures

The following district policies were reviewed relevant to the program area. **Figure 6-4** lists examples of policies last revised over 20 years ago. Laws, technology, and educational standards change rapidly, leaving outdated policies obsolete and high risk for noncompliance with new rules and regulations.

Code No.	Title	Adopted & Last Revised	Description	Implementation Status
8.20	Sanitation and Preventive Maintenance	6/18/2001 & 6/21/2004	The Board shall strive to provide well-maintained schools and facilities which are safe from hazards, are sanitary, and are properly equipped, and adequately lighted and	Date of last policy revision is over 20 years ago.

Code No.	Title	Adopted & Last Revised	Description	Implementation Status
			ventilated. A formal inspection of all buildings shall be made each month including all toilet areas, food service areas, storage rooms, and other student or staff-occupied areas.	
8.51	Renovations or Remodeling of Facilities	6/18/2001 & 12/19/2005	The Superintendent may recommend that suitable capital outlay projects costing $200,000 or less be provided on a day labor basis. Plans and/or specifications will be reviewed by the facilities and maintenance departments. After approval by the School Board, plans may also require approval by the Department of Education. Upon completion of the work, the facilities supervisor must be contacted for final inspection prior to acceptance of the School Board.	Date of last policy revision is over 5 years ago.

FIGURE 6-4: *Summary of board policies related to the program area.*
SOURCE: *Holmes County School District Board Policy Manual.*

Operational Audit including Internal Control Compliance

The State of Florida Auditor General conducted an operational audit and issued the audit report in November 2024. The audit scope included identifying weaknesses in management's internal controls significant to the audit objectives; instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines; and instances of inefficient or ineffective operational policies, procedures, or practices.

The audit report indicated that the District did not comply with State Law 255.20 requirements to competitively award to an appropriately licensed contractor each construction project that is estimated to cost more than $300,000 or, in lieu of a competitively awarded contract, the Board must conduct a public meeting after public notice to demonstrate that it is in the public's best interest to perform the construction project using its own services, employees, and equipment.

Noncompliance with Sample Projects

While the District monitors budgets and procurement grant projects in progress, it does not monitor project execution (schedules, milestones, completion evidence) for the design-build replacement generator at Bonifay K-8 School (detailed grants analysis in Subtask 1.5). This noncompliance issue relates to the Florida Division of Emergency Management (Grant SA-56948) for $1.4 million.

RECOMMENDATION 6.2-1 – Implement procedures to strengthen Facilities program internal controls including maintaining current Board policies and program policies and procedures to align with Board policies. Also enforce appropriate project monitoring.

SAFETY AND SECURITY

The program does not meet this subtask based on the MJ Team's analysis of the results of operational audit findings, outdated policies and procedures, and noncompliance identified in the review of a sample of projects, internal controls require improvement to ensure compliance with laws, agreements, and policies and procedures.

To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and Director of School Safety and reviewed available operational policies and internal control evaluations. The analysis indicated internal control weaknesses.

Policies and Procedures

The following district policies were reviewed relevant to the program area. **Figure 6-5** lists examples of policies last revised over 15 years ago. Laws, technology, and educational standards change rapidly, leaving outdated policies obsolete and high risk for noncompliance with new rules and regulations.

Code No.	Title	Adopted & Last Revised	Description	Implementation Status
8.10	Safety	3/10/2025	The district shall annually conduct a self-assessment of safety and security practices.	Recently revised.
8.11	Safety Program facilities	6/3/2003	A comprehensive Risk Management Safety Program shall ensure compliance with all applicable rules, regulations pertaining to safety and health and the security of district facilities. Adhere to the Code of Federal Regulations and *Florida Statutes* 442.007.	Date of last policy revision is over 15 years ago.
8.14	Inspections facilities	8/17/2010	All school buildings shall be inspected at least once during each school year by a person who is certified by the designated state agency. Inspections shall include wiring, plumbing, structural parts, safety hazards, and general repair needs. A copy of such inspection report(s) shall be submitted to the principal, Superintendent, and School Board.	Date of last policy revision is over 15 years ago.
3.40	Safe and Secure Schools	12/12/2023	The School Superintendent shall develop a School Safety and Security Plan.	Recently revised.

