

## **Panhandle Area Educational Consortium Contract Agreement**

**THIS CONTRACT** is entered into by and between the Panhandle Area Educational Consortium, through its District of Record, the Washington County School Board, 753 West Boulevard Chipley Florida 32428 hereinafter called "contractee", and Gabriel, Roeder, Smith & Company, One East Broward Blvd. Ft. Lauderdale Florida 33301 hereinafter called "contractor," entitled RM/PC/Surplus.

The contract will commence April 1, 2025, and will continue until June 30, 2027. Mickey Hudson will direct the activities of the contract.

The Contractee agrees to compensate contractor in the amount of \$165,100.00 in accordance with the chart in the attached GRS engagement letter for 13 participating districts including PAEC. PAEC will pay GRS in two installments upon completion of the following for each participating district and PAEC: \$62,400 (\$4,800 per district) once all engagement letters are fully executed and \$62,400 (\$4,800 per district) upon transmittal of each participating district's draft base report for FY 2025. Due to substantial amount of work required for the implementation of GASB Statement 75, GRS will charge \$3,100 for each supplemental report. The total 2026 supplemental fees of \$40,300.00 (\$3,100 per district) will be billed upon transmittal of supplemental reports for FY 2026. This payment will be made in accordance with Marion County RFP#3033JD awarded to GRS on October 10, 2006.

The 10 participating PAEC Risk Management Consortium member districts (Calhoun, Franklin, Gulf, Holmes, Jackson, Jefferson, Liberty, Wakulla, Walton, and Washington) will be each be billed \$9,600 by PAEC in two installments as follows for reimbursement of funds paid to GRS: \$4,800.00 once all engagement letters are fully executed, \$4,800.00 upon transmittal of each participating district's final report and \$3,100 upon transmittal of supplemental reports for FY 2026.

The 2 participating district who are non-member of the PAEC Risk Management Consortium (Gadsden and Taylor) will be billed a total \$10,193.00 by PAEC (\$9,600 for GRS services plus \$593 for consortium services as outline in the GRS engagement letter) in two installments as follows for reimbursement of funds paid to GRS: \$5,096.50 once all engagement letters are fully executed and \$5,096.50 upon transmittal of each participating district's draft report. All participating district will be billed \$3,100 for the implementation of GASB statement 75 upon transmittal of supplemental reports.

The invoice should be signed by the contractor, reference the PAEC contract number, as shown above, include appropriate supporting documentation, and should be forwarded to the Frances Rogers, PAEC, 753 West Boulevard, Chipley, FL 32428. Mickey Hudson shall approve submitted material and invoices before payment is made.

PAEC will not be responsible for payment of any Worker's Compensation claims to the contractor or any employee of the contractor. The contractor understands that he/she is an independent contractor.

If applicable, verification of Level 2 screening, as stated in F.S. 1012.465, must be submitted to the PAEC Risk Management Department and approved before contract can be presented to the Washington County School Board, District of Record, for approval.

The services provided through this contract are stipulated as follows:

The contractor, Gabriel, Roeder, Smith & Company will:

1. Provide actuarial services to determine long term liability for retiree benefits for reporting on district annual financial statement as required under GASB Statement No. 75 OPEB (Other Post Employment Benefits).

The contractee, Panhandle Area Educational Consortium, through its District of Record, the Washington County School Board will:

1. Provide coordination between districts and contractor to facilitate exchange of information necessary for performance of contractual services.
2. Facilitate delivery of reports to districts to meet district reporting deadlines.
3. Provide payment to the contractor in a timely manner.

This contract is subject to the requirements of EDGAR Subpart 80 C Financial Administration – Sec. 80.35 Subawards to debarred and suspended parties.

a. No award will be made to parties that have been suspended or debarred from participation in federal assistance programs. A review of the official site for debarred and suspended parties or otherwise ineligible parties will be made prior to approval of this contract. Evidence of parties of this contract being included in such listings will deem the contractor ineligible making this contract null and void. By Executive Order 12549 and 12689, "Debarment and Suspension."

The contractor, as defined by the Attorney General Opinion No. 062-120, will perform all services and furnish all labor at the Payee/Grantee's risk assuming full responsibility for completion of services stipulated. The contractor is the party providing the services; the contractee is the party receiving the services and providing the payment for the services.

