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- What occurred or what you were unable to do
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Lake-Sumter State College  
DISTRICT BOARD OF TRUSTEES  
Wednesday, September 19, 2018  
Leesburg Campus

**4:00 p.m.—BOARD WORKSHOP PERFORMANCE FUNDING**

**5:00 p.m.—BOARD MEETING**

**ITEM #**

CALL TO ORDER.....Mr. Wahl

**PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE**

**PUBLIC COMMENT**

(If you wish to make a Public Comment at this meeting, at least 15 minutes before the start of the meeting,  
please see Recording Secretary for a Speaker's Card)

**PRESENTATIONS (Tab A)** .....Mr. Wahl/Dr. Sidor

329 Code of Ethics for Public Officers and Employees  
Board Attorney Anita Geraci-Carver

**CONSENT CONSIDERATIONS (Tab B)** .....Mr. Wahl/Dr. Sidor

**ACTIONS and ACKNOWLEDGEMENTS**

330 Action: Minutes of July 18, 2018 Board Meeting & Workshop  
331 Action: Lake-Sumter State College Foundation, Inc./2017 Audit  
332 Action: Human Resources Transactions  
333 Action: Monthly Fiscal Report for July 2018  
334 Acknowledgement: Facilities Update  
335 Action: Purchases Over \$25,000

**SCHEDULED INFORMATION REPORTS (Tab C)**

336 President's Update  
- Meetings/Activities/Misc.  
- Legislative Update  
- Vice Presidents Report  
337 Committee Reports.....Mr. Wahl  
- Executive Committee  
- Foundation Liaison- E. Lee  
338 Board Attorney's Report.....Mrs. Geraci-Carver

**NEW BUSINESS (Tab D)**.....Mr. Wahl/Dr. Sidor

339 Acknowledgement: 2017-2018 Annual Financial Report-Unaudited  
340 Discussion: 2018-2019 Legislative Budget Request  
341 Action: 2018-19 Salary Schedule and Classification Schedule  
342 Action: Second Reading: Revision of Board Rule 5.13- Leaves  
343 Action: Board Committee Announcement  
344 Action: Health Insurance Benefit Renewal

**INFORMATION ITEMS (Tab E)**

For the Board's Review and Information .....Mr. Wahl/Dr. Sidor

**OTHER CONSIDERATIONS** .....Mr. Wahl/Dr. Sidor  
As Needed by Chairman/President

**ADJOURNMENT** .....Mr. Wahl

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**NOTES:**

**LSSC ATHLETICS GOLF CLASSIC:**      Fri., September 21, 2018      (Harbor Hills Country Club)  
Breakfast 7:30 a.m.  
Shotgun Start 8:30 a.m.

**NEXT BOARD MEETING:**      Wed., October 17, 2018      (Sumter, 4107)  
5:00 p.m.

**DISTINGUISHED ALUMNI**      Thurs., October 18, 2018      (Mission Inn Golf & Resort)  
5:30 p.m.

**LAKEHAWK COMMUNITY DAY**      Fri., October 19, 2018      (Off site service projects)

**MONSTER DASH**      Sat., October 27, 2018      (Leesburg Campus  
8 a.m.      Behind LSSC Gym)

**AFC TRUSTEE COMMISSION  
ANNUAL CONFERENCE**      Wed., Nov. 7, 2018      Wyndham Intl Hotel in Orlando  
10 A.M.

**FALL COMMENCEMENT**      Sat., December 8, 2018      (LSSC GYM)  
1 p.m.

**TRUSTEES LEGISLATIVE CONFERENCE**      Wed., March 13-14, 2019 (Tallahassee)

**LAKE-SUMTER STATE COLLEGE  
DISTRICT BOARD OF TRUSTEES**

**July 18, 2018**

**Workshop for Insurance Presentation**

A meeting of the District Board of Trustees, Lake-Sumter State College, was called to order on July 18, 2018 at 4:05 p.m. in Room 210, Student Services Building, Leesburg Campus, by Mr. Peter F. Wahl, Chair. The other Committee members in attendance were Mr. Bryn Blaise, Mrs. Marcia Butler, Mrs. Jennifer Hill, Ms. Emily Lee, Mr. Tim Morris, and Mr. Pete Wahl. Dr. Stanley Sidor, College President, was also in attendance.

Dr. Bigard opened the meeting and stated that the object of the meeting was to develop an understanding the evaluation process to ensure the best insurance coverage for college employees and to understand projected increases for future use.

Greg Sale from OMS Well-Life introduced the team and began the meeting by explaining that they have provided the college a summary of pooled risk and an overview of how rates are set annually. They also detailed a worksheet including four sample plans.

Clark Saylor of Brown and Brown Insurance introduced his team and presented their plan and overview.

After a lengthy discussion the meeting was adjourned and a final decision will be made at the full board meeting on July 18, 2018.

There being no further business, the meeting was adjourned at 5:05 p.m.

Respectfully submitted,

ATTEST:

Peter F. Wahl, Chair

Stanley M. Sidor, Ed., D.  
Secretary/College President

Recording Secretary: Claudia D. Morris



**DISTRICT BOARD OF TRUSTEES**  
**LAKE-SUMTER STATE COLLEGE**  
**Leesburg, Sumterville, Clermont**

**July 18, 2018**

The regular meeting of the District Board of Trustees, Lake-Sumter State College, was called to order at 5:00 p.m. on July 18, 2018 in Student Services Building, Room 210 on the Leesburg Campus, by Mr. Peter Wahl, Board Chairman. In attendance was Mr. Bryn Blaise, Mrs. Marcia Butler, Ms. Emily Lee, Jennifer Hill, and Mr. Tim Morris.

Mr. Wahl welcomed those in attendance and invited them to join in the Pledge of Allegiance followed by a moment of silence.

(The Board took a dinner break at – 5:10 p.m. The meeting was reconvened at – 5:35 p.m.)

**CONSENT CONSIDERATIONS- ACTIONS and ACKNOWLEDGEMENTS (Tab A)**

Mr. Morris moved and Mrs. Butler seconded the motion to approve as presented agenda items number 307 through 317 as follows:

**Minutes of June 27, 2018 Regular Board Meeting & Workshops**                      **2018-307**

The motion was passed with the following vote: Voting “yea” – Blaise, Butler, Hill, Lee, Morris, and Wahl.

**Collegiate High School Program Agreement/ LSSC and Lake County Schools**      **2018-308**

The motion was passed with the following vote: Voting “yea” – Blaise, Butler, Hill, Lee, Morris and Wahl.

**Collegiate High School Program Agreement/LSSC and Sumter County Schools**      **2018-309**

The motion was passed with the following vote: Voting “yea” – Blaise, Butler, Hill, Lee, Morris and Wahl.

**2018-2019 Dual Enrollment Articulation Agreements**    **2018-310**

- |   |  |
|---|--|
| 2018-19 Lake County Schools/LSSC Dual Enrollment agreement    |  |
| 2018-19 Sumter County Schools/LSSC Dual Enrollment agreement  |  |
| 2018-19 Non-public school/LSSC Dual Enrollment agreement      |  |
| 2018-19 Home Education/LSSC Dual Enrollment agreement         |  |
| 2018-19 Villages Early College/LSSC Dual Enrollment agreement |  |
| 2018-19 Villages Early College/LSSC Memo of Understanding     |  |

The motion was passed with the following vote: Voting “yea” – Blaise, Butler, Hill, Lee, Morris and Wahl.

**Articulation Agreement with Career Pathways**

**2018-311**

Lake County  
Sumter County  
Marion County

The motion was passed with the following vote: Voting “yea” – Blaise, Butler, Hill, Lee, Morris and Wahl.

**FY 2018-2019 Application/Carl D. Perkins Federal**

**2018-312**

**Career & Technical Education Postsecondary Grant, Section 132**

The motion was passed with the following vote: Voting “yea” – Blaise, Butler, Hill, Lee, Morris and Wahl.

**Human Resources Transactions**

**2018-313**

**Appointments of:**

Linda Karp	(effective date 08/15/2018)
Dr. Barbara Lange	(effective date 04/30/2018)
Jessyca Medina	(effective date 05/16/2018)
Angela Hymmer	(effective date 05/16/2018)
Anne Kennedy	(effective date 06/04/2018)
Diana Billingham	(effective date 05/01/2018)
Emily Cammarano	(effective date 05/16/2018)

**Resignation of:**

Dr. Alex Perez-Barry	(effective date 05/04/2018)
Dr. Cory Blackwell	(effective date 05/04/2018)

**Separation of:**

Nancy Petty	(effective date 06/30/2018)
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**Retirement of:**

Donna Glover	(effective date 07/13/2018)
Glenda Libby	(effective date 07/15/2018)

The motion was passed with the following vote: Voting “yea” – Blaise, Butler, Hill, Lee, Morris and Wahl.

**2018-19 Blanket and Annual Purchase Orders**

**2018-314**

The motion was passed with the following vote: Voting “yea” – Blaise, Butler, Hill, Lee, Morris and Wahl.

**Monthly Fiscal Report for June 2018**

**2018-315**

The motion was passed with the following vote: Voting “yea” – Blaise, Butler, Hill, Lee, Morris and Wahl.

### Facilities Update

2018-316

The motion was passed with the following vote: Voting “yea” – Blaise, Butler, Hill, Lee, Morris and Wahl.

### Purchases Over \$25,000

2018-317

The motion was passed with the following vote: Voting “yea” – Blaise, Butler, Hill, Lee, Morris and Wahl.

### SCHEDULED INFORMATION REPORTS (Tab B)

#### President's Update

2018-318

Dr. Sidor reported that the Council of Presidents (COP) sent an online survey request to develop a legislative budget agenda. He will have a better understanding after the August 15<sup>th</sup> meeting.

He also met with Monica Wofford and discussed last year's legislative request and updated her on bigger challenges we are currently facing. He is continuing to work with Dr. Diane Culpepper on joint legislative request for a program and grant applications.

He met with David Booth of the Combat Veterans to Careers and discussed how we can more effectively work on offering better programs for them.

He met briefly with Pastor Jose Gonzales to discuss partnerships in the Four Corners Area bringing some of our programs into the churches.

#### Claire Brady

Dr. Brady reported on enrollment and student affairs.

#### Summer Enrollment Update:

Flat Headcount (down 4% in Summer AAE and up 8% in Summer B)

Up nearly 2% in FTE

Fee paying headcount was down 2% and fee paying FTE was up 2%

Non/Reduced fee paying headcount was up 11% and FTE was down over 2%

2/3 of all summer student headcount were enrolled in some online courses

#### Fall Enrollment Update:

We are 18 days away from the fall Admissions application deadline and 32 days away from the first day of fall classes. Fall recruitment efforts are ongoing and focus on both traditional and non-traditional students. The Key Players group has set some ambitious but attainable enrollment goals for fall. Specifically they are targeting efforts to increase fee paying headcount and fee paying FTE. We do expect some natural enrollment growth from the second HSCA cohort, the addition of the BSN program, and the cumulative effect of Starfish-related retention efforts.

#### Summer Project Updates:

The Student Lounge in Building 2 at the South Lake campus is currently being renovated to meet the growing needs on the SL campus. Two spaces have been merged and will be completed soon. We are now working on furniture and décor.

The Veteran's College and Career Success Center in Building 1 at the South Lake campus begins renovations next week. This former office space is being converted into a welcoming space for Veteran's to come together, receive support & resources, conduct programming, and meet with outside service groups. Westgate Resorts Foundation provided a \$10,000 grant towards this project.

Over the course of this month, our Office for Students with Disabilities testing lab and services are being merged with the Learning Center's testing facility at both the Leesburg and South Lake campuses. These newly merged spaces will offer students who require disability testing accommodations greater access, increased hours, and a streamlined testing process.

### **Doug Wymer**

Dr. Wymer reported that on Friday, July 13, LSSC faculty reference/instruction librarian James Cason graduated from the Sunshine State Library Leadership Institute (SSLIL) in Tallahassee. The 10-month Institute has the primary goal of preparing library leaders to provide the highest quality library services to the citizens of Florida. James was in the institute cohort that met monthly in High Springs. The Sunshine State Library Leadership Institute is built on four professional development foundations including Leadership Competencies, Shared Learning Experiences, Practical Application Assignment, and Formal Mentoring.

Mr. Thom Kieft, A VP of General Studies, served as Mr. Cason's mentor in the program and in addition to meeting with James on campus on a monthly basis, was invited to attend the opening session in October and his graduation. One practical application assignment for the SSLIL participants is to lead a project at their library. James is collaborating with multiple LSSC faculty and staff and they are in the process of finalizing an online, open-source textbook covering basic research skills for first-year college students.

Ms. Karen Hogans, LSSC Dean of Math and Science, has been selected to serve on the Florida Mathematics Re-Design Workgroup. The charge of the Florida Mathematics Re-Design workgroups is to explore complex issues surrounding mathematics pathways to prepare high school students for transition into Florida College System institutions and Florida College System students for transition into four-year universities. Workgroup members will collaborate to identify current challenges in mathematics pathways and develop policy and practice recommendations to improve student achievement across education systems. This work is part of the Florida Student Success Center, an initiative of the Florida College System, to support institutional initiatives that improve college completion rates and promote student success throughout our network of colleges.