FIGURE 6-5: *Summary of board policies related to the program area.*
SOURCE: *Holmes County School District Board Policy Manual.*

Noncompliance with Sample Projects

While the District monitors budgets and procurement grant projects in progress, it does not monitor project execution (schedules, milestones, completion evidence) for the school safety and security hardening improvements (detailed grants analysis in Subtask 1.5). This noncompliance issue relates to the FDOE Fixed Capital Outlay grant for $44,737.

RECOMMENDATION 6.2-2 – Implement procedures to strengthen Safety and Security program internal controls including maintaining current Board policies and program policies and procedures to align with Board policies. Also enforce appropriate project monitoring.

TECHNOLOGY

The program does not meet this subtask based on the MJ Team's analysis of the results of operational audit findings, outdated policies and procedures, and noncompliance identified in the review of a sample of projects, internal controls require improvement to ensure compliance with laws, agreements, and policies and procedures.

To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and reviewed available operational policies and internal control evaluations. The analysis indicated internal control weaknesses.

Policies and Procedures

The District lacks a Technology Plan that aligns the District's hardware, software, and IT investments with its broader strategic goals, ensuring efficient resource allocation, clear timelines for system upgrades, and long-term operational growth.

In addition, the following district policies were reviewed relevant to the program area. **Figure 6-6** lists examples of policies last revised over 15 years ago. Laws, technology, and educational standards change rapidly, leaving outdated policies obsolete and high risk for noncompliance with new rules and regulations.

Code No.	Title	Adopted & Last Revised	Description	Implementation Status
8.70	Management Information System	12/5/2006 & 3/4/2008	The District shall develop and maintain an integrated information system for educational management. Procedures and guidelines shall be developed to ensure that adequate support needs are met.	Date of last policy revision is over 15 years ago.

FIGURE 6-6: *Summary of board policies related to the program area.*
SOURCE: *Holmes County School District Board Policy Manual.*

Noncompliance with Sample Projects

While the District monitors budgets and procurement grant projects in progress, it does not monitor project execution (schedules, milestones, completion evidence) for and interactive classroom technology at seven (7) district sites (detailed grants analysis in Subtask 1.5). This internal control issue relates to the USDA Rural Utilities Service, Distance Learning & Telemedicine grant for $1,116,571.

RECOMMENDATION 6.2-3 – Implement procedures to strengthen Technology program internal controls including maintaining current Board policies and program policies and procedures to align with Board policies. Also enforce appropriate project monitoring.

SCHOOL BUS TRANSPORTATION

The School Bus Transportation program does not meet this subtask based on the MJ Team's analysis of the results of operational audit findings, outdated policies and procedures, and noncompliance identified in the review of a sample of projects, internal controls require improvement to ensure compliance with laws, agreements, and policies and procedures.

To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and reviewed available operational policies and internal control evaluations. The analysis indicated internal control weaknesses.

Policies and Procedures

The following district policies were reviewed relevant to the program area. **Figure 6-7** lists examples of policies last revised over 15 years ago. Laws, technology, and educational standards change rapidly, leaving outdated policies obsolete and high risk for noncompliance with new rules and regulations.

Code No.	Title	Adopted & Last Revised	Description	Implementation Status
8.30	Purpose and Functions of the School Bus Transportation Program	6/18/2001 & 3/4/2008	The School Bus Transportation program shall be administered to provide safe and efficient services at the lowest possible cost. The Superintendent or designee shall develop a handbook that sets forth guidelines, responsibilities, directions, and procedures for the District's transportation system. The handbooks and modifications to it shall be subject to School Board approval.	Date of last policy revision is over 15 years ago.
8.39	Vehicle Maintenance Program	6/18/2001 & 3/4/2008	All transportation equipment shall be maintained in safe operating condition. The transportation supervisor shall be responsible for a planned program of maintenance to keep all vehicles running safely and efficiently. The program shall include inspecting and servicing all vehicles on a periodic basis. A checklist shall be	Date of last policy revision is over 15 years ago.

Code No.	Title	Adopted & Last Revised	Description	Implementation Status
			devised for use in recording the results of the safety inspection. The mechanical condition of each school bus shall be determined at least once every 30 working days that the bus is in operation. The School Board shall maintain appropriate school bus replacement programs to ensure appropriate maintenance of the bus fleet.	

FIGURE 6-7: *Summary of board policies related to the program area.*
SOURCE: *Holmes County School District Board Policy Manual.*

Operational Audit including Internal Control Compliance

The State of Florida Auditor General conducted an operational audit and issued the audit report in November 2024. The audit scope included identifying weaknesses in management's internal controls significant to the audit objectives; instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines; and instances of inefficient or ineffective operational policies, procedures, or practices.