This Agreement is subject to the Laws of the State of Florida, in particular, the below listed provisions found in Florida Statutes 287.058, 287.0582, 216.347 and 215.422:

287.058 -

- (1) a. A provision that bills for fees or other compensation for services or expenses be submitted in detail sufficient for a proper preaudit and postaudit thereof.
  - c. A provision allowing unilateral cancellation by the agency for refusal by the contractor to allow public access to all documents, papers, letters, or other material made or received by the contractor in conjunction with the contract, unless the records are exempt from s. 24(a) of Art. I of the State Constitution and s. 119.07(1).
- (2) The agency head and the contractor prior to the rendering of any contractual service shall sign the written agreement.

287.0582 -

The State of Florida's performance and obligation to pay under this contract is contingent upon an annual appropriation by the Legislature.

216.347 -

The terms of this agreement prohibit the expenditure of funds for the purpose of lobbying the Legislature or a state agency.

215.422 -

Agencies have 5 working days to inspect and approve goods and services, unless bid specifications or the P.O. specifies otherwise. With the exception of payments to health care providers for hospital, medical, or other health care services, if payment is not available within 40 days, measured from the latter of the date the invoice is received or the goods or services are received, inspected and approved, a separate interest penalty set by the Comptroller pursuant to Section 55.03, F.S., will be due and payable in addition to the invoice amount. To obtain the applicable interest rate, please contact the Agency's Fiscal Section at the agency's main office. Payments to health care providers for hospitals, medical or other health care services, shall be made not more than 35 days from the date of eligibility for payment is determined, and the daily interest rate is .03333%. Invoices returned to a vendor due to preparation errors will result in a payment delay. Invoice payment requirements do not start until a properly completed invoice is provided to the agency. A Vendor Ombudsman, whose duties include acting as an advocate for vendors who may be experiencing problems in obtaining timely payment(s) from a State Agency, may be contacted at the agency's main office.

1012.465-

- (1) Non-instructional school district employees or contractual personnel who are permitted access on school grounds when students are present, who have direct contact with students or who have access to or control of school funds must meet Level 2

screening requirements as described in s. 1012.32, F.S. Contractual personnel shall include any vendor, individual, or entity under contract with the school board.

This Contract is also subject to the Laws of the United States of America, in particular those provisions for procurement - Contract Administration described in Title 34, Section 80.36(i), Code of Federal Regulations not previously covered in the above references to Florida Statutes. These provisions are:

- a. All records supporting project activities and the expenditure of funds must be maintained for a minimum of three years after the final payments and all other pending matters are closed.
- b. Access will be allowed by the grantee, the subgrantee, the Federal Grantor Agency, the Comptroller General of the United States or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.
- c. The contractor understands that grantee will give the contractor thirty (30) days to take corrective action should it be determined that there is a violation of the contract. If corrective action is not taken by the contractor, funding will be withheld or revoked.
- d. For a contract in excess of \$10,000, the contractor understands that modifications and/or revisions to the financial and/or program aspects of this contract may be required as a result of changes in the grantee funding allocations. The contractor understands and agrees that if either party desires to change, modify, or terminate this Agreement, the proposed changes shall be negotiated and shall be written documents executed by both parties.

### **Audit Requirements**

- A. If the contractor is a non-Federal entity that, during the effective period of this contract, expends \$500,000 or more in a year in Federal awards, the contractor shall have an audit conducted for that year in accordance with OMB Circular A-133 or in accordance with other applicable Federal regulations if excluded from coverage under OMB Circular A-133.
- B. A contractor who is required to have an audit conducted in accordance with the provisions of OMB Circular A-133, shall submit to PAEC a copy of the Reporting Package (as defined in the circular) when the schedule of findings and questioned costs disclose audit findings relating to this contract or when the summary schedule of prior audit findings reports the status of any audit findings relating to this contract.
- C. When the contractor is not required to submit the Reporting Package pursuant to Paragraph B above, the contractor shall submit to PAEC written notification that:
  1. An audit of the contractor was conducted in accordance with OMB Circular A-133, including timely filing;
  2. The schedule of findings and questioned costs disclosed no audit findings relating to any Federal award that PAEC provided;
  3. The summary schedule of prior audit findings did not report on the status of any audit findings relating to any Federal award that PAEC provided;
  4. No material issues of non-compliance were reported; and
  5. No reportable conditions related to internal controls were reported.
- D. A contractor excluded from coverage under OMB Circular A-133 and audited in accordance with other applicable Federal regulations, shall submit to PAEC a copy of all audit reports disclosing findings or questioned costs related to this contract or any Federal award that PAEC provided.