Our NSF-ATE grant is focused on reaching out to populations that are underrepresented in the sciences. This year, the grant-funded summer camp offered young women the opportunity to explore the innovative engineering technology field of solar energy. This free STEM-themed program included 19 girls (grades 8 through 12) from Sumter County. The four day program was held the week of June 25 through June 28, 2018 at the Lake-Sumter State College Sumter Center. Lunch and snacks were provided every day, as well as bus transportation from South Sumter High School and Wildwood Middle High School to the Sumter Center. Campers learned

soldering skills and completed two hands-on projects including a solar powered cell phone charger and solar powered race cars. Duke Energy provided bus transportation for a field trip to the Walt Disney World Solar Facility and a guided tour of the site. Our camp leader, Ken Blackwell, Senior Engineer with University of Central Florida, served as the subject matter expert and guest speakers included Brenda Skoczylas (LSSC Physics Professor), Dr. Marilyn Barger (Executive Director of FLAITE), Gabe Gabrielle (NASA Engineer), and Dr. Gabrielle K. Gabrielli (Mentor). Thanks are due to Bob Seigworth and his team for putting together a great experience for these 19 young women.

At the last meeting I indicated that we had gotten unofficial word that SACSCOC had approved the RN to BSN program and that we would soon receive the official letter. We received that letter yesterday and admissions letters were mailed today to 46 students.

We have received the College's performance funding scores for this year and there were no surprises. Our total score was 35.48 out of a possible 40 and that placed us in the silver funding category. Our lowest measure continues to be fall to fall retention of FTTC students. Our retention rate for this performance cycle was 65.21% as compared to a system number of 65.33%. Remember that these data are lagging; the students included in this measure started in the fall of 2015 and were retained (or not) in the fall of 2016. Remember that we began using Startfish and started other retention initiatives in fall of 2016.

### **Heather Bigard**

Dr. Bigard reported to the board that in each pack there is a complete report of completed projects from her direct supports for each department. She updated the board about tree removal beginning on the Leesburg Campus. Unfortunately, yesterday's storm took out one of the trees and, along with that two of the AC units.

### **Committee Reports**

**2018-319**

#### **Executive Committee**

Pete Wahl reported that the Executive Committee met and discussed items on the agenda.

#### **Foundation Liaison**

The fall scholarship application closed with 309 applications. The review committee will be complete July 23 and the award process will begin.

The LSSC Foundation received a gift from the Donnelly Trust in the amount of \$197,104.56. The allocations were as follows: BSN Program- \$93,592.65, Donnelly Endowment Scholarship-\$103,511.91.

The Foundation received a \$10,000 gift from the Manser Trust to fund the Manser Completion Endowed Scholarship.

The Annual Professional Planned Giving Seminar is scheduled for August 24, 2018 at 7:30am on the Leesburg Campus in the Magnolia Room. Information is included. Please consider registering to attend.

The Annual Athletics Golf Classic Tournament is scheduled for September 21, 2018, at the Harbor Hills Country Club beginning at 8:30am. Please register to play or you may be a sponsor.

The LSSC Foundation Monster Dash is scheduled for October 27, 2018 at 8:00am on the Leesburg Campus. Sign up!

**Board Attorney's Report**

**2018-320**

Ms. Carver's has no report.

**NEW BUSINESS (Tab C)**

**Approve Lake-Sumter State College Foundation, Inc. as Direct Support Organization (DSO)**

**2018-321**

Dr. Sidor requests that the board approve the Lake-Sumter State College Foundation, Inc. as a DSO. A motion was made by Marcia Butler and seconded by Ms. Emily Lee.

The motion was passed with the following vote: Voting "yea" – Blaise, Butler, Hill, Lee, Morris and Wahl.

**2018-19 District Board of Trustee Meeting Schedule and Executive Committee Schedule**

**2018-322**

The 2018-19 Board schedule is in each packets due to Lake County Legislative Days Mr. Wahl asked that the February meeting be held on Thursday instead of the typical third Wednesday.

A motion was made by Tim Morris and seconded by Bryn Blaise.

The motion was passed with the following vote: Voting "yea" – Blaise, Butler, Hill, Lee, Morris and Wahl.

**Employee Compensation Adjustment**

**2018-323**

Dr. Sidor asked the board to approve a compensation increase for all college employees. The last increase in base compensation for college employees was in November 2015. In partnership with all college employees numerous cost reductions have been implemented that have reduced the colleges cost to sustainably provide these increases.

The request for:

1. An across the board increase of 2% for all regular full-time, part-time, and full-time faculty college employees with the exception of the president.
2. An adjustment for faculty compensation for faculty adversely impacted by salary compression.
3. An adjustment to the lowest paid full-time staff classifications pending the results of a regional wage survey.

The college has also secured an agreement with the United Faculty of Florida that they will not file an unfair labor practice grievance over the implementation of these faculty compensation adjustments. The total increase is in line with the approved 2018-19 budget.

A motion was made by Tim Morris and seconded by Marcia Butler.

The motion was passed with the following vote: Voting “yea” – Blaise, Butler, Hill, Lee, Morris and Wahl.

**Approval of General Contractor**

**2018-324**

Dr. Bigard presented a list of qualified contractors and asked for approval to use one of the companies without approval from the board whenever the total project cost ranging from \$20,000-\$65,000.

A motion was made by Marcia Butler and seconded by Jennifer Hill.

The motion was passed with the following vote: Voting “yea” – Blaise, Butler, Hill, Lee, Morris and Wahl.

**Approval of Grounds Contract**

**2018-325**

Dr. Bigard asked the board to consider Item 325 along with Item 326. She explained that an RFP was issued for both the grounds and janitorial contract(s) after experiencing declining levels of service in both areas. She reviewed the scoring sheet developed by the RFP review committee that was provided in each packet.

She asked the board to approve the recommendation of SSC Service Solutions.

Bryn Blaise made a motion to offer the contract to SSC for grounds and janitorial services with a contract of three years with an opportunity of an additional two year renewal option, with the standard outs clearly stated within the contract. Tim Morris seconded the motion.

The motion was passed with the following vote: Voting “yea” – Blaise, Butler, Hill, Lee, Morris and Wahl.

**Approval of Janitorial Services Contract**

**2018-326**

Combined with Item 325.

**Approval of 2019 Health Insurance Provider**

**2018-327**

After hearing all three Health Insurance Providers presentation the board was asked to select the best plan for the college and its employees. The board expressed concerns at this time with going with a self-insured plan.

Bryn Blaise made a motion to continue using the Florida College System Risk Management Consortium and to look into more wellness initiatives and other programs and be proactive in decreasing wellness costs. Tim Morris seconded the motion.

The motion was passed with the following vote: Voting “yea” – Blaise, Butler, Hill, Lee, Morris and Wahl.

**FIRST READING: Revision of Board Rule 5.13-Leaves**

**2018-328**

The first reading has been acknowledged and accepted for revisions of Board Rule 5.13- Leaves.

**INFORMATION ITEMS**

**OTHER CONSIDERATIONS**

**As Needed by Chairman/President**

- ✓ Chairman Wahl reviewed the events on the calendar. He announced that the next Board meeting will be on September 19, 2018 at 5 p.m. for the regularly scheduled meeting at the Leesburg Campus Board Room.

There being no further business, the meeting was adjourned at 6:40 p.m.

Respectfully submitted,

ATTEST:

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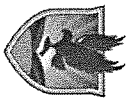
Peter F. Wahl, Chairman

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Stanley M. Sidor, Ed. D.  
Secretary/College President

Recording Secretary: Claudia Morris





Lake Sumter  
State College

## OFFICE OF THE PRESIDENT

Present to the Board: September 19, 2018

TO: Lake-Sumter State College  
District Board of Trustees

FROM: Dr. Stanley Sidor  
President

RE: 331 – Lake-Sumter State College Foundation, Inc. 2017 Audit

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### OVERVIEW

Each year, the District Board of Trustees must review the Lake-Sumter State College Foundation, Inc., audited financial statements.

### ANALYSIS

The Lake-Sumter State College Foundation, Inc., has engaged Pervis, Gray & Company to conduct the audit of the 2017 financial statements. The audit is enclosed for your review.

### RECOMMENDATION

Accept the 2017 Audited Financial Statements of the Lake-Sumter State College Foundation, Inc., as presented.

**LAKE-SUMTER STATE COLLEGE  
FOUNDATION, INC  
A COMPONENT UNIT OF  
LAKE-SUMTER STATE COLLEGE  
FOR THE YEAR ENDED  
DECEMBER 31, 2017**



# Lake Sumter State College

## FOUNDATION, INC.

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Lake-Sumter State College Foundation, Inc.  
Leesburg, Florida

We have audited the accompanying financial statements of Lake-Sumter State College Foundation, Inc. (the Foundation), a component unit of Lake-Sumter State College, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2017, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Certified Public Accountants

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Board of Directors  
Lake-Sumter State College Foundation, Inc.  
Leesburg, Florida

## INDEPENDENT AUDITORS' REPORT (Concluded)

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

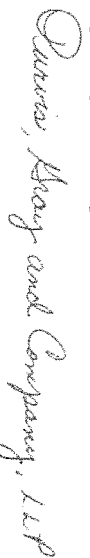
#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Foundation's basic financial statements. The Schedule of Revenues, Expenses, and Changes in Net Position, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Revenues, Expenses, and Changes in Net Position by Restricted Classification is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues, expenses, and changes in net position is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2018, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

  
Patricia Mary and Company, LLP

July 20, 2018  
Ocala, Florida

## *Management's Discussion and Analysis*

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As management of the Lake-Sumter State College Foundation, Inc. we offer readers of the Foundation's financial statements this narrative overview and analysis of the financial activities of the Foundation for the year ended December 31, 2017. This discussion has been prepared by management and should be read in conjunction with the financial statements, which follow this section.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Foundation's basic financial statements. The basic financial statements consist of Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Notes to the financial statements. The Statement of Cash Flows provides information regarding net cash from (used in) various activities. This report also includes supplementary information that provides more detail on some of the information in the financial statements.

Overall, total assets exceeded liabilities at December 31, 2017 by \$19,559,836 (net position). Of this amount, \$577,282 (unrestricted net position) may be used to meet the ongoing obligations to creditors.

The total net position increased \$3,161,342 or 19.3%, largely from a result of Gains on Investments for the year ended. Total net position represents the residual interest in assets after deducting liabilities. The net position includes both expendable and nonexpendable.

### **The Statement of Net Position**

The Statement of Net Position presents assets less liabilities at year-end. The difference between these assets and liabilities is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

Assets consist primarily of pooled cash and investments of approximately \$20.0 million. For the year ended December 31, 2017 net position totaled \$19.5 million. The major components of this category are funds available for student scholarships, capital projects, and college support of approximately \$11.0 million. The Foundation also has an unrestricted net assets of \$577 thousand, \$636 thousand net investment in capital assets and permanently restricted nonexpendable net assets of \$6.6 million.

The following summarizes the assets, liabilities and net assets at December 31:

### Condensed Statement of Net Position at December 31

	2017	2016
(In Thousands)		
<b>Assets</b>		
Current Assets	\$ 12,389	\$ 10,143
Accounts Receivable	\$ 15	
Capital Assets, Net	636	645
Other Noncurrent Assets	7,758	5,883
<b>Total Assets</b>	<b>\$ 20,798</b>	<b>\$ 16,671</b>
<b>Liabilities</b>		
Current Liabilities	\$ 76	\$ 273
<b>Total Liabilities</b>	<b>\$ 76</b>	<b>\$ 273</b>
<b>Deferred Inflow of Resources</b>	<b>\$ 1,163</b>	<b>\$ -</b>
<b>Total Liability and Deferred Resources</b>	<b>\$ 1,239</b>	<b>\$ -</b>
<b>Net Position</b>		
Net Investment in Capital Assets	\$ 636	\$ 645
Restricted		
Nonexpendable Endowment	6,595	5,883
Expendable Endowment	3,276	2,225
Expendable Scholarship	4,220	3,795
Expendable Programs	2,217	1,501
Expendable for Capital Projects	2,038	1,787
Unrestricted	577	562
<b>Total Net Position</b>	<b>\$ 19,559</b>	<b>\$ 16,398</b>

### **The Statement of Revenues, Expenses, and Changes in Net Position**

The statement of revenues, expenses, and changes in net position presents revenue and expense activity, categorized as operating, and non-operating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

Revenues consist primarily of contributions, special event revenue, investment income, net realized and unrealized investment gains, and grants, which totaled \$3.8 million for the year ending December 31, 2017. Other revenues \$8,956 include rental income of \$3,159 and additions to endowments of \$712,342.

### **Operating Revenues**

GASB Statement No. 35 categorizes revenues as either operating or non-operating. Operating revenues generally result from exchange transactions where each of the parties to the transactions either gives or receives something of equal or similar value.

The operating revenues totaled \$3,760,619 for the 2017 fiscal year. The types of revenue included in this number are Contributions, Fund Raising, In-Kind Revenue and Other Revenue totaling \$1,378,758.