The audit report indicated that vehicle logs and records were not adequately and consistently maintained. Subsequent to the auditor's inquiry, District personnel indicated that they analyzed the 54 vehicles and determined that 10 vehicles were non-operable, would not be repaired, and would be surpluses in the near future.

Noncompliance with Sample Projects

As indicated in Subtask 1.5, various internal control issues exist related to the sample of projects selected for testing including the following:

- While the District monitors budgets and procurement on its three (3) in-progress grant projects, it does not monitor project execution. The current grants include a design-build replacement generator, school safety and security hardening improvements, and interactive classroom technology at seven (7) district sites.

RECOMMENDATION 6.2-4 – Implement procedures to strengthen School Bus Transportation program internal controls including maintaining current Board policies and program policies and procedures to align with Board policies.

INDEBTEDNESS

The District does not meet this subtask because it lacks written debt policies and procedures.

Policies and Procedures

The District lacks a written debt policy.

RECOMMENDATION 6.2-5 – Implement procedures to strengthen internal controls including maintaining current Board policies and program policies and procedures related to District debt to align with Board policies.

SUBTASK 6.3 – Determine whether program administrators have taken reasonable and timely actions to address any noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external evaluations, audits, or other means.

OVERALL CONCLUSION

Overall, this subtask is partially met based on the implementation status of the recommendations in the FY2025 Single Audit Report and November 2024 Operational Audit addressed in Subtask 6.2. While the District provided evidence of corrective action to some of the findings, the District did not provide written policy and procedures to confirm that authorized corrective actions had been implemented. Although examples of supporting documents implemented were provided, applicable policies and procedures were not provided for monitoring that expenditures are limited to budgeted amounts and maintaining complete and accurate vehicle logs and records. A procedure was provided regarding construction contract requirements when the cost is expected to be $300,000 or more.

To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and reviewed whether corrective actions were timely taken to address audit findings discussed in Subtask 6.2.

FACILITIES

Based on information provided, this program partially meets the subtask as corrective actions have not been documented in formal policies and procedures to ensure that employees are properly informed of newly authorized processes. However, the finding in the FY2024 Single Audit was not a repeat finding based on the FY2025 Single Audit report results. To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and Director of Operations. The status of corrective actions regarding noncompliance with competitive bidding requirements is shown in **Figure 6-8**.

Audit Report	Finding	Management's Response	Corrective Actions Status
State of Florida Auditor General's Operational Audit Report, Dated November 2024	Facilities: The District did not comply with State Law 255.20 requirements to competitively award to an appropriately licensed contractor each construction project that is estimated to cost more than $300,000 or, in lieu of a competitively awarded contract, the Board must conduct a public meeting after public notice to demonstrate that it is in the public's best interest to perform the construction project using its own services, employees, and equipment.	The district will issue and advertise a public notice for a public input meeting for any projects that are expected to be over $300,000. If the Board approves any projects to complete using district staff, the actual cost will be reported and kept on file to provide a comparison of the actual costs versus savings of the contractor bid prices. The report will be available to the public and for audit.	Closed per District. 1. District provided public notice of an RFP for a replacement generator published from June 25 – July 9, 2025, and stated that the competitive procurement process occurred. 2. Action Taken: The District's General Procedure for Construction Contracts includes requirements for Board approval to use district staff or competitive bidding for construction contracts expected to cost more than $300,000. The procedure was presented to the Board by the Director of Operations on April 8, 2025.

FIGURE 6-8: *Summary of audit responses and corrective actions status regarding competitive bidding.*
SOURCE: *Office of Florida General Operational Audit Report Finding.*

As indicated in Figure 6-8, the District provided the General Procedure for Construction Contracts which states that if a project is expected to exceed $300,000 then a public notice will be issued for a public input meeting. The Board will then decide whether it is more cost efficient for the district to use staff to complete the project internally or to be placed out for bid. If the Board approves using district staff, a comparison of actual costs vs savings will be kept on file. The policy also states that unless the Board has approved a construction delivery method, the District shall use the competitive bidding process to award all construction projects of $300,000 or more and electrical projects of $75,000 or more as required by Florida Statute 255.20. This indicates that the District did not comply with its existing policy regarding the approval process for using district staff for construction projects. Since the District has an existing procedure presented to the Board on April 8, 2025, the next appropriate corrective action will be to maintain the procedure in a policy and procedures manual and to continue to enforce the policy. The status of implementation of the following corrective action related to lack of budget amendments is documented in **Figure 6-9**.