The contractor must identify the period covered by the audit and the name, amount, and CFDA number of the Federal award provided by PAEC. The contractor shall submit the documentation described above to PAEC within 30 days after receipt of the auditor's report but no later than nine months after the end of the audit period, unless a longer period is agreed to by the contractor's cognizant audit agency.

The address to which the foregoing shall be submitted is

PAEC  
 ATTN: John Selover  
 753 West Blvd.  
 Chipley, FL 32428

### **Non-discrimination**

The contractor agrees that no person will, on the basis of race, color, national origin, creed or religion be excluded from participation

in, be refused the benefits of, or be otherwise subjected to discrimination pursuant to the Act governing these funds or any project, program, activity or sub-grant supported by the requirements of (a) Title VI of the Civil Rights Act of 1964 which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended which prohibits discrimination in employment or any program or activity that receives or benefits from federal financial assistance on the basis of handicaps; (d) Age Discrimination Act 1975, as amended which prohibits discrimination on the basis of age, (e) Equal Employment Opportunity Program (EEO) must meet the requirements of 28 CFR 42.301.

**Force Majeure**

Neither party shall be in breach of this contract if there is a total or partial failure by it in its duties and obligations occasioned by any act of God, fire, act of foreign, federal, state or local government, or any other reason beyond its reasonable control. In the event of delay in performance due to any such cause, the date of the delivery or time for completion will be extended by a period of time reasonably necessary to overcome the effect of such delay.

**IN WITNESS WHEREFORE**, the parties have executed this CONTRACT/MODIFICATION and signing, thereby validating this CONTRACT/MODIFICATION, the parties also certify that each possesses legal authority to contractually bind their respective organizations in their capacity as a signatory official.

**Contractee**

**Contractor**

\_\_\_\_\_  
Thomas Register, Superintendent  
Washington County School Board

\_\_\_\_\_  
Gabriel, Roeder, Smith & Company

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
John Selover, Executive Director  
Panhandle Area Educational Consortium

\_\_\_\_\_  
38-1691268  
Federal ID #

\_\_\_\_\_  
Date

\_\_\_\_\_  
Hunter Nolen, Superintendent  
Jackson County School Board

\_\_\_\_\_  
59-6000898  
Federal ID#

\_\_\_\_\_  
Date

WCSB Date: March 10, 2025



February 14, 2025

Mr. John T. Selover, Executive Director  
Panhandle Area Educational Consortium  
753 West Boulevard  
Chipley, Florida 32428

**Re: Actuarial Services Required under GASB Statement No. 75 OPEB (Other Post-Employment Benefits) for Districts Participating in Gateway**

Dear Mr. John T. Selover:

Gabriel, Roeder, Smith & Company (GRS) is pleased to provide actuarial services to each Participating District, including PAEC itself, in the Gateway program sponsored by the Panhandle Area Educational Consortium. By signing at the end of this Engagement Letter, all three parties (GRS, the District and the Consortium) agree to the terms set forth below. With respect to the actuarial services described herein for each District, the principal client of GRS is each respective District.

GRS

1. GRS agrees to provide telephone assistance and training, as needed, to Consortium staff regarding the OPEB Data Request and the Summary of OPEB Plan Provisions and any other related matters.
2. GRS agrees to perform an actuarial valuation of each participating District's OPEB as of June 30, 2024, pursuant to GASB Statement No. 75 and to prepare a separate formal base report for each participating District for the year ending June 30, 2025 ("FY 2025") and a supplemental report for the year ending June 30, 2026 ("FY 2026"). Each report will constitute the deliverable under this agreement for each participating District. The base report will present all actuarial numbers needed for the respective participating District to comply with GASB Statement No. 75 with respect to its financial statements for FY, 2025. The supplemental report will present all actuarial numbers needed for the respective participating District to comply with GASB Statement No. 75 with respect to its financial statements for the fiscal year ending FY 2026. Each report will be prepared assuming the participating District continues its OPEB plan on an unfunded (no OPEB Trust) basis for such fiscal year.
3. GRS will perform each District's actuarial valuation in accordance with the relevant Actuarial Standards of Practice and Code of Professional Conduct, as adopted by the Actuarial Standards Board. In addition, the results of each such actuarial valuation may be used in the preparation of the respective District's financial statement and in accordance with GASB Statements No. 75 and the related Implementation Guide.