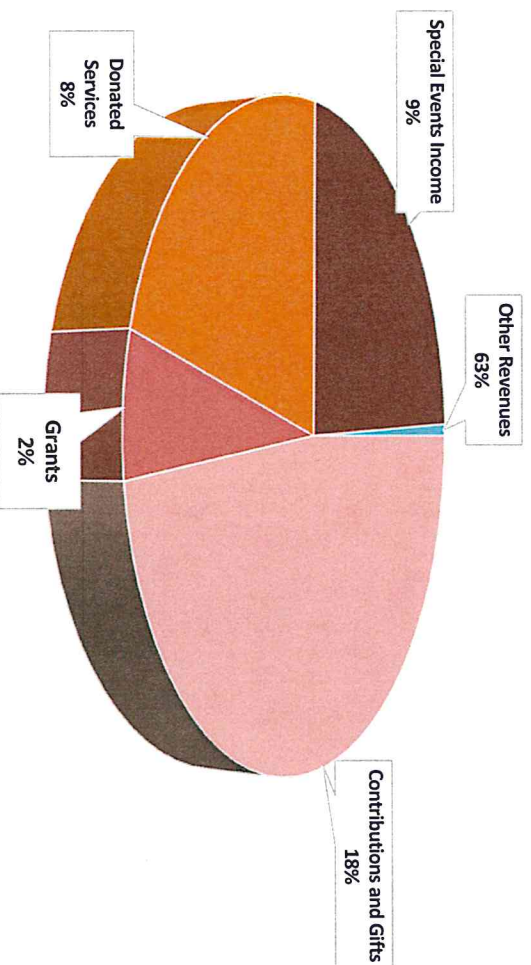
Non-Operating Revenue consists of Bank and Investment Income and the Realized and Unrealized Gains/Losses in Investments totaling \$2,381,861. Netting off the operating expenses of \$1,311,619 for the 2017 fiscal year resulted in an overall increase of \$2,449,000.

This increase is mainly attributable to a high return on investments, which are volatile in nature.

The following chart provides a graphical presentation of the operating revenues by category for the 2017 fiscal year:



## Operating Revenues



The following summarizes and provides a comparison of the operating revenues by source that were used to fund operating activities for the 2017 and 2016 fiscal years.

## Operating Revenues (In Thousands)

	2017	2016
Contributions	\$ 665	\$ 285
Grants	83	132
Donated Services	289	338
Special Events Income	333	370
Other Revenues	9	12
<b>Total Operating Revenues</b>	<b><u>\$ 1,379</u></b>	<b><u>\$ 1,137</u></b>

**Non-Operating Revenues**

**Non-Operating Revenues**

(In Thousands)

	<u>2017</u>	<u>2016</u>
Bank and Investment	\$ 379	\$ 377
Realized Gains on Investments	\$ 761	\$ 37
Unrealized Gains/Loss on		
Investment	\$ 1,242	\$ 264
<b>Total Non-Operating Revenues</b>	<b>\$ 2,382</b>	<b>\$ 678</b>

**Operating Expenses**

Expenses are categorized as operating or non-operating. The majority of expenses are operating expenses as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The Foundation has chosen to report the expenses in their natural classification on the statement of revenues, expenses, and changes in net position.

Expenses consisted primarily of operating expenses and grants of \$471,748 for scholarships and \$33,394 for College program support. Expenses also include \$247,247 in personnel services, which includes salaries, wages and related taxes, and fringe benefits paid to Foundation personnel by the College during the year ending December 31, 2017.

The following summarizes operating expenses by natural classification for the 2017 and 2016 fiscal years:

## Operating Expenses

(In Thousands)

	2017	2016
Personnel	\$ 247	\$ 297
Support of College Programs	33	516
Scholarships	472	531
Management and General	267	327
Contractual Services	57	36
Fundraising	184	210
Materials and Supplies	43	28
Depreciation	9	9
<b>Total Operating Expenses</b>	<b>\$ 1,312</b>	<b>\$ 1,954</b>

The following summarizes the activity for the 2017 and 2016 fiscal years:

## Condensed Statement of Revenues, Expenses, and Changes in Net Position

(In Thousands)

	2017	2016
Operating Revenues	\$ 1,379	\$ 1,138
Less, Operating Expenses	(1,312)	(1,954)
<b>Operating Gain</b>	<b>\$ 67</b>	<b>\$ (816)</b>
Additions to Endowments	712	640
Non-Operating Revenue	2,382	678
<b>Net Increase in Net Position</b>	<b>\$ 3,161</b>	<b>\$ 502</b>
<b>Net Position, Beginning of Year, as restated</b>	<b>\$ 16,398</b>	<b>\$ 15,896</b>
<b>Net Position, End of year</b>	<b>\$ 19,559</b>	<b>\$ 16,398</b>

### Statement of Cash Flows

The statement of cash flows provides information about financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the ability to generate net cash flows, its ability to meet financial obligations as they come due and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities. Cash flows from capital and related financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show, the net source and use of cash related to purchasing or selling investments.

The following summarizes the cash flows for the 2017 and 2016 fiscal years:

### Condensed Statement of Cash Flows

(In Thousands)

	2017	2016
Cash Provided (Used) by:		
Operating Activities	\$ 1,760	\$ (396)
Capital and Related Financing Activities	712	640
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ 2,472</b>	<b>\$ 244</b>
Cash and Cash Equivalents, Beginning of Year	1,740	1,496
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 4,212</b>	<b>\$ 1,740</b>

### Requests for Information

This financial report is designed to provide a general overview of the Foundation's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Lake-Sumter State College Foundation, Inc. 9501 US 441, Leesburg, Florida 34788, (352) 365-3518.

**Lake Sumter State College Foundation, Inc.**  
**(A COMPONENT UNIT OF LAKE-SUMTER STATE COLLEGE)**  
**STATEMENT OF NET POSITION**  
**December 31, 2017**

	2017
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 4,212,429
Investments	8,165,524
Accounts Receivable, Net	15,000
Prepaid Expenses	11,000
Total Current Assets	<u>\$ 12,403,953</u>
Noncurrent Assets:	
Restricted Investments	\$ 6,595,425
Depreciable Capital Assets, Net	287,182
Nondepreciable Capital Assets	348,872
Irrevocable Split-Interest Agreement	1,162,972
Total Noncurrent Assets	<u>\$ 8,394,451</u>
<b>TOTAL ASSETS</b>	<u>\$ 20,798,404</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Unearned Revenue	74,650
Due to Other	946
Total Current Liabilities	<u>\$ 75,596</u>
Total Liabilities	<u>\$ 75,596</u>
Deferred Inflows of Resources	
Irrevocable Split- Interest Agreement	\$ 1,162,972
Total Deferred Inlows of Resources	<u>\$ 1,162,972</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<u>\$ 1,238,568</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	\$ 636,054
Restricted:	
Nonexpendable Endowment	6,595,425
Expendable Endowment	3,275,815
Expendable Scholarships	4,220,404
Expendable Programs	2,038,388
Expendable for Capital Projects	2,216,468
Unrestricted	577,282
Total Net Position	<u>\$ 19,559,836</u>

The accompanying notes are an integral part of these financial statements

**Lake Sumter State College Foundation**  
**(A Component unit of Lake-Sumter State College)**  
**Statement of Revenues and Expenses, and Changes in Net Position**  
**December 31, 2017**

	<u>2017</u>
<b>Operating Revenues:</b>	
Contributions and Gifts	\$ 665,084
Grants and Matching Funds	82,637
Donated Services	289,060
Special Events Income	333,021
Other Revenues (Adm Fee, Advertising and Rental Revenue)	8,956
<b>Total Operating Revenues</b>	<u>\$ 1,378,758</u>
<b>Operating Expenses:</b>	
Personnel Services	\$ 247,247
Support of College Programs	33,394
Scholarships	471,748
Management and General	266,704
Contractual Services	57,196
Fundraising	183,509
Materials and Supplies	42,847
Depreciation	8,974
<b>Total Operating Expenses</b>	<u>\$ 1,311,619</u>
<b>Income (Loss) from Operations</b>	<u>\$ 67,139</u>
<b>Non-operating Revenue</b>	
Net Gain (Loss) on Investments	2,002,690
Investment Income	379,171
<b>Total Non-operating Revenues</b>	<u>\$ 2,381,861</u>
<b>Additions to Endowments</b>	<u>\$ 712,342</u>
<b>Increase (Decrease) in Net Position</b>	<u>\$ 3,161,342</u>
<b>Net Position, Beginning of Year</b>	<u>\$ 16,398,494</u>
<b>Net Position, End of Year</b>	<u>\$ 19,559,836</u>

The accompanying notes are an integral part of these financial statements.

**Lake Sumter State College Foundation**  
**(A Component Unit of Lake-Sumter State College)**  
**Statement of Cash Flows**  
**December 31, 2017**

	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Contributions	\$ 669,443
Grants and Contracts	82,637
Payments to Suppliers	(787,390)
Payment for Program Support	(233,394)
Payments for Scholarships	(471,748)
Ticket Sales and Fundraising	333,021
Other Receipts	298,016
<b>Net Cash Used by Operating Activities</b>	<b>\$ (109,415)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Contributions to Endowments	\$ 712,342
<b>Net Cash Provided by Capital and Related Financing Activities</b>	<b>\$ 712,342</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>	
Cash Received for Interest and Dividends	379,171
Cash Received from Sale of Investments	8,057,514
Cash Paid for Purchase of Investments	(6,567,274)
<b>Net Cash Provided by Investment Activities</b>	<b>1,869,411</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>\$ 2,472,338</b>
Cash and Cash Equivalents, Beginning of Year	1,740,091
<b>Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 4,212,429</u></b>
<b>RECONCILIATION OF OPERATING GAIN</b>	
<b>TO NET CASH USED IN (PROVIDED BY) OPERATING ACTIVITIES</b>	
Operating Income	\$ 67,139
Adjustments to Reconcile Operating Income	
Depreciation Expense	8,974
Changes in Assets and Liabilities:	
Prepaid Expenses	11,750
Accounts Receivable	(15,000)
Accounts Payable	(201,637)
Unearned Revenue	4,631
Pledge Receivable	14,728
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>\$ (109,415)</u></b>

The accompanying notes are an integral part of these financial statements.

**Lake-Sumter State College Foundation Inc.**  
**(A COMPONENT UNIT OF LAKE-SUMTER STATE COLLEGE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

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**1. Summary of Significant Accounting Policies**

The following is a summary of the more significant accounting policies of Lake-Sumter State College Foundation, Inc. (The Foundation), which affect significant elements of the financial statements:

- A. *Reporting Entity* – The Foundation, incorporated in 1980, is a direct support organization as provided for in Section 240.331, Florida Statutes, and is considered a discrete component unit of Lake-Sumter State College (the College). The Foundation's principal function is to receive, hold, invest and administer charitable contributions for the College. The Foundation is a not-for-profit corporation as described in Section 501(c) (3) of the Internal Revenue Code (the IRC) and is exempt from federal and state income taxes pursuant to Section 209(a) of the IRC.
- B. *Measurement Focus. Basis of Accounting, and Financial Statement Presentation* – The Foundation prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds, which is similar to those for private business enterprises. Accordingly, revenues are recorded when earned and expenses are recorded when incurred. As permitted by the Governmental Accounting Standards Board (GASB) Statement of Governmental Accounting Standard (SGAS) Number 20: *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*.
- C. *Cash and Cash Equivalents* – For purposes of reporting cash flows, the Foundation considers all highly liquid investments with original maturities of three months or less to be cash equivalents.
- D. *Fund Accounting* – To ensure observation of limitations and restrictions placed on the use of resources, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund.

When both restricted and unrestricted resources are available for use, it is the Foundation's policy to use restricted resources first, and then unrestricted resources as they are needed.

The assets, liabilities, and net assets of the Foundation are reported in two fund groups as follows:

**Restricted** – Within restricted, there are two fund types as follows:



Expendable – Representing funds that are subject to donor, grantor, or other outside party restrictions as to use for the benefit of various programs at the College, including the unspent earnings of endowment funds.

Nonexpendable – Representing the principal portion of endowment funds that are subject to donor, grantor, or other outside party restrictions as to use for the benefit of various programs at the College. Earnings on endowment funds are included in expendable funds for expenditure.

**Unrestricted** – Representing funds that are available without restriction for carrying out the Foundation's objectives.

E. *Operating Activities* – Operating revenues and expenses represent ongoing activities of The Foundation, which are in support of the College's programs. Operating activities related to the Foundation's principal functions are to receive and hold charitable contributions for the College. All other revenues and expenses are reported as non-operating activities.

F. *Revenue Recognition* – Contributions are recognized as increases in net assets when received or when pledged unconditionally.

G. *Direct Operating Support* – The College provides personnel support and donated facilities for office space in the amounts of \$247,247 and \$32,234, respectively.

H. *Pledges Receivable* –Pledges are recorded as a receivable and revenue in the year made for the current period use.

I. *Contributions* – Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in expendable or nonexpendable restricted assets depending on the nature of the restrictions. When a restriction expires, expendable restricted net assets are reclassified to unrestricted net assets.

J. *Use of Estimates* – The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. *Investments* – The Foundation follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Under this provision, contributed marketable securities are recorded at fair value at the date of donation. Purchased marketable securities are recorded and carried at fair value with increases and decreases being charged and credited to the statement of revenues, expenses, and changes in net position.

- L. *Property and Equipment* – Purchased property and equipment with a value of \$500 or more are capitalized and are stated at historical cost. Donations of property and equipment are recorded as support at their estimated fair value. Depreciation on buildings and equipment is calculated on the straight-line method over the estimated useful lives of the assets.
- M. *Subsequent Events* –The Foundation has evaluated subsequent events for potential recognition and/or disclosure in the December 31, 2016 statements through July 31, 2017.
- N. *Prepaid Items* – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.
- O. *New Accounting Pronouncements* – The Foundation has adopted GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. In accordance with GASB Statement No. 81, assets received under split-interest agreements are recorded as assets for the resources received or receivable and a Deferred Inflow of Resources for the Foundations irrevocable remainder interest.

Changes in assets recognized pursuant to irrevocable split-interest agreements, such as those resulting from interest, dividends, and changes in fair value, are recognized as an increase or decrease in the related deferred inflow of resources.