Audit Report	Finding	Management's Response	Corrective Actions Status
State of Florida Auditor General's Single Audit Report Fiscal Year Ended, June 30, 2024, Report Dated February 28, 2025	Finding # AM2024-00, Food Service Fund. District personnel did not submit a budget amendment to the Board for food services expenditures exceeding the budget.	Due to staff turnover, budget amendments were not completed and presented to the Board for approval. The district will enhance budgetary procedures by using a monthly checklist to closely monitor that expenditures are limited to budgeted amounts and prepare a budget amendment for Board approval as needed.	Closed per District. 1.The District provided examples of monthly financial statements presented to the Board beginning in July 2025 which is timely. These statements include a section comparing the percentage of the budget remaining to the percentage of the fiscal year remaining, which addresses the concern identified in the audit finding. 2. The AG the single audit for Fiscal Year 2025-2026 did not include a similar finding, which is further evidence that Fiscal Year 2025 was closed out correctly, and all journal entries and budget amendments were made appropriately. 3. Action Not Taken: The District did not provide any written policy and procedures to mitigate the risk of this occurrence in the future.

FIGURE 6-9: *Summary of audit responses and corrective actions status regarding budget amendment*
SOURCE: *Finding per Single Audit Report.*

SAFETY AND SECURITY

This subtask is not applicable because there were no deficiencies identified for analysis in Subtask 6.2. To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and Director of School Safety.

TECHNOLOGY

This subtask is not applicable because there were no deficiencies identified for analysis in Subtask 6.2. To address the requirements of this subtask, the MJ Team interviewed the Director of Finance.

SCHOOL BUS TRANSPORTATION

Based on information provided, this program partially meets the subtasks as corrective actions have not been documented in formal policies and procedures.to ensure that employees are properly informed of newly authorized processes.

To address the requirements of this subtask, the MJ Team interviewed the Director of Finance and Director of Transportation. The status of implementation of the following corrective action is shown in **Figure 6-10**.

Audit Report	Finding	Management's Response	Corrective Actions Status
State of Florida Auditor General's Operational Audit Report, Dated November 2024	Transportation: Vehicle logs and records were not adequately and consistently maintained as a result in weak controls in accounting for District vehicles	By July 1 of each year, the Director of Transportation will approve the list of vehicles to be used and identify vehicles used on a temporary basis versus those permanently assigned. As vehicles become inoperable or unrepairable, they will be placed on the surplus vehicle list for Board approval. The Director will monitor temporary use vehicle specific logs on a quarterly basis. Registration forms will be monitored by the Director in January and December to ensure completeness and to update odometer readings.	Closed per District. 1.District provided example of vehicle logs implemented. 2. Action Not Taken: The District did not provide any written policy and procedures to mitigate the risk of this occurrence in the future.

FIGURE 6-10: *Summary of audit responses and corrective actions status.*
SOURCE*: Finding per Operational Audit report.*

INDEBTEDNESS

This subtask is not applicable because there were no deficiencies identified for analysis in Subtask 6.2. To address the requirements of this Subtask, the MJ Team interviewed the Director of Finance.

RECOMMENDATION 6.3-1 –Establish a process to maintain and update policies and procedures related to corrective actions taken such as for monitoring that expenditures are limited to budgeted amounts and maintaining complete and accurate vehicle logs and records to mitigate the risk of recurring findings**.**

SUBTASK 6.4 – Determine whether program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations.

OVERALL CONCLUSION

Overall Holmes County School District meets Subtask 6.4 for all program areas. Based on interviews with the board attorney and the Director of Finance as well as review of documents supporting the fact that program administrators took reasonable, timely actions to determine that planned uses of the surtax are in compliance with applicable law. Supporting analysis is presented below.

Section 212.055(6), *Florida Statutes*, authorizes a county school board to levy a discretionary school capital outlay sales surtax of up to 0.5 percent, provided the surtax is approved by a majority of county electors voting in a referendum. The school board's resolution must include a brief and general description of the capital outlay projects to be funded.

The statute restricts surtax proceeds to fixed capital expenditures or fixed capital costs associated with school facilities and campuses, including construction, reconstruction, improvements, related land acquisition and design costs, and the purchase, lease-purchase, lease, or maintenance of school buses. The plan may also include costs for retrofitting facilities and implementing technology. Surtax revenues may be used to service bond indebtedness.