4. The contents of each separate report (for each participating District) will include:
  - a. The updated Total OPEB Liability based on the appropriate discount rate for the reporting period. GASB 75 requires non-trusted plans to determine the Total OPEB Liability using updated market rates for 20-year municipal bonds prevailing on the respective measurement date.
  - b. A reconciliation of the Total OPEB Liability as required by GASB 75, which shows among other items the impact of benefit changes, assumption changes, and demographic gains/losses separately.
  - c. The OPEB expense and supplementary information required by GASB 75.
  - d. The characteristics of covered active members, retirees, and beneficiaries and other information required for the note disclosures.
  - e. A statement of outflows and inflows arising from the current reporting period.
  - f. A statement of outflows and inflows to be recognized in future OPEB expense.
  - g. A sensitivity analysis providing the Net OPEB Liability based on a 1% higher and 1% lower discount rate and a 1% higher and 1% lower health care trend assumption.
  - h. Additional calculations to reflect "significant changes" (other than the change in the municipal bond rate) for FY 2026 may incur additional charges.
5. A final version of the report for each District will be forwarded to the designated representative at each such District.
6. GRS will be available to any participating District which requests additional actuarial and consulting services directly from GRS relating to this engagement and its employee benefit plans. The actuarial and consulting services covered under this cooperative Engagement Letter (and included in the Base Fee) are limited to those services described in items 1 through 5, above, with respect to the actuarial valuation as of June 30, 2024 with results applicable to the fiscal years ending June 30, 2025 and 2026. The participating District may request additional actuarial and consulting services directly from GRS related to this engagement and its employee benefit plans in general for additional fees. These services may include:
  - a. Additional actuarial calculations for FY 2026 resulting from significant changes.
  - b. Additional actuarial calculations or consulting services regarding the establishment of an OPEB Trust.
  - c. Additional actuarial calculations or consulting services regarding alternative OPEB plan designs, such as changing the level of subsidies, eligibilities, Medicare incentives and alternatives, etc.
  - d. On-site meetings or educational workshops at the District's own location.



e. Other benefits consulting.

These would not be part of this Engagement Letter or otherwise under the umbrella of the Consortium, but would be engagements by the participating District directly with GRS. Fees and terms for such additional services shall be agreed upon in advance between GRS and the participating District and shall be paid directly to GRS by such participating District.

7. GRS will bill the Consortium for the Base and Supplemental Fees (described at the end of this Engagement Letter) for the base and supplemental actuarial valuation reports described in items 1 through 5, above.

Participating District

8. The participating District's management will appoint a primary representative responsible for this GASB Statement No. 75 project, at the District level. For example, for many Districts, this might be the Finance Director. While there may be other individuals at the District with whom Consortium and GRS staff may have contact and while the Consortium staff has numerous responsibilities and duties to conduct themselves, this individual should be considered the primary District contact responsible for the project, at the District level.
9. The participating District agrees to provide the Consortium with the authorization necessary for it to receive all requested data, documents or reports from Florida Retirement System and from each relevant insurance company, health maintenance organization, prescriptions benefit manager, or third party administrator.
10. The participating District agrees to provide the Consortium with a signed representation letter attesting to the reasonable steps it has taken to ensure that all member census, data, documents, reports, and other information it provides to the Consortium are complete and accurate, and that the Consortium and GRS may rely upon such data, documents, reports and other information with no duty to inquire or audit.
11. The participating District may request additional actuarial and consulting services directly from GRS relating to this engagement and its employee benefit plans. The actuarial and consulting services covered under this cooperative Engagement Letter (and included in the Base and Supplemental Fees) are limited to those services described in items 1 through 5, above, with respect to the actuarial valuation as of June 30, 2024 with results applicable to the fiscal years ending June 30, 2025 and 2026. The participating District may request additional actuarial and consulting services directly from GRS related to this engagement and its employee benefit plans in general for additional fees as described in item 7. These services would not be part of this Engagement Letter or otherwise under the umbrella of the Consortium, but would be engagements by the participating District directly with GRS. Fees and terms for such additional services shall be agreed upon in advance between GRS and the participating District and shall be paid directly to GRS by such participating District.