For agreements in which the Foundation is the remainder interest beneficiary, the Foundation will recognize revenue for the beneficial interest at the termination of the agreements, as stipulated in the irrevocable split-interest agreement.

The retroactive application of GASB Statement No. 81 had no effect on the beginning restricted net position.

## 2. Investments

As of December 31, 2017, the Foundation had the following Investments and maturities:

Investment Type	Fair Value	Maturities in Years		
		1-5	6-10	More than 10
Government Obligations	\$ 204,121	\$ 181,706	\$ -	\$ 22,415
Corporation Bonds	4,867,062	2,610,687	2,085,368	171,007
Total Debt Obligations	\$ 5,071,183	\$ 2,792,393	\$ 2,085,368	\$ 193,422
Equities	9,689,766			
Total Investments	<u>\$ 14,760,949</u>			

The Foundation categorizes the fair measurements of its investments based on the hierarchy established by GAAP. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Foundation does not have any investments that are measured using Level 2 or 3 inputs.

Fair value measurements of the Foundations investments are as follows at December 31, 2017.

	Fair Value Measurements Using			
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
<b>Investments</b>				
<b>Debt Securities:</b>				
Government Obligations	\$ 204,121	\$ 204,121	\$ -	\$ -
Corporate Bonds	4,666,254	4,666,254		
Foreign Bonds	200,808	200,808		
<b>Total Debt Security</b>	<b>\$ 5,071,183</b>	<b>\$ 5,071,183</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Equity Securities:</b>				
Equities	\$ 9,559,114	\$ 9,559,114	\$ -	\$ -
Domestic Mutual Funds	-	-		
International Mutual Funds	-	-		
ETF Closed End Equity Funds	56,324	56,324		
Real Estate Investment Trusts	74,328	74,328		
<b>Total Equity Securities</b>	<b>\$ 9,689,766</b>	<b>\$ 9,689,766</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Investment</b>	<b>\$ 14,760,949</b>	<b>\$ 14,760,949</b>	<b>\$ -</b>	<b>\$ -</b>

The Foundation mitigates risk by utilizing investment managers to build a portfolio with the right risk profile.

The following risks apply to the Foundation's investment in debt securities:

*Interest Rate Risk*—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Foundation's investment policy does not limit investment maturities except with respect to cash equivalents, which must have a maximum average maturity of less than one year. The Foundation manages its exposure to fair value losses from increasing interest rates through the segmented time distribution method.

*Credit Risk*—Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Foundation's investment policy limits its fixed income investments to an overall weighted average credit rating of "A" or better by Moody's or better by Standard & Poor's. No more than 15 percent of the fixed income portion of the portfolio shall be rated below investment grade (below Baa/BBB). All commercial paper investments must have a minimum rating of A1/P1 by Standard & Poor's and Moody's,

respectively. Obligations of the U.S. Government and obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk. At December 31, 2017, the Foundation's investments in bonds and notes had credit quality ratings by nationally-recognized rating agencies ranging from Baa1 to Aaa by Moody's and from BBB+ to AAA by Standard & Poor's.

*Custodial Credit Risk* – Custodial credit risk is the risk that, in the event of failure of a counterparty to a transaction, the Foundation will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Lending of the Foundation's portfolio of securities is expressly prohibited by the Foundation's investment policy. While the brokerage and trust accounts are in the name of the Foundation, the securities are actually held in the trust department or agent's name.

*Concentration of Credit Risk* – Concentration of credit risk is the risk of loss attributed to the magnitude of the Foundation's investment in a single issuer. The Foundation's investment policy limits investments in any one company to no more than seven percent of the equity portion of its portfolio and no more than ten percent of the fixed income portion of its portfolio, and the equity portion of the portfolio must maintain a minimum of twenty positions, with no position of any one issuer exceeding eight percent of the manager's total portfolio. Securities issued by the U.S. Government or its agencies are not subject to these limitations. The policy also provides that no more than five percent of the portfolio may be invested in commercial paper of any one issuer, and no more than \$3,000,000 in bank certificates of deposit of any single issuer, unless the investments are fully collateralized by U.S. Treasury or agency securities. The policy further limits investments in any one economic sector to no more than ten percent of the equity portion of the portfolio may be in American Depository Receipts, and no more than sixty percent of the fixed income portion of the portfolio may be invested in either corporate or mortgage-backed securities.

### 3. Capital Assets

Capital assets activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 348,872	\$ -	\$ -	\$ 348,872
<b>Total capital assets not being depreciated:</b>	<b>\$ 348,872</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 348,872</b>
Capital assets being depreciated:				
Buildings	\$ 350,000	\$ -	\$ -	\$ 350,000
Total capital assets being depreciated	\$ 350,000	\$ -	\$ -	\$ 350,000
<b>Total capital assets</b>	<b>\$ 698,872</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 698,872</b>
Less accumulated depreciation:				
Buildings	\$ (53,844)	\$ (8,974)	\$ -	\$ (62,818)
<b>Total Depreciation</b>	<b>\$ (53,844)</b>	<b>\$ (8,974)</b>	<b>\$ -</b>	<b>\$ (62,818)</b>
<b>Total Capital Assets, Net</b>	<b>\$ 645,028</b>	<b>\$ (8,974)</b>	<b>\$ -</b>	<b>\$ 636,054</b>

The depreciation expense for the year ended December 31, 2017 was \$8,974

### 4. Significant Concentrations

Information related to significant concentrations of revenues and credit risk for financial instruments owned by the Foundation, except as otherwise disclosed, is as follows:

- A. *Cash and cash equivalents* – The Florida Security for Depositors Act identifies those financial institutions that have deposited the required collateral in the name of the treasurer of the State of Florida as qualified public depositories. The Foundation’s deposits are with qualified public depositories. Therefore, all Foundation cash and cash equivalents deposits are entirely insured by FDIC or Florida’s Multiple Financial Institution Collateral Pool.
- B. *Investments* – The Foundation also maintains accounts with one stock brokerage firm and two bank trust departments. The accounts contain cash and securities; balances are insured up to \$500,000 (with a limit of \$100,000 for cash) by the Securities Investor Protection Corporation.
- C. *Revenues* – The Foundation received significant operating revenue from contributions, which provides 95% of operating revenues.

## 5. Income Taxes

The Internal Revenue Service has recognized Lake-Sumter State College Foundation, Inc. as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income earned in furtherance of the Foundation's tax-exempt purpose is exempt from federal and state income taxes and, therefore, these financial statements include no provision or liability for income taxes. As of December 31, 2017, the Foundation had no uncertain tax positions that qualify for recognition or disclosure in the financial statements. Generally, the IRS may review the returns for the past three years.

## 6. Related Party Balances and Transactions

The Foundation staff members are considered employees of the College. All salaries, benefits, retirement benefits through the Florida Retirement System and payroll taxes are paid through the College. The Foundation is not expected to reimburse the College for such expenses. For the year ended December 31, 2017, the values of those contributed services that can be reasonably estimated are reflected in these financial statements as follows:

Salaries	\$ 174,237
Benefits	73,009
Current Expenses	9,579
Facilities	<u>32,234</u>
Total Contributed Services	<u>\$ 289,060</u>

## 7. Net Position

The Foundation classifies its net position into the following categories:

*Net Investment in Capital Assets* – Represents the Foundation's total investment in capital assets, net of accumulated depreciation.

*Unrestricted* – The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

*Restricted* – The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

**Nonexpendable Restricted Net Position** – Consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of a gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

**Expendable Restricted Net Position** – Included resources in which the Foundation is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties. Expendable Restricted Net Position is broken into four subcategories on the Statement of Net Position as follows:

- *Expendable Endowment* – Endowments with restriction imposed by the donor, primarily consisting of investment earnings from nonexpendable restricted endowments.
- *Expendable Scholarships* – Expendable restricted net position restricted for the use of various scholarships.
- *Expendable Programs* – Donor restricted funds for the use of various college programs not related to scholarships for tuition.
- *Expendable for Capital Projects* – Restricted funds to be used for capital projects of the college in accordance with the restrictions imposed by the donor.

## **Supplementary Information**



**LAKE-SUMTER STATE COLLEGE FOUNDATION INC.**  
**(A COMPONENT UNIT OF LAKE-SUMTER STATE COLLEGE)**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**By Restriction Classification**  
**December 31, 2017**

	Restricted				Total
	Unrestricted	Net Capital	Expendable	Nonexpendable Endowments	
<b>Revenues</b>					
Operating Revenues					
Contributions, grants and events	\$ 42,811	\$ -	\$ 1,037,931	\$ -	\$ 1,080,742
Rental revenue	3,159	-	-	-	3,159
Other revenues	4,464	-	1,333	-	5,797
In Kind Donation	289,060	-	-	-	289,060
Total Operating Revenues	339,494	-	1,039,264	-	1,378,758
<b>Expenses</b>					
Operating Expenses					
Personnel Services	247,247		26,912		247,247
Support of College Programs	6,482		199,417		33,394
Management and General	67,287		469,248		266,704
Scholarships and program support	2,500		36,126		471,748
Contractual Services	21,070		179,535		57,196
Fundraising	3,974		26,204		183,509
Other services and expenses	16,643	8,974	-	-	42,847
Depreciation				-	8,974
Total Operating Expenses	365,203	8,974	937,442	-	1,311,619
<b>Non-Operating Revenues</b>					
Investment Income	7,567		371,604		379,171
Net Realized and Unrealized Gain	33,139		1,969,551		2,002,690
Total Non-operating Expenses	40,706	-	2,341,155	-	2,381,861
<b>Changes in Net Position</b>					
Before Endowment Contributions	(25,709)	(8,974)	101,822	-	67,139
Additions to Endowments	-		-	712,342	712,342
Increase (Decrease) in Net Position	(25,709)	(8,974)	101,822	712,342	779,481
<b>Net Position, Beginning of January 1, 2017</b>	562,285	645,028	9,308,098	5,883,083	16,398,494
<b>Net Position, End of December 31, 2017</b>	<u>\$ 577,282</u>	<u>\$ 636,054</u>	<u>\$ 11,751,075</u>	<u>\$ 6,595,425</u>	<u>\$ 19,559,836</u>

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

Board of Directors  
Lake-Sumter State College Foundation, Inc.  
Leesburg, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Lake-Sumter State College Foundation, Inc. (the Foundation), a component unit of the Lake-Sumter State College, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated July 20, 2018.

**Internal Control over Financial Reporting**

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

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

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

**Certified Public Accountants**

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505  
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542  
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762  
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309

MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Board of Directors  
Lake-Sumter State College Foundation, Inc.  
Leesburg, Florida

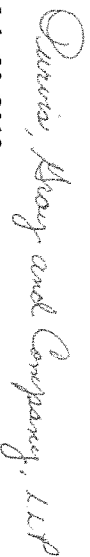
**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS  
(Concluded)**

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



July 20, 2018  
Ocala, Florida

To the Board of Directors  
Lake-Sumter State College Foundation, Inc.  
Leesburg, Florida 34788

We have audited the financial statements of Lake-Sumter State College Foundation, Inc. (the Foundation) as of and for the year ended December 31, 2017, and have issued our report thereon dated July 20, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 22, 2017. Professional standards also require that we communicate to you the following information related to our audit:

#### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Foundation are described in Note 1 to the financial statements. During the year, the Foundation implemented Government Accounting Standards Board (GASB) Statement No. 81, *Irrevocable Split-Interest Agreements*, for the year ended December 31, 2017. GASB Statement No. 81 pertains to recording a deferred inflow of resources pertaining to split-interest agreements.

We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are those contained in Note 2, related to investments.

The financial statement disclosures are neutral, consistent, and clear.

#### **Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### **Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of the audit.

#### **Certified Public Accountants**

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS

MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS



To the Board of Directors  
Lake-Sumter State College Foundation, Inc.  
Leesburg, Florida

#### **Management Representations**

We have requested certain written representations from management, which were included in a management representation letter that they signed and provided to us dated July 20, 2018.

#### **Management's Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If consultation involves application of an accounting principle to the Foundation's financial statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The following are other audit matters that we would like to bring to the attention of management and the Foundation Board of Directors:

##### **■ Irrevocable Charitable Remainder Trust**

As noted in the prior year, the Foundation appeared to be the recipient of various irrevocable remainder trust agreements, some which date back several years. One charitable remainder trust made a material contribution in current year to the Foundation, in which no receivable was previously recorded. As noted above GASB Statement No. 81 affected the treatment of *Irrevocable Split-Interest Agreements*. Even though this statement was retroactive, there was no prior period adjustment required as these agreements were not previously recorded.

We would recommend management to develop a system for tracking and following up on any *Irrevocable Split-Interest Agreements*, in which they would be a beneficiary. This can help ensure proper payouts of the trust are made when the terms of the agreements are met.

##### **■ Separate Accounting Function**

During the previous year the Foundation made some significant changes and transitioned the accounting function to the College who had the experienced and qualified personnel to maintain the Foundation's accounting records.

Due to the separation of the accounting function for the Foundation and the Foundation operations, we recommend that the Foundation and the College formalize the process by which transactions are performed by developing written internal procedures related to the accounting for Foundation activities. While no significant issues were identified during the course of the audit, this separation leaves the potential to have items left unrecorded. Examples of internal procedures could include, but are not limited to, recording contributions and gifts, purchasing and receipt documentation, account transfers, reconciliation of event income and expenses, and accounts receivable.