On March 31, 2026, the school board approved the surtax ordinance and requested that the Holmes Board of County Commissioners (BOCC) place the surtax on the November 3, 2026, ballot. On May 5, 2026, the BOCC approved the request, thereby demonstrating that the District took timely actions.

Program administrators identify capital and operating needs during budget deliberations. The superintendent led surtax discussions internally and, to understand the process, reached out to other school districts that had a surtax. The school board attorney researched statutory requirements to ensure compliance, advised the superintendent, and drafted the surtax ordinance.

Planned uses of the surtax vary by program. Each program administrator provided their needs, which are included in Exhibit A of the surtax ordinance-*Plan for Use of Sales Surtax Proceeds* and are listed below. Accordingly, each program meets Subtask 6.4 through its connection to and interaction with the reasonable and timely actions the District took to determine whether planned uses of the surtax were in compliance with applicable state laws, rules, and regulations. Each program area is discussed below for Subtask 6.4.

FACILITIES

Based on information provided, the Facilities program meets the subtask. The superintendent, Board, and Board Attorney led the process for determining whether planned surtax uses complied with applicable state laws, rules, and regulations. Facilities program administrators discussed their needs with the superintendent, but their direct role was limited to identifying and submitting the following facility needs rather than determining legal compliance.

- Improvements to school aesthetics
- HVAC replacements
- HVAC and lighting control upgrade
- Lighting conversion and improvements
- Improved parking and traffic circulation
- Additions and upgrades to play areas
- Early childhood remodeling projects
- Roof repair and maintenance
- Upgrades to maintenance facilities

SAFETY AND SECURITY

Based on information provided, the Safety and Security program meets the subtask. The superintendent, Board, and Board Attorney led the process for determining whether planned surtax uses complied with applicable state laws, rules, and regulations. Safety and Security program administrators discussed their needs with the superintendent, but their direct role was limited to identifying and submitting the following safety and security needs rather than determining legal compliance.

- Upgraded fire alarm systems and intrusion alarms
- Cameras and video surveillance
- Door lock systems/card access
- Upgraded doors/windows
- School check-in management systems
- Upgraded security and data communication systems

TECHNOLOGY

Based on information provided, the Technology program meets the subtask. The superintendent, Board, and Board Attorney led the process for determining whether planned surtax uses complied with applicable state laws, rules, and regulations. Technology program administrators discussed their needs with the superintendent, but their direct role was limited to identifying and submitting the following technology needs rather than determining legal compliance.

- Wireless communication
- Classroom enhancements for project-based learning
- Upgraded classroom technology

- Creation of flexible learning environments

SCHOOL BUS TRANSPORTATION

Based on information provided, the School Bus Transportation program meets the subtask. The superintendent, Board, and Board Attorney led the process for determining whether planned surtax uses complied with applicable state laws, rules, and regulations. Transportation program administrators discussed their needs with the superintendent, but their direct role was limited to identifying and submitting the following technology needs rather than determining legal compliance.

- Bus replacement
- Subsidize school-related trips

INDEBTEDNESS

Based on information provided, the District meets the subtask as it relates to indebtedness. The superintendent, Board, and Board Attorney led the process for determining whether planned surtax uses complied with applicable state laws, rules, and regulations. As the official responsible for preparing the District's budget, the Director of Finance participated in discussions about each program's needs, including the need to lease rather than purchase buses and retire the associated lease debt.

SUBTASK 6.5 – Determine whether the school district has processes to distribute funds to district charter schools and mechanisms for charter schools to report how the funds are used.

The District does not have charter schools; therefore, this subtask is not applicable.

HOLMES COUNTY SCHOOL DISTRICT-MANAGEMENT RESPONSE

Holmes County School Board

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Management Response to Final Draft Performance Audit

To: McConnell & Jones LLP

4828 Loop Central Drive, Suite 1000

Houston, TX 77081

From: Buddy Brown, Superintendent of Holmes County School District

Date: August 25, 2026

HOLMES COUNTY SCHOOL DISTRICT

MANAGEMENT RESPONSE TO DRAFT PERFORMANCE AUDIT

Final Draft Report Drafted by McConnell & Jones, LLP

Final Draft Report Approved by OPPAGA on August 25, 2026

Submitted on behalf of the Holmes County School District and the School Board of Holmes County, Florida.

This response is based upon the final draft report provided to the District.