12. Any participating District with self-insured benefits is responsible for determining its own deferred outflows of resources due to benefits paid after the measurement date. Any participating District with fully insured benefits will be able to use the deferred outflows of resources due to benefits paid after the measurement date provided by GRS without adjustments.
13. The participating District is responsible for drafting any narrative portions of its own Notes to Financial Statements relating to GASB Statement No. 75 OPEB, subject to templates or other guidance provided by the office of the Florida Auditor General.
14. The participating District may release copies of the deliverable (the Actuarial Report) to other parties, but only in its entirety.

#### Consortium

15. The Consortium will collect all member census data requested by GRS, reformat and consolidate such data to conform to the specifications provided by GRS in the OPEB Data Request and forward such data to GRS.
16. The Consortium agrees to (a) gather and review benefits documents and information from each participating District, (b) forward the previous year's Summary of OPEB Plan Provisions provided by GRS to each participating District, (c) interview staff at each participating District concerning any changes or updates to the Summary, (d) obtain and forward to GRS a signed copy of the Summary with any changes or updates from each District, and (e) obtain from each District and forward to GRS the representation letter(s) using the template language GRS provides.
17. With respect to each relevant fully insured health-related benefit plan, the Consortium agrees to obtain documents and reports from each participating District or, as necessary, from each insurance company or health maintenance organization, as are necessary for GRS to assess the respective loss ratios associated with each such benefit plan.
18. With respect to each self-insured benefit plan, the Consortium agrees to obtain documents and reports from each participating District or, as necessary, from each claims payor (insurance company, health maintenance organization, prescription manager, third party administrator, etc.), as necessary, for GRS to develop total expected benefit costs (for claims, capitation and otherwise) incurred for each such benefit plan.
19. The Consortium agrees to provide GRS with a signed representation letter on its own letterhead attesting to the reasonable steps it has taken to ensure that all member census data, documents, reports and other information it provides to GRS are complete and accurate, and that GRS may rely upon such data, documents, reports and other information with no duty to inquire or audit.





Fees Payable to GRS

20. In this updated engagement, GRS proposes to increase the fees for preparation of the base report to **\$9,600** for each participating District (including the Consortium itself). This increase will be higher if fewer than 13 such Districts participate. However, GRS will charge **\$3,100** for each supplemental report provided all such Districts, the same as in the previous cycle. For the base actuarial valuation reports providing results applicable to FY 2025 and supplemental reports for FY 2026, the Consortium will pay to GRS the Base and Supplemental Fees as determined according to the following chart.

Number of Participating Districts (including PAEC)	FY 2025 Fees		FY 2026 Fees	
	Base Fee per District Accepting	Total 2023 Base Fee	Supplemental Fee per District Accepting	Total 2024 Supplemental Fee
14	\$9,600	\$134,400	\$3,100	\$43,400
13	9,600	124,800	3,100	40,300
12	9,800	117,600	3,300	39,600
11	9,800	107,800	3,300	36,300
10	10,100	101,000	3,500	35,000
8 or less	10,100	NA	3,500	NA

Once it is known how many Districts will be participating and once Engagement Letters are fully executed for each such District, one-half of the Total 2025 Base Fee will be billed, due and payable from the Consortium. This is the same procedure as in the previous engagement. The balance will be billed, due and payable from the Consortium upon the transmittal of each participating District's draft base report for FY 2025. The Total 2026 Supplemental Fees will be billed upon transmittal of supplemental reports for FY 2026.

Additional actuarial and consulting services may be engaged from GRS by each participating District individually and directly, as needed.

All Parties

To reduce litigation fees for all parties and in keeping with good business practices and, all parties agree to arbitration in the event of a dispute over performance, and waiver of jury in the event of trial.

This Engagement Letter may be renewed with the agreement of all parties for the purposes of each additional bi-annual actuarial valuation cycle. The next such actuarial valuation would be scheduled as of June 30, 2026, and would produce results applicable to the fiscal years ending June 30, 2027 and 2028.




Mr. John T. Selover

February 14, 2025

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We look forward to working with the Consortium and each individual District. Thank you for the confidence you place in Gabriel, Roeder, Smith & Company. We will make every effort to provide prompt, accurate, understandable and useful results in this engagement.

Sincerely,



James J. Rizzo, ASA, MAAA, FCA  
Senior Consultant & Actuary

**FOR PANHANDLE AREA  
EDUCATIONAL CONSORTIUM**

\_\_\_\_\_  
Print Authorized Signer's Name

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

**PARTICIPATING DISTRICT**

\_\_\_\_\_  
Print Name of District

\_\_\_\_\_  
Print Authorized Signer's Name

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