To the Board of Directors  
Lake-Sumter State College Foundation, Inc.  
Leesburg, Florida

**Other Matters**

We were not engaged to report on the supplementary information (Schedule of Revenues, Expenses, and Changes in Net Position by Restricted Classification), which accompany the financial statements but are not considered Required Supplementary Information. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from a prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

**Restriction on Use**

This report is intended solely for the information and use of the Board of Directors, and management of Lake-Sumter State College Foundation, Inc., and is not intended to be and should not be used by anyone other than these specified parties.

*Carver, May and Company, LLP*

July 20, 2018  
Ocala, Florida



Lake Sumter  
State College

## OFFICE OF THE PRESIDENT

Present to the Board: September 19, 2018

TO: Lake-Sumter State College  
District Board of Trustees

FROM: Stanley M. Sidor  
President *Stan Sidor*

RE: 332 – Human Resource Transactions

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### **OVERVIEW:**

A listing of Human Resource personnel transactions for New Hires, Resignations, Retirements and Separations are presented to the District Board of Trustees for approval.

### **ANALYSIS:**

Attached is a list of employee appointments, separations, retirements and resignations for this period.

### **RECOMMENDATION:**

It is recommended that Board approve this item as written.

September 2018

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**FACULTY**

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**APPOINTMENT**

<u>Name</u>	<u>Position</u>	<u>Classification</u>	<u>Effective Date</u>
Laura Dana	Instructor Nursing	F1	9/12/2018
Kristina VanAmerogen	Lecturer English	TF	8/15/2018
Michele Rudden	Lecturer English	TF	8/15/2018

**RESIGNATION**

<u>Name</u>	<u>Position</u>	<u>Classification</u>	<u>Effective Date</u>
Natalie Souders	Math Instructor	F1	8/10/2018

**RETIREMENT**

<u>Name</u>	<u>Position</u>	<u>Classification</u>	<u>Effective Date</u>
Richard Morrill	Reference/Instruction Librarian	F3	8/172018

**OTHER (Transfer to Managerial Staff)**

<u>Name</u>	<u>Position</u>	<u>Classification</u>	<u>Effective Date</u>
Steven Clark	Assistant Professor	F1	8/15/2018
Elizabeth Terranova	Assistant Professor	F1	8/15/2018

SEPARATION .....NONE

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**ADMINISTRATOR**

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APPOINTMENT.....None

SEPARATION.....None

RESIGNATION.....None

OTHER.....None

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**MANAGERIAL**

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**APPOINTMENT**

<u>Name</u>	<u>Position</u>	<u>Classification</u>	<u>Effective Date</u>
Jennifer Manson	Assistant Director Student Dev.	MA6	9/01/2018
Steven Clark	Associate Dean Math & Science	MA9	8/15/2018
Elizabeth Terranova	Associate Dean Arts & Letters	MA9	8/15/2018
Cindy Lackey	Manager Student Life/South Lake	MA4	8/15/2018
Pam Fletcher	Interim Director HR	MA9	8/13/2018
Countess Rittman	Financial Aid Counselor	MA4	8/01/2018
Anita McKenzie	Coordinator State Programs	MA2	8/01/2018

SEPARATION.....None

RESIGNATION.....None

Other.....None



September 2018

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**PROFESSIONAL ADMINISTRATIVE**

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**APPOINTMENT**

Name                      Position                      Classification                      Effective Date

Amber Emmons                      Courier                      PA2                      8/15/2018

**RESIGNATION**

Name                      Position                      Classification                      Effective Date

Josh Stafford                      Accounts Payable Specialist                      PA6                      8/10/2018

Tyler Russell                      Courier                      PA2                      8/03/2018

**OTHER (Transfer to Managerial Staff)**

Name                      Position                      Classification                      Effective Date

Anita McKenzie                      Program Specialist Financial Aid                      PA5                      8/01/2018

SEPARATION.....None

OTHER.....None

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**PROFESSIONAL CRAFTS-TRADES**

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**APPOINTMENT**

Name                      Position                      Classification                      Effective Date

Terry Wilcutt                      Maintenance Tech III-HVAC                      PCT5                      9/04/2018

Robert Kinne                      Maintenance Tech III-Structural                      PCT4                      9/04/2018

John Tidona                      Interim Facilities Project Manager                      PCT5                      8/27/2018

RESIGNATION.....None

SEPARATION.....None

OTHER.....None

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**PROFESSIONAL TECHNICAL**

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**APPOINTMENT**

Name                      Position                      Classification                      Effective Date

Ernest Morales                      Library Technician/South Lake                      PT2                      8/06/2018

RESIGNATION.....None

SEPARATION.....None

OTHER.....None

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Lake Sumter  
State College

## OFFICE OF THE PRESIDENT

Present to the Board: September 19, 2018

TO:           Lake-Sumter State College  
              District Board of Trustees

FROM:       Dr. Stanley Sidor  
              President

RE:         333 – Monthly Fiscal Report August 2018

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### OVERVIEW

Each month a report is provided to the District Board of Trustees accounting for the activity in the major operating fund (Fund 1) of the College. This report is prepared by the offices of the Vice President of Administrative and Financial Services and the Controller, and is intended to keep the Board apprised of the financial condition of budget and the operating funds of the College.

The final June 30, 2018 and 2018-19 through August 30, 2018 budget reports are included.

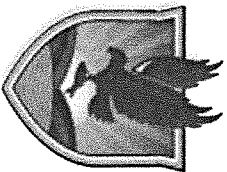
### STATUS

The Monthly Fiscal Report Memo (YTD August) of the General Operating Fund is attached to this agenda item.

The final June 30, 2018 Fiscal Report is also attached to this agenda item. The year ended in a surplus of \$1,235,905. The Board had approved to use \$250,000 of this surplus to cover expenses incurred by Hurricane Irma, as well as an additional transfer of \$500,000 to Fund 7 for maintenance and support of campus infrastructure.

### RECOMMENDATION

Accept the June 30, 2018 year-end and August 30, 2018 monthly fiscal reports.



Lake Sumter  
State College

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## Financial Services

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### MEMORANDUM

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**To:** Dr. Sidor, President  
District Board of Trustees

**From:** Dr. Heather Bigard, Vice President of Administrative & Financial Services  
Diana Billingham, Controller

**Date:** September 19, 2018

**Re:** Monthly Fiscal Report – YTD August 2018

Each month we provide a financial report of pertinent fiscal information to appraise your office and the Trustees on the status of the College budget. The MONTHLY FISCAL STATUS REPORT of the General Current Fund (Fund 1, Operating Fund) provides a comparative summary of budget-to-actual revenues and expenses for the current period.

We are currently two months into our fiscal year or 17% completed.

### REVENUES

Total revenue booked to date is \$5,497,332, or 2% of the total budget of \$25,029,134.

- Tuition and fee revenue budget for fall is \$3,786,273. Actual revenue booked through 08/31/2018 is \$3,577,885, which will increase by \$186,000 when the HSCA program revenue is invoiced.
- State support revenue is received in installments throughout the fiscal year. A total of \$1,908,196 has been received in General Revenue and Performance funding. Lottery funds disbursements will begin in February 2019.
- Other Income and Support totals \$11,251 or 1.57% of budget. The majority of this category is support from Foundation activities and commitments.

**EXPENSES**

Total expenses encumbered to-date is \$3,231,115 or 13% of the total budget of \$24,780,233.

- Salaries and benefits represent \$ 2,125,699 or 11% of budget.
- Currently, department operating expenses represent \$1,105,416 or 19% of budget.

Attachment:                      Monthly Fiscal Report

LAKE-SUMTER STATE COLLEGE  
FISCAL STATUS REPORT-FUND 1  
GENERAL CURRENT FUND  
7/1/17 TO 6/30/18

FY 2016-17				FY 2017-2018			
REVENUES & BUDGETED FUND BALANCE							
	Annual Budget	YTD Actual 6/30/2017	YTD Actual 6/30/2017 AFR	Annual Budget	YTD Actual 6/30/2018	Percent of Budget Earned	Projected 6/30/18
Student Fees							
Fall							
Tuition	\$ 2,793,784	\$ 2,645,905	\$ 2,645,905	\$ 2,670,319	\$ 2,860,185	107%	\$ 2,860,185
Technology Fees	137,105	141,313	141,313	137,105	143,066	104%	143,066
Distance Learning	136,400	128,146	128,146	136,400	144,750	106%	144,750
Dual Enrollment	166,443	266,954	266,954	234,250	268,473	115%	268,473
HSCA Dual Enrollment	67,953	62,312	62,312	161,720	161,720	100%	161,720
Lab Fees				67,953	66,706		66,706
Spring							
Tuition	\$ 2,793,694	\$ 2,386,923	\$ 2,386,923	\$ 2,670,319	\$ 2,481,278	93%	\$ 2,481,278
Technology Fees	137,105	116,044	116,017	137,105	124,430	91%	124,430
Distance Learning	136,400	119,502	119,502	136,400	141,630	104%	141,630
Dual Enrollment	166,443	246,101	255,161	234,250	301,884	129%	301,884
HSCA Dual Enrollment	67,953	51,615	51,616	161,720	159,232	98%	159,232
Lab Fees				67,953	42,623	63%	42,623
Summer							
Tuition	\$ 761,917	\$ 1,128,848	\$ 1,086,724	\$ 728,269	\$ 1,023,862	141%	\$ 1,023,862
Technology Fees	37,392	50,771	48,754	37,392	51,294	137%	51,294
Distance Learning	37,200	100,305	98,679	37,200	108,675	292%	108,675
Dual Enrollment	-	-	-	-	-	0%	-
HSCA Dual Enrollment	-	-	-	-	-	0%	-
Lab Fees	18,532	15,541	14,960	18,532	12,497		12,497
Miscellaneous Fees	139,390	157,218	157,218	139,390	149,436	107%	149,436
Continuing Education	419,625	570,876	570,876	418,025	403,479	97%	403,479
Total Student Tuition and Fees	\$ 8,017,336	\$ 8,188,375	\$ 8,150,960	\$ 8,194,302	\$ 8,645,220	106%	\$ 8,645,221
State CCPF Support	\$ 11,603,465	\$ 11,537,972	\$ 11,603,188	\$ 11,544,716	\$ 11,626,195	101%	\$ 11,626,195
State Lottery/other Support	3,227,622	3,227,622	3,227,622	2,727,807	2,727,807	100%	2,727,807
Miscellaneous State Support	164,836	301,993	236,777	165,836	171,896	104%	171,896
Federal Support	80,000	54,020	54,020	80,000	66,682	86%	66,682
Gifts and Private Contracts	426,102	103,424	95,822	388,740	219,066	56%	219,066
Sales and Services	44,627	48,534	42,914	37,852	22,670	60%	22,670
Other Revenues	14,375	60,091	60,091	13,775	45,663	331%	45,663
Total Revenues	\$ 23,578,363	\$ 23,522,030	\$ 23,471,394	\$ 23,153,028	\$ 23,527,199	102%	\$ 23,527,199
Transfers In	\$ 135,000	\$ 135,000	\$ 135,000	\$ 563,471	\$ 572,522	102%	\$ 572,522
Board Reserves-HSCA	287,097			184,445	-	0%	184,445
Total Revenues and Transfers In	\$ 24,000,460	\$ 23,657,030	\$ 23,606,394	\$ 23,900,944	\$ 24,099,721	101%	\$ 24,284,166
EXPENDITURES							
Personal Expenditures							
Salaries and Wages	\$15,127,370	14,219,978.25	14,219,978.25	14,200,796	13,504,023	95%	13,504,023
Benefits	3,908,169	4,468,048	4,468,048	4,629,782	4,428,268	96%	4,428,268
Current Operating Expenditures	4,925,866	4,363,059	4,363,059	5,015,182	4,888,342	97%	4,888,342
Capital Outlay Expenditures	39,055	72,195	72,195	15,000	43,184	288%	\$43,184
Total Expenditures	\$24,000,460	\$23,123,280	\$23,123,281	\$23,860,761	\$22,863,816	96%	\$ 22,863,816
Transfer to Fund 7			(800,000)		(750,000)		(750,000)
Excess of Revenues over (Expenditures)	(\$0)	\$533,750	\$ (316,886)	\$40,183	\$ 485,905		\$ 670,350