HOLMES COUNTY SCHOOL DISTRICT

I. OVERALL MANAGEMENT RESPONSE

The Holmes County School District appreciates the opportunity to respond to the draft performance audit. The District supports the audit's central objective: ensuring that any voter-approved surtax proceeds are administered lawfully, transparently, efficiently, and in a manner that produces measurable benefits for students, employees, and taxpayers.

The draft report identifies many sound practices. It recognizes, among other matters, that the District has adequate financial information systems; uses established systems for student safety and technology; follows formal procurement requirements when purchases proceed through established channels; maintains a clear organizational framework; has taken reasonable and timely steps to determine that planned surtax uses comply with applicable law; and has no charter schools requiring a statutory distribution process.

The District agrees with the value of stronger documentation, measurable departmental objectives, periodic reporting, project controls, and current written procedures. The District will implement reasonable improvements within available personnel and financial resources. Agreement with the value of an improvement, however, should not be understood as agreement with every factual statement, characterization, benchmark, or conclusion in the draft report.

Holmes County is a small, fiscally constrained school district. Several recommendations compare the District with larger organizations or contemplate additional administrative layers, software, staffing, or documentation. Any corrective action must be scaled to actual risk, legal requirements, available revenue, and the need to preserve classroom resources. The District therefore intends to use practical, low-cost controls wherever they can accomplish the stated objective.

II. RESPONSE BY RECOMMENDATION

Research Task 1 - Economy, Efficiency, Procurement, and Project Management

Recommendation 1.2

Use FDOE transportation profile information for comparative cost and performance analysis.

Management Response. The District agrees that comparative trend information can assist management. FDOE profile data, however, must be interpreted in light of rural route mileage, student density, exceptional-student transportation, geography, fleet age, and local labor conditions.

Planned/Continuing Action: The Transportation and Finance functions will incorporate an annual review of selected FDOE profile measures, prior-year results, and reasonably comparable rural districts into budget and operational planning.

Recommendation 1.3

Maintain a fire-inspection corrective-action log.

Management Response. The District agrees. Existing inspection and repair records will be consolidated into a standardized log so responsibility, status, completion date, and verification can be readily demonstrated.

Planned/Continuing Action: The Superintendent will designate a responsible position to maintain the log and report unresolved priority items to administration.

Recommendation 1.5

Establish documented capital and grant project-management procedures, including budgets, schedules, cost tracking, and completion records.

Management Response. The District agrees with the objective. The District notes that project delivery varies by funding source and contract type, and the procedures should permit reasonable scaling for project size and complexity.

Planned/Continuing Action: For each material capital or grant-funded project, the District will maintain an approved funding plan or budget, procurement and contract documents, a milestone schedule, change documentation, payment and cost records, and available inspection, closeout, and completion materials. Material variances will be reported through the appropriate administrative or Board process.

Recommendation 1.6

Document consideration of competitive procurement, discounts, and special pricing for self-performed work.

Management Response. The District agrees that the basis for material purchasing decisions should be documented. The District does not agree that every routine or low-dollar acquisition requires a separate written market study beyond applicable law, Board policy, and established purchasing thresholds.

Planned/Continuing Action: Procedures will require departments to retain quotes, cooperative or state-contract references, discount information, or a brief written explanation of the method used when the purchase is material or when required by law or policy.

Research Task 2 - Organizational Structure and Staffing

Recommendation 2.1

Reduce the Superintendent's span of control by adding or consolidating executive-level oversight.

Management Response. The District respectfully qualifies this recommendation. A small rural district may appropriately use a flatter structure to avoid administrative overhead and preserve instructional funding. The audit does not establish that an additional executive position would produce savings or improved outcomes sufficient to justify its cost.

Planned/Continuing Action: The Superintendent will periodically review reporting relationships and may consolidate functions or delegate oversight when operationally beneficial. Creation of any new position will remain subject to demonstrated need, available funding, and Board approval.

Recommendation 2.2-1

Periodically review facilities staffing and service-delivery resources.

Management Response. The District agrees with periodic workload review, but staffing comparisons must account for facility age, square footage, geographic dispersion, deferred maintenance, project workload, and contracting practices.

Planned/Continuing Action: Facilities staffing, backlog, response time, preventive maintenance, overtime, and contracted-service needs will be considered during annual budget development.

Recommendation 2.2-2

Periodically review technology-support staffing against workload and device inventory.

Management Response. The District agrees. Device counts alone do not fully measure workload; system complexity, cybersecurity, instructional integration, warranty coverage, and vendor support also matter.

Planned/Continuing Action: Technology leadership will document an annual workload and capacity review and identify process, staffing, training, or contracted-support needs through the budget process.

Recommendation 2.2-3

Develop a transportation workforce plan, including substitute-driver capacity.

Management Response. The District agrees with formal contingency planning. The availability of qualified substitute drivers is constrained by licensing, training, medical, labor-market, and budget conditions.

Planned/Continuing Action: Transportation will maintain a current roster of qualified substitutes, track absence coverage, identify recruitment and retention measures, and document escalation procedures for service continuity.

Research Task 3 - Alternative Service Delivery

Recommendation 3.1-1 through 3.1-5

Document alternative-service assessments for facilities, safety, transportation, specialized services, and lease-versus-purchase decisions.

Management Response. The District agrees that significant delivery decisions should include a documented comparison when a realistic alternative exists. The District does not agree that a full privatization study is necessary when legal, market, safety, continuity, or operational conditions make an alternative impracticable.

Planned/Continuing Action: For material decisions, the responsible administrator will document available alternatives, estimated cost, service quality, risk, continuity, personnel implications, funding restrictions, and the basis for the selected approach. Bus fleet and lease-versus-purchase decisions will be incorporated into this review.

Recommendation 3.2-1 through 3.2-3

Assess and document the effectiveness and savings from contracted or insourced facilities, safety, towing, and windshield services.

Management Response. The District agrees that recurring or material arrangements should be periodically assessed. Exact 'cost savings' may not always be measurable where the alternative requires unavailable expertise, equipment, insurance, or staffing.

Planned/Continuing Action: Contract renewal and annual planning will include a proportionate review of cost, responsiveness, quality, compliance, risk, and feasible alternatives. The District will retain a concise record of the review.

Research Task 4 - Goals, Measures, and Internal Controls

Recommendation 4.1-1 through 4.1-5

Develop measurable goals and objectives for Facilities, Safety, Technology, Transportation, and Indebtedness.

Management Response. The District agrees that program-level goals will make its existing strategic and budget planning more readily verifiable. The absence of separately captioned departmental goals should not be construed to mean that administrators operate without priorities, statutory duties, budgets, or performance expectations.

Planned/Continuing Action: Each covered program will prepare a concise annual improvement plan identifying priority objectives, responsible personnel, target dates, resource needs, and measures appropriate to the program.

Recommendation 4.2-1 through 4.2-5

Align program goals and objectives with the District strategic plan.

Management Response. The District agrees. Alignment should be practical and should recognize that some legally required operational functions do not map neatly to a single strategic-plan indicator.

Planned/Continuing Action: Annual program plans will identify the relevant District strategic goal or, where appropriate, the statutory, safety, financial, or operational purpose served.

Recommendation 4.3-1 through 4.3-5

Develop measures and standards for program effectiveness and cost, including debt.

Management Response. The District agrees with using a limited set of useful measures. Management cautions against metrics that create reporting burden without improving decisions or that compare unlike rural and urban operations.

Planned/Continuing Action: Programs will select a manageable set of cost, timeliness, reliability, compliance, output, or outcome measures. Finance will monitor debt service and financing commitments against legal requirements, budget capacity, useful life, and District priorities.

Recommendation 4.4-0 through 4.4-5

Update and enforce strategic-planning and departmental procedures and produce periodic progress reports.

Management Response. The District agrees with strengthening written controls and reporting. The frequency and format should be commensurate with materiality and staff capacity. Existing statutory reports, FSSAT processes, financial reports, and Board agenda materials should be used to avoid duplicative reporting.

Planned/Continuing Action: The District will review Policy 2.255, establish a practical reporting calendar, and require program administrators to report material progress, variances, and corrective action. Department procedures will be aligned with current Board policies and applicable law.

Research Task 5 - Information and Public Communication

Recommendation 5.1-1

Implement a standardized maintenance work-order tracking process.

Management Response. The District agrees. A low-cost electronic or shared tracking process is appropriate, provided it protects security-sensitive information and can be maintained reliably by available staff.

Planned/Continuing Action: Facilities will implement a standardized log recording request date, location, priority, assignment, action taken, material cost where practicable, completion status, and completion date.

Recommendation 5.1-2

Implement an electronic process for routing, fleet, and vehicle-maintenance records.