LAKE-SUMTER STATE COLLEGE  
FISCAL STATUS REPORT-FUND 1  
GENERAL CURRENT FUND  
7/1/18 TO 08/31/18

FY 2017-18					FY 2018-2019				
REVENUES & BUDGETED FUND BALANCE									
Student Fees									
	Annual Budget	YTD Actual 8/31/2017	Annual Budget	YTD Actual 8/31/2018	Percent of Budget Earned	Projected 6/30/19			
Fall									
Tuition	\$ 2,670,319	\$ 2,865,777	\$ 2,788,927	\$ 2,868,092	103%	\$ 2,868,092			
Technology Fees	137,105	143,293	161,613	147,875	91%	147,875			
Distance Learning	136,400	147,570	165,035	174,750	106%	174,750			
Dual Enrollment	255,500	308,830	265,910	300,660	113%	300,660			
HSCA Dual Enrollment	161,700		338,368		0%	338,368			
Lab Fees	67,953	58,771	66,420	51,771		51,771			
Spring									
Tuition	\$ 2,670,319	\$ -	\$ 2,424,793	\$ -	0%	\$ 2,424,793			
Technology Fees	137,105	-	138,700	-	0%	138,700			
Distance Learning	136,400	-	160,343	-	0%	160,343			
Dual Enrollment	255,500	-	299,853	-	0%	299,853			
HSCA Dual Enrollment	161,700	-	338,368	-	0%	338,368			
Lab Fees	67,953	-	35,763	-	0%	35,763			
Summer									
Tuition	\$ 728,269	\$ -	\$ 925,680	\$ -	0%	\$ 925,680			
Technology Fees	37,392	-	36,308	-	0%	36,308			
Distance Learning	37,200	-	79,933	-	0%	79,933			
Dual Enrollment	-	-	-	-	0%	-			
HSCA Dual Enrollment	-	-	-	-	0%	-			
Lab Fees	18,532	-	5,083	-		5,083			
Miscellaneous Fees	139,390	50,094	121,827	24,755	20%	121,827			
Continuing Education	418,025	25,583	478,414	9,982	2%	478,414			
Total Student Tuition and Fees	\$ 8,256,762	\$ 3,599,917	\$ 8,831,338	\$ 3,517,885	41%	\$ 8,926,582			
State CCPF Support	\$ 10,853,152	\$ 1,808,858	\$ 10,730,454	\$ 1,788,408	17%	\$ 10,730,454			
State Performance Funding	\$ 691,564	\$ 118,878	\$ 713,266	\$ 119,788		\$ 713,266			
State Lottery	2,727,807	-	3,212,033	-	0%	3,212,033			
Miscellaneous State Support	165,836	-	219,836	-	0%	219,836			
Federal Support Indirect Cost	80,000	11,151	80,000	8,422	11%	80,000			
Foundation Support	191,314	(18,736)	425,633	2,097	0%	425,633			
Contracts	84,576		87,800			87,800			
Miscellaneous Revenue	121,976	(44,668)	121,977	731	1%	121,977			
Total Revenues	\$ 23,152,987	\$ 5,475,400	\$ 24,422,337	\$ 5,497,332	23%	\$ 24,517,581			
Transfers In	\$ 563,472	\$ -	\$ 606,797	\$ -	0%	\$ 606,797			
Board Reserves-HSCA	184,485	-	-	-		-			
Total Revenues and Transfers In	\$ 23,900,944	\$ 5,475,400	\$ 25,029,134	\$ 5,497,332	22%	\$ 25,124,378			
EXPENDITURES									
Personnel Expenditures									
Salaries and Wages	\$14,119,120	1,232,232.67	14,041,337	1,505,173.92	11%	14,403,416			
Benefits	4,741,303	342,358	4,934,606	620,525	13%	5,002,081			
Current Operating Expenditures	5,040,521	1,150,112	5,455,129	1,105,416	20%	5,455,129			
Capital Outlay Expenditures	0	2,168	0	0	0%	\$0			
Contingency			397,494		0%	\$0			
Total Expenditures	\$23,900,944	\$2,726,871	\$24,828,566	\$3,231,115	13%	\$ 24,860,626			
Transfer to Fund 7									
Excess of Revenues over (Expenditures)	\$0	\$2,748,529	\$200,568	\$2,266,216		\$ 263,752			



Lake Sumter  
State College

## OFFICE OF THE PRESIDENT

Present to the Board: September 19, 2018

TO: Lake-Sumter State College  
District Board of Trustees

FROM: Dr. Stanley Sidor  
President

RE: 334-Facilities Report

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### OVERVIEW

The Facilities Department prepares a monthly report on the status of capital projects and major repairs.

### ANALYSIS

A report on the status on facility projects is attached.

### RECOMMENDATION

Approve the current facilities project report.

# Facilities Report

September 2018

<u>PROJECT</u>	<u>BUDGET</u>	<u>FUNDING</u>	<u>STATUS</u>	<u>COMMENTS</u>
Infrastructure Project Phase II (Leesburg)	\$600,000	PECO	Permitting & Bid Preparations	<b>Progress to date:</b> Continuation of Phase I of the replacement of domestic and waste water piping around the campus. Project will commence at point where it ended in Phase I and continue around the campus back to the William Johnson building. Domestic supply water lines will be set in place, as well as sewage waste lines. Six new backflow preventors will be installed as part of the project. Conduit for future fiber optic installation will be installed. All concrete and parking lot patching is included in project. At this time Springstead Engineering is in permitting phase with City of Leesburg and the FDEP. Preparations are being made to start bid process.
Exterior Lighting and LED Lighting Upgrades (All campuses)	\$12,000	LOCAL	In Progress	<b>Progress to date:</b> Concerns from the Student Government over the safety of the Clermont and Leesburg campus exterior lighting resulted in a lighting assessment conducted to address safety concerns. Additional lighting to be added in areas where no lighting exists. Modifications to existing lighting are included in assessment to expand footprint of current fixtures. All new and modified lights will be LED. Work will be completed by Facility in-house staff. All new renovation spaces will receive upgraded LED lighting where feasible. Gymnasium high bay lighting is included in the project. Gymnasium retrofit lighting is in progress.
Signs and Branding (All campuses)	\$65,000	LOCAL	Production	<b>Progress to date:</b> Laurentano Sign Group of Orlando to start on the Leesburg Campus installing newly designed Wayfinding Signs. Signs are in production phase. Project will be completed by December 1, 2018. Second phase of project includes refresh and possible redesign of monument signs at the Leesburg and South Lake campuses.
Athletic Coaches and Trainers Room Renovations	\$83,000	CODS	Final Stages of Completion	<b>Progress to date:</b> Remodel offices in Convocation Center to accommodate the need for private coaches' offices. Replace existing HVAC system in trainer's office that has been in need of repair for multiple years. Included in project is replacement of exterior doors facing ball field that are the original doors of the facility. Doors have been modified to allow equipment to enter building for commencement and other events. Final stages are in progress. Project is in final stages.
ADA Civil Rights Survey (All campuses)	\$5,000	LOCAL	Planning	<b>Progress to date:</b> Continuing to correct the findings of the Office of Civil Rights survey on the Leesburg campus. South Lake and Sumter campuses are complete. The corrections include items such as restroom fixtures, signage and building access. The project is 95% complete.



SSB Second Floor HVAC Replacement (Leesburg)	\$300,000	PECO	Planning	<b>Progress to date:</b> System is over 30 years old and is past its current life span. Building renovations have required additional devices be installed, modifications to ventilation, as well as building automation controls changes. Project to begin soliciting bids in January 2019.
Grounds Beautification	\$150,000	LOCAL	In Progress	<b>Progress to date:</b> Many areas of the campuses have been improved and work still continues in this area. Survey of Leesburg campus trees was conducted by a local ISA certified arborist; Certified Tree Specialist from Umatilla. Project includes removal of highly unsafe trees and tree limbs. Five phases of the project have been completed. Working on final two phases of the project which includes parking lot areas and Disc Golf area clean up. New grounds management company is on site and will be identifying impact project to present to the College.
South Lake Building #2 SGA Expansion	\$30,000	LOCAL	Construction Completed	<b>Progress to date:</b> Plans to expand existing space in Building #2 for student lounge area. Project will combine office space(s) and expand lounge area. Expansion is needed on campus due to the increased student enrollment in the South Lake Campus. Construction is completed.
South Lake Veterans Lounge	\$30,000	Donations	Construction Completed	<b>Progress to date:</b> Plans to convert room #136 in Building #1 into a Veteran Student Lounge. Project being funded thru donations and grants from Westgate Resorts. Space will include private snack bar area with microwave and refrigerator, gaming area, and study area. New LED lighting in space. Construction of project is completed.



Lake Sumter  
State College

## OFFICE OF THE PRESIDENT

Present to the Board: 9/19/2018

TO: Lake-Sumter State College  
District Board of Trustees

FROM: Stanley M. Sidor  
President *Stan Sidor*

RE: Agenda Item # – Purchases Over \$25,000

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### OVERVIEW:

Each month a report is provided to the Board of Trustees accounting for any purchases that have been approved by the President which fall between \$25,000 and \$150,000. This report is prepared by the Office of the Vice President of Finance and Administration and is intended to keep the Board apprised of these purchases which fall under the authority of the President to be approved.

### ANALYSIS:

The purchases between \$25,000 - \$150,000 threshold for the period of July 1st, 2018 through August 31st, 2018 are attached.

### RECOMMENDATION:

It is recommended that the Board acknowledge or accept this item as written.

**Vendor:** Campus Labs, Inc.

**Item Description:** Subscription and support for Institutional Effectiveness Enterprise Solution Reporting Software for the period of September 8, 2018- September 7, 2019

**Amount:** \$48,211.24

**Purchase Order #:** P1900091

**Vendor Code:** CAMLAB

**Vendor:** CentruyLink

**Item Description:** Blanket PO for local phone services for the Leesburg, South Lake and

Sumter campuses

**Amount:** \$82,000.00

**Purchase Order #:** PB191T07

**Vendor Code:** SPRINT

**Vendor:** Certified Tree Specialist, Inc.

**Item Description:** Tree trimming and removal on the Leesburg Campus

**Amount:** \$49,300.00

**Purchase Order #:** P1900034

**Vendor Code:** X00121442

**Vendor:** Clermont, City of

**Item Description:** Blanket Purchase Order to cover water and sewage services at the South Lake campus for FY 2017-18

**Amount:** \$45,000.00

**Purchase Order #:** PB19FC16

**Vendor Code:** CLECIT

**Vendor:** Duke Energy

**Item Description:** Blanket PO for electric usage services for the South Lake campus

**Amount:** \$375,000.00

**Purchase Order #:** PB19FC17

**Vendor Code:** PROENE

**Vendor:** Elsevier Inc.

**Item Description:** Blanket PO for the Online HESI Testing and Evolve Web Resource Package

**Amount:** \$100,000.00

**Purchase Order #:** PB19NU08

**Vendor Code:** ELSCI

**Vendor:** Evergreen Construction Management, Inc.

**Item Description:** Renovations to the Athletics Training Room

**Amount:** \$36,207.00

**Purchase Order #:** P1900043

**Vendor Code:** X00121227

**Vendor:** GCA Services Group, Inc.

**Item Description:** Contracted Grounds and Custodial Services for the Leesburg, South Lake and Sumter campuses for Period of July 1 2018- August 31, 2018.

**Amount:** \$175,487.00

**Purchase Order #:** PB19FC02

**Vendor Code:** GCASER

**Vendor:** Infrastructure, Inc.

**Item Description:** Software subscription and support for CANVAS for the period of July 1, 2018- June 30, 2019

**Amount:** \$48,211.24

**Purchase Order #:** P1900020

**Vendor Code:** X00112144

**Vendor:** Leesburg, City of

**Item Description:** Blanket PO for Water, Electric, Fuel and Garbage services for the Leesburg campus

**Amount:** \$675,000.00

**Purchase Order #:** PB19FC13

**Vendor Code:** LEECIT

**Vendor:** Millennium Computer Solutions, LTD

**Item Description:** FAST Finance software subscription, including start-up, training and reporting functions

**Amount:** \$29,000.00

**Purchase Order #:** P1900088

**Vendor Code:** X00121855

**Vendor:** Miller and Miller Investigative and Security Services

**Item Description:** Annual security services for the Leesburg, South Lake and Sumter campuses

**Amount:** \$275,114.26

**Purchase Order #:** P1900068

**Vendor Code:** MILMIL

**Vendor:** Oracle USA, Inc.

**Item Description:** Technical support services for the college's Oracle software systems

**Amount:** \$46,221.24

**Purchase Order #:** P1900060

**Vendor Code:** ORAUSA

**Vendor:** Remote Technical Solutions, Inc.

**Item Description:** Blanket PO to provide technical services for FY 2018-19

**Amount:** \$25,000.00

**Purchase Order #:** PB191T02

**Vendor Code:** RTS

**Vendor:** Ryan Fitzgerald Construction, Inc.

**Item Description:** Renovations to the SGA area inside of Building 2 on the South Lake

Campus

**Amount:** \$36,278.90

**Purchase Order #:** P1900020

**Vendor Code:** X00118939

**Vendor:** Siemen's Industry, Inc.

**Item Description:** Condenser Coil Replacement, with a one (1) year parts and labor warranty, for Chiller #2 on the South Lake Campus

**Amount:** \$29,334.00

**Purchase Order #:** P1900048

**Vendor Code:** SIEIND

**Vendor:** Siemen's Industry, Inc.

**Item Description:** Renewal of Year five (5) of the five year Advantage Services Performance Agreement for the period of July 1, 2018 – June 30, 2019

**Amount:** \$86,077.00

**Purchase Order #:** P1900092

**Vendor Code:** SIEIND

**Vendor:** SECO Energy

**Item Description:** Blanket PO for electric usage services for the Sumter campus

**Amount:** \$57,000.00

**Purchase Order #:** PB19FC29

**Vendor Code:** SUMELE

**Vendor:** Springstead Engineering Inc.

**Item Description:** Civil Engineering Services for the Leesburg Campus to include preliminary planning, design and permitting, bid process, contract and Construction, administrative services, engineering and inspection services, surveying and subsurface utility locates and construction closeout

**Amount:** \$74,000.00

**Purchase Order #:** P1900017

**Vendor Code:** SPRENG

**Vendor:** Waste Management Inc. of Florida

**Item Description:** Blanket PO for the removal trash from the South Lake and Sumter Campuses

**Amount:** \$29,500.00

**Purchase Order #:** PB19FC35

**Vendor Code:** WASMAN



# Lake Sumter State College

## OFFICE OF THE PRESIDENT

Present to the Board: September 19, 2018

TO: Lake-Sumter State College  
District Board of Trustees

FROM: Stanley M. Sidor  
President *Stan Sidor*

RE: 336 – Scheduled Reports/Time Reserved/President

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### OVERVIEW:

Each month Dr. Stanley Sidor presents the District Board of Trustees with an updated report on lake-Sumter State College business and events surrounding the college.