Management Response. The District agrees with reducing unnecessary paper processes, but implementation must comply with student privacy, cybersecurity, records-retention, procurement, and available-funding requirements.

Planned/Continuing Action: Transportation and Technology will inventory existing capabilities and select a practical phased solution for routing, fleet, and maintenance records. Critical records will be backed up and access controlled.

Recommendation 5.2

Periodically review and update public financial and nonfinancial information.

Management Response. The District agrees with current and accessible public information, but requests identification of the specific allegedly outdated financial item and the legal or operational posting deadline. A report for an open fiscal year is not delinquent merely because it has not yet been finalized.

Planned/Continuing Action: The District will designate content owners, establish a periodic website review, archive or label superseded material, and post required reports within applicable deadlines.

Recommendation 5.4

Adopt a written procedure for correction of inaccurate or incomplete public information.

Management Response. The District agrees that material inaccuracies should be corrected promptly. The procedure should distinguish correction of an error from a later update caused by changed dates, eligibility, availability, or other circumstances.

Planned/Continuing Action: The District will adopt a proportionate procedure identifying who verifies the issue, approves corrective language, determines the communication method, and retains a record when a material correction is required.

Recommendation 5.5

Promptly correct inaccurate information and document the original and corrected versions.

Management Response. The District agrees with the principle but disputes the cited characterization. Based on the District's annotations, the examples involved information that was accurate when posted and later changed; they were updates, not corrections of misinformation. A 14-day interval cannot establish delayed correction unless the report identifies when the information became inaccurate and when the District learned of the change.

Planned/Continuing Action: For future material corrections, the District will preserve the original communication, corrected communication, date identified, approval, and method and date of republication. Routine updates will be labeled and retained as required by the records schedule.

Research Task 6 - Compliance and Corrective Action

Recommendation 6.2-0 through 6.2-5

Maintain current Board and departmental policies; strengthen project monitoring and controls for facilities, safety, technology, transportation, and debt.

Management Response. The District agrees with a risk-based policy review and stronger documentation. It respectfully objects to any conclusion based solely on the age printed on a policy. A policy's substance, current law, intervening amendments, and actual practice must be evaluated.

Planned/Continuing Action: The Superintendent, Board Attorney, Finance, and affected program administrators will prioritize policies with legal, financial, safety, cybersecurity, procurement, transportation, and debt implications. Proposed revisions will be presented through the Board's public policy-adoption process. Project monitoring improvements described in Response 1.5 will apply across affected programs.

Recommendation 6.3-1

Establish a process to update policies and procedures so audit recommendations are addressed and enforced.

Management Response. The District agrees. The fact that the cited findings were not repeated, together with evidence of implemented vehicle logs, monthly financial reporting, and competitive procurement, demonstrates that corrective action occurred. Formal documentation will improve continuity and verification but should not cause completed corrective action to be described as absent.

Planned/Continuing Action: Management will maintain a corrective-action register identifying the finding, responsible owner, action, target date, evidence, status, and date reported to the Board or appropriate administrator. Material completed actions will be incorporated into policy or procedure when necessary to sustain compliance.

III. IMPLEMENTATION AND REPORTING

Management proposes organizing implementation into two phases. First, the District will establish the core logs, project files, website review, corrective-action register, and annual program plans. Second, the District will complete prioritized policy revisions and evaluate whether additional software, staffing, or contracted support is cost-effective and financially feasible.

Unless a law, grant, contract, safety condition, or Board directive requires an earlier date, management will incorporate the recommendations into the 2026-2027 administrative and budget cycle. Actions requiring expenditure, creation of positions, procurement, collective bargaining, or policy adoption remain subject to lawful procedures and School Board approval.

The Superintendent or designee will periodically report material progress to the School Board. Management will retain supporting documentation sufficient to demonstrate implementation while avoiding unnecessary duplication of reports already required by state or federal law.

IV. CONCLUSION

The District welcomes practical recommendations that strengthen stewardship of public funds and readiness to administer any voter-approved surtax. It will act on the recommendations as described above while preserving the School Board's authority to set policy, the Superintendent's statutory responsibility to administer the District, and management's discretion to select lawful, cost-effective methods suited to Holmes County's size and resources.

HOLMES COUNTY SCHOOL DISTRICT

Submitted by: HOLMES COUNTY SCHOOL DISTRICT

By: Buddy L. Brown

Name/Title: Buddy L. Brown Superintendent of Schools

Date: 8/25/26

Management Response to Draft Performance Audit