### ANALYSIS:

The report contains information in reference to Legislative Updates, meetings, and other miscellaneous items.

### RECOMMENDATION:

It is recommended that the Board acknowledge or accept this item as written.

Dr. Sidor along with Dr. Diane Culpepper attended the FACTIVE (Florida Association for Career and Technical Education) on July 17 and addressed an audience of over 500 about the shared partnership between Lake Technical College and Lake-Sumter State College.

On July 31<sup>st</sup> Dr. Sidor, Mr. Jerry Miller, and the Foundation Manager, Margaret Spontak of Duke Energy met at the Sumter Center and toured the facility and discussed continued partnerships.

On August 10<sup>th</sup> we hosted over 700 Lake County educators for the Teacher Appreciation event.

On August 13<sup>th</sup> Dr. Sidor met the Local and State Candidates at the 2018 Hob Nob in South Lake at the Clermont Arts & Rec Center.

On August 14<sup>th</sup> Dr. Sidor met with Local and State Candidates at the 2018 Hob Nob here on the Leesburg Campus in the Everett Kelly Convocation Center.

Dr. Sidor addressed the entire college community on August 15<sup>th</sup> and updated them on what is currently happening at LSSC and thanked them for their role in making LSSC a great place to work and get a college degree.

Dr. Sidor spoke at the Planned Giving event that was held on August 24<sup>th</sup> in the Magnolia Room on the Leesburg Campus. This event hosts CPA's, attorneys, and financial planner on current laws, IRS rulings, and many other useful topics. Each attendee will receive three CEU credits.

On Monday, August 20<sup>th</sup> the college welcomed back its new and returning Lakehawks. Dr. Sidor welcomed students on each of the college campuses.





## Lake Sumter State College

### OFFICE OF THE PRESIDENT

Present to the Board: September 19, 2018

TO: Lake-Sumter State College  
District Board of Trustees

FROM: Stanley M. Sidor  
President *Stan Sidor*

RE: 337 – Committee Reports

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#### **OVERVIEW:**

The District Board of Trustees serve on Committees that address different areas of the college. Currently, there are six committees: Executive Committee, Health Science Collegiate Academy Governance Committee, Strategic Planning Committee, Sumter Partnership, and the LSSC Foundation, Inc. Liaison.

#### **ANALYSIS:**

The Board Chairman will appoint each Trustee to a committee and select a chairperson for each one. Once a meeting has occurred the chair of each committee will update the full Trustee Board at the monthly DBOT meeting.

#### **RECOMMENDATION:**

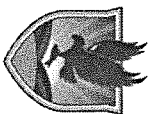
It is recommended that the Board acknowledge or accept this item as written.

**LAKE-SUMTER STATE COLLEGE  
EXECUTIVE COMMITTEE MEETING OF  
THE DISTRICT BOARD OF TRUSTEES  
SEPTEMBER 11, 2018**

Attendees: Mr. Pete Wahl (Chair), Ms. Emily Lee (Vice-Chair), Mr. Scott Blankenship (Past-Chair), Dr. Stan Sidor (President), Dr. Heather Bigard (Vice President, Administrative and Financial Services), Ms. Anita Geraci-Carver (College Attorney)

**Agenda Review**

- The President's report will include an update on the Unionization effort, if any. It will also include an update on our legislative budget request. The Council of Presidents is in conversation about the joint Florida College System request. LSSC's request will include funding for facilities, security enhancements, and a joint programming request with Lake Technical College for Digital Media and Computer Science.
- Dr. Sidor will also provide an update on the exploration of potential programs in construction and delivery of content to area churches. He will provide an update on the Sumter Center and the East Lake Property.
- There will be a Board Workshop on Performance Funding. Dr. Brady and Dr. Wymmer will present on our current efforts to train cohorts for performance.
- Anita Geraci-Carver will provide the annual code of ethics training.
- Emily Lee provided feedback from the Leesburg Chamber Meeting. Our media needs to be refreshed and we need to have a bigger presence in the community.
- Anita Geraci-Carver will provide an update on current and potential litigation.
- New Business items that will include the unaudited Annual Financial Report, Salary and Classification Schedule, Second Reading of Board Rule 5.13, Mr. Wahl will announce committees for the 2018-19.



# Lake Sumter State College

## OFFICE OF THE PRESIDENT

Present to the Board: September 19, 2018

TO: Lake-Sumter State College  
District Board of Trustees

FROM: Stanley M. Sidor  
President *Stanley M. Sidor*

RE: 338 – Scheduled Reports/Board Attorney

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### **OVERVIEW:**

Each month the college attorney Anita Geraci-Carver presents the District Board of Trustees with an updated report on any legal matters on behalf of Lake-Sumter State College.

### **ANALYSIS:**

The report contains information in reference to legal matters, and other miscellaneous items.

### **RECOMMENDATION:**

It is recommended that the Board acknowledge or accept this item as written.

ACG

Anita Geraci-Carver

ESQUIRE  
LAW OFFICE OF ANITA GERACI-CARVER, P.A.

September 10, 2018

District Board of Trustees for  
Lake-Sumter State College  
9501 U.S. Highway 441  
Leesburg, Florida 34474

Re: Board Attorney Report for September 19, 2018

Dear Trustees:

I hope you all had a wonderful summer! Below is an update on several matters of interest to the Board since the July meeting.

The OCR investigation into the student complaint previously reported on remains pending. There have been no developments since the College provided documents to OCR in late 2017. However, the student's attorney reached out to the College. Staff and I had a conference call with the student and attorney on August 24, 2018. Demands were non-monetary and monetary. On September 5, 2018 the College offered non-monetary options in response. As of the date of this report no further communications have taken place.

Notice of Claim – Florida Statutes 768.28(6) from Morgan & Morgan, P.A. on behalf of Karen Parker relating to an alleged incident on August 18, 2016. Ms. Parker claims while attending an event on the Leesburg campus she was injured when she tripped and fell. She claims there was a hole in one of the mats and she fell as a result. The College's insurance company is in receipt of the Notice of Claim and is in communication with Ms. Parker's attorney. Litigation has not been filed as of the date of this letter.

UFF v. Lake Sumter State College Board of Trustees, Case No. RC-2018-005: Public Employees Relations Commission (PERC). A mail ballot has been scheduled to take place September 4, 2018 – October 2, 2018. The ballots will be opened and counted at 2:00 p.m. on October 2, 2018 in the Commissions office in Tallahassee, Florida.

The College received correspondence from an employee's attorney demanding the College investigate claims raised by the employee relating to leave pursuant to the Family Medical Leave Act (FMLA), "prevent future instances of discrimination in the workplace," and contact the employee's attorney to "discuss a fair and reasonable resolution to this matter." Labor counsel, Mike Pierro, is working on this matter for the College.

I look forward to seeing you at the Board meeting. If you have any questions prior to the meeting, please let me know.

Respectfully submitted,

*Anita Geraci-Carver*

Anita Geraci-Carver

cc: Dr. Sidor, President  
Dr. Bigard, Vice-President

✓  
AG



Lake Sumter  
State College

## OFFICE OF THE PRESIDENT

Present to the Board: September 19, 2018

TO: Lake Sumter State College  
District Board of Trustees

FROM: Dr. Stanley Sidor  
President

RE: 339-Annual Financial Report (AFR) Unaudited 2017-18

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### OVERVIEW

Each year, the College prepares and submits an Annual Financial Report (AFR) to the State of Florida. The report includes both a narrative and consolidated summary of the institution's and direct support organization's financial activity.

### ANALYSIS

The College's financial position decreased \$2.6 million, or 3.3% from last year, due to the final payouts for the construction of the Science Health Building. Operating revenues increased 10.2% from student tuition, along with a proportional increase of 6.6% in operating expenses. Net position (net assets) totaled \$65.6 million at June 30, 2017.

The unrestricted fund balance is 9.55%, well above the 5% minimum requirement.

### RECOMMENDATION

Acknowledgement only

## ***MANAGEMENT'S DISCUSSION AND ANALYSIS***

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Management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the College for the fiscal year ended June 30, 2018, and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of College management. The MD&A contains financial activity of the College for the fiscal years ended June 30, 2018, and June 30, 2017.

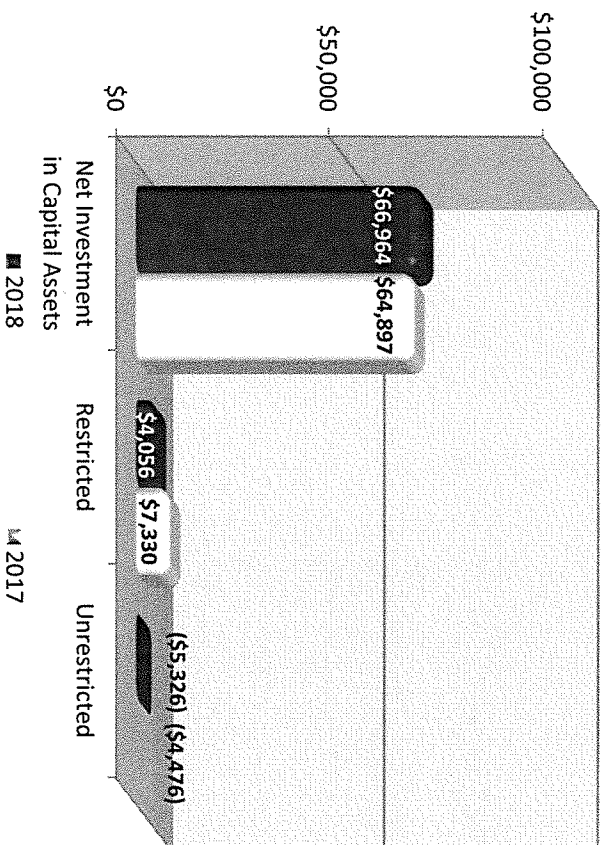
<b>FINANCIAL HIGHLIGHTS</b>
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The College's assets and deferred outflows of resources totaled \$83.3 million at June 30, 2018. This balance reflects a \$2.6 million, or 3.3%, decrease from the 2016-17 fiscal year, resulting from a \$3.3 million decrease in Due from Other Government Agencies, a \$150 thousand decrease in Due from Component Unit and a \$900 thousand increase in Accounts Receivable. While assets and deferred outflows of resources declined, liabilities and deferred inflows of resources decreased by \$1.4 million, totaling \$17.6 million at June 30, 2018, resulting from a reduction in Accounts Payable of \$2.2 million due to the conclusion of a construction project and increase in the Pension liabilities and deferred outflows of \$700 thousand. As a result, the College's net position decreased by \$2.1 million, resulting in a year-end balance of \$65.7 million.

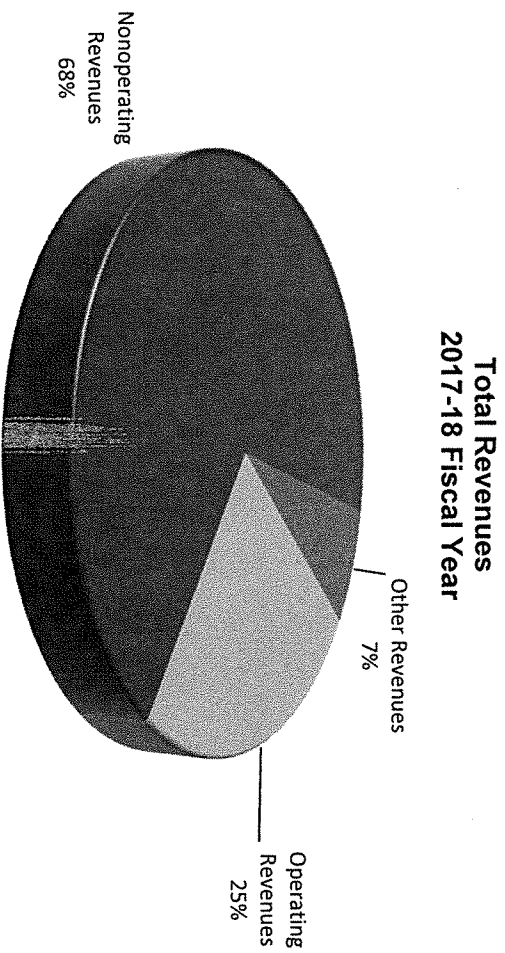
The College's operating revenues totaled \$8.2 million for the 2017-18 fiscal year, representing a 10.2% increase compared to the 2016-17 fiscal year due mainly to a 7.0% increase in revenue from Student Tuition. Operating expenses totaled \$35.4 million for the 2017-18 fiscal year, representing an increase of 6.6% as compared to the 2016-17 fiscal year due mainly to a significant increase in Scholarship awards, material and supplies purchases and depreciation expense following the addition of a new building at the South Lake Campus

Net position represents the residual interest in the College's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. The College's comparative total net position by category for the fiscal years ended June 30, 2018, and June 30, 2017, is shown in the following graph

**Net Position  
(In Thousands)**



The following chart provides a graphical presentation of College revenues by category for the 2017-18 fiscal year:





## OVERVIEW OF FINANCIAL STATEMENTS

Pursuant to GASB Statement No. 35, the College's financial report consists of three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. The financial statements, and notes thereto, encompass the College and its component unit:

- Lake-Sumter State College (Primary Institution) – Most of the programs and services generally associated with a college fall into this category, including instruction, public service, and support services.
- Lake-Sumter State College Foundation, Inc. (Component Unit) – Although legally separate, this component unit is important because the College is financially accountable for it, as the College reports its financial activities to the State of Florida.

This MD&A focuses on the College, excluding the discretely presented component unit. MD&A information for the Foundation is included in their separately issued audit reports.

### The Statement of Net Position

The statement of net position reflects the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the College, using the accrual basis of accounting, and presents the financial position of the College at a specified time. Assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position, which is one indicator of the College's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the College's financial condition.

The following summarizes the College's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30:

**Condensed Statement of Net Position at June 30**  
(In Thousands)

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Current Assets	\$ 7,518	\$ 11,982
Capital Assets, Net	60,459	67,031
Other Noncurrent Assets	9,316	897
<b>Total Assets</b>	<u>77,293</u>	<u>79,910</u>
<b>Deferred Outflows of Resources</b>	<u>6,000</u>	<u>5,434</u>
<b>Liabilities</b>		
Current Liabilities	2,460	4,669
Noncurrent Liabilities	14,203	12,667
<b>Total Liabilities</b>	<u>16,663</u>	<u>17,336</u>
<b>Deferred Inflows of Resources</b>	<u>936</u>	<u>257</u>
<b>Net Position</b>		
Net Investment in Capital Assets	66,964	64,897
Restricted	4,056	7,330
Unrestricted	<u>(5,326)</u>	<u>(4,476)</u>
<b>Total Net Position</b>	<u>\$ 65,694</u>	<u>\$ 67,751</u>

Total assets and deferred outflows of resources decreased by \$2.1 million primarily due to a \$6.6 million decrease in net capital assets and an \$8.4 million increase in Other Non-Current Assets. While assets and deferred outflows decreased, liabilities and deferred inflows of resources combined stayed consistent.

**The Statement of Revenues, Expenses, and Changes in Net Position**

The statement of revenues, expenses, and changes in net position presents the College's revenue and expense activity, categorized as operating and non-operating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the College's activity for the 2017-18 and 2016-17 fiscal years:

**Condensed Statement of Revenues, Expenses, and Changes in Net Position  
For the Fiscal Years**

(In Thousands)		
Operating Revenues	\$ 8,154	\$ 7,398
Less, Operating Expenses	35,160	33,160
<b>Operating Income (Loss)</b>	<b>(27,006)</b>	<b>(25,762)</b>
Net Nonoperating Revenues	22,688	22,167
<b>Income (Loss) Before Other Revenues, Expenses, Gains, or Losses</b>	<b>(4,318)</b>	<b>(3,595)</b>
Other Revenues, Expenses, Gains, or Losses	2,452	3,816
<b>Net Increase (Decrease) In Net Position</b>	<b>(1,866)</b>	<b>221</b>
Net Position, Beginning of Year	67,751	67,530
Adjustment(s) to Beginning Net Position (1)	(191)	-
<b>Net Position, Beginning of Year, as Restated</b>	<b>67,560</b>	<b>67,530</b>
<b>Net Position, End of Year</b>	<b>\$ 65,694</b>	<b>\$ 67,751</b>

**Operating Revenues**

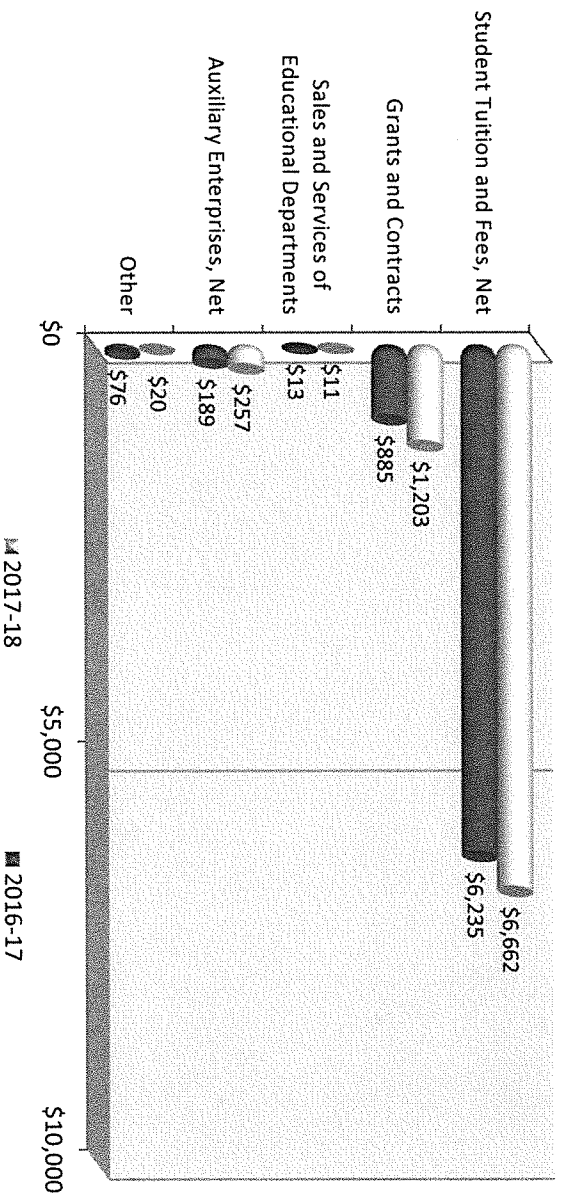
GASB Statement No. 35 categorizes revenues as either operating or non-operating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either gives or receives something of equal or similar value.

The following summarizes the operating revenues by source that were used to fund operating activities for the 2017-18 and 2016-17 fiscal years:

<b>Operating Revenues For the Fiscal Years (In Thousands)</b>		
	<b>2017-18</b>	<b>2016-17</b>
Student Tuition and Fees, Net	\$ 6,662	\$ 6,235
Grants and Contracts	1,203	885
Sales and Services of Educational Departments	11	13
Auxiliary Enterprises, Net	257	189
Other	20	76
<b>Total Operating Revenues</b>	<b>\$ 8,153</b>	<b>\$ 7,398</b>

The following chart presents the College's operating revenues for the 2017-18 and 2016-17 fiscal years:

### Operating Revenues (In Thousands)



The increase in College operating revenue was primarily the result of an increase in net student tuition and fees.

### Operating Expenses

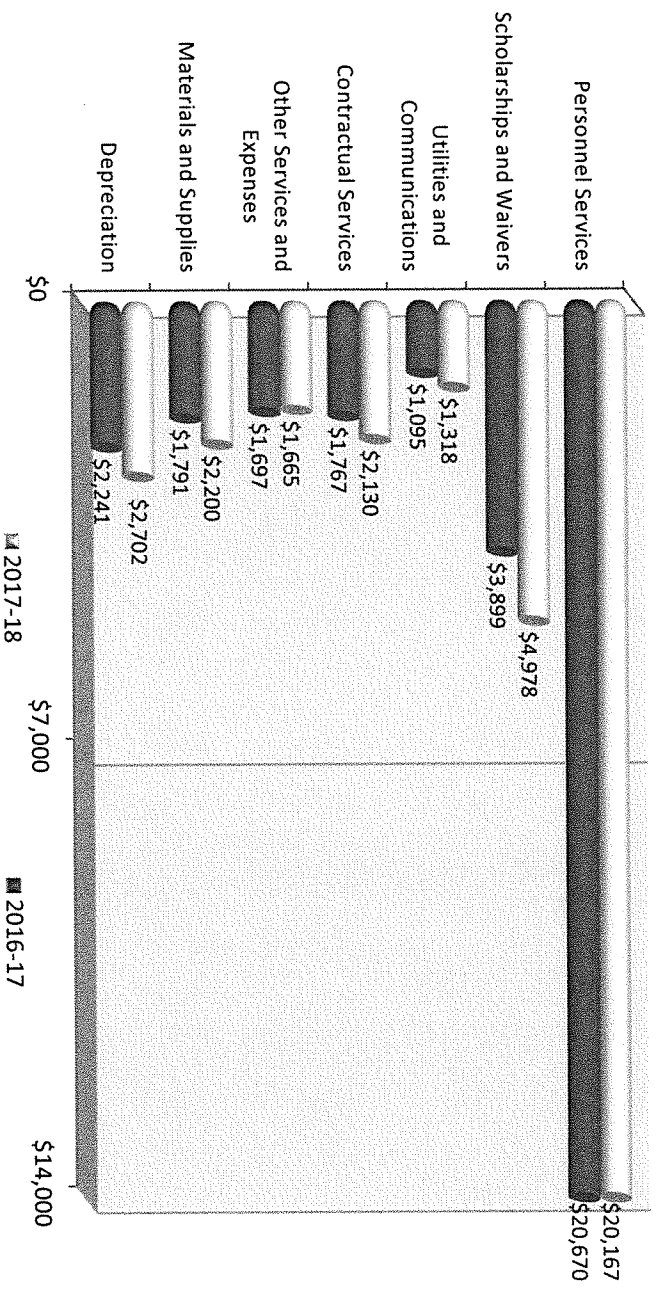
Expenses are categorized as operating or non-operating. The majority of the College's expenses are operating expenses as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The College has chosen to report the expenses in their natural classification on the statement of revenues, expenses, and changes in net position and has displayed the functional classification in the notes to financial statements.

The following summarizes operating expenses by natural classification for the 2017-18 and 2016-17 fiscal years:

Operating Expenses For the Fiscal Years (In Thousands)		
	2017-18	2016-17
Personnel Services	\$ 20,167	\$ 20,670
Scholarships and Waivers	4,978	3,899
Utilities and Communications	1,318	1,095
Contractual Services	2,130	1,767
Other Services and Expenses	1,665	1,697
Materials and Supplies	2,200	1,791
Depreciation	2,702	2,241
<b>Total Operating Expenses</b>	<b>\$ 35,160</b>	<b>\$ 33,160</b>

The following chart presents the College's operating expenses for the 2017-18 and 2016-17 fiscal years:

### Operating Expenses (In Thousands)



The College operating expense change was the result of an increase in Scholarships and Waivers.

### Non-operating Revenues and Expenses

Certain revenue sources that the College relies on to provide funding for operations, including State noncapital appropriations, Federal and State student financial aid, certain gifts and grants, and investment income are defined by GASB as non-operating. Non-operating expenses include capital financing costs and other costs related to capital assets. The following summarizes the College's non-operating revenues and expenses for the 2017-18 and 2016-17 fiscal years:

Non-operating Revenues (Expenses) For the Fiscal Years (In Thousands)		
	2017-18	2016-17
State Noncapital Appropriations	\$ 14,354	\$ 14,896
Federal and State Student Financial Aid	6,624	5,781
Gifts and Grants	1,682	1,444
Investment Income (Loss)	31	30
Other Nonoperating Revenues	-	21
Interest on Capital Asset-Related Debt	(3)	(5)
Other Nonoperating Expenses	-	-
<b>Net Nonoperating Revenues</b>	<b>\$ 22,688</b>	<b>\$ 22,167</b>

The College non-operating revenue change was the result of an increase in Student Financial Aid.

### Other Revenues

This category is composed of State capital appropriations and capital grants, contracts, gifts, and fees. The following summarizes the College's other revenues for the 2017-18 and 2016-17 fiscal years:

#### **Other Revenues, Expenses, Gains, or Losses For the Fiscal Years**

	<b>(In Thousands)</b>	
	<b>2017-18</b>	<b>2016-17</b>
State Capital Appropriations	\$ 492	\$ 3,031
Capital Grants, Contracts, Gifts, and Fees	1,960	785
Other Revenues (Expenses)	-	-
<b>Total</b>	<b><u>\$ 2,452</u></b>	<b><u>\$ 3,816</u></b>

Other Revenues decreased by \$1.4 million, primarily attributable to project-related Public Educational Capital Outlay (PECO) funding received in fiscal year 2016-17.

### The Statement of Cash Flows

The statement of cash flows provides information about the College's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the College's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the College. Cash flows from capital financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments, and earning income on those investments. Cash flows from noncapital financing activities include those activities not covered in other sections.

The following summarizes the College's cash flows for the 2017-18 and 2016-17 fiscal years:

#### **Condensed Statement of Cash Flows For the Fiscal Years**

**(In Thousands)**

	<b>2017-18</b>	<b>2016-17</b>
Cash Provided (Used) by:		
Operating Activities	\$(25,225)	\$(24,386)
Noncapital Financing Activities	22,817	21,929
Capital and Related Financing Activities	2,394	(842)
Investing Activities	31	30
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>17</b>	<b>(3,269)</b>
Cash and Cash Equivalents, Beginning of Year	-	10,801
<b>Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 17</u></b>	<b><u>\$ 7,532</u></b>

Major sources of funds came from State noncapital appropriations (\$14.4 million), Federal Direct Student Loan program receipts (\$2.2 million), net student tuition and fees (\$5.7 million), grants and contracts

(\$1.5 million), and Federal and State student financial aid (\$6.8 million). Major uses of funds were for payments to employees and for employee benefits (\$19.0 million), disbursements to students for Federal Direct Student Loans (\$2.2 million), payments to suppliers (\$7.6 million), payments for scholarships (\$5.0 million) and payments for utilities and communication (\$1.3 million).

Changes in cash and cash equivalents were the result of the following factors: A \$3 million decrease in project related Public Education Capital Outlay funding following the completion of a new building on the South Lake Campus.

<p style="text-align: center;"><b>CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS, AND DEBT ADMINISTRATION</b></p>
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**Capital Assets**

At June 30, 2018, the College had \$102.0 million in capital assets, less accumulated depreciation of \$35.0 million, for net capital assets of \$67.0 million. Depreciation charges for the current fiscal year totaled \$2.7 million. The following table summarizes the College's capital assets, net of accumulated depreciation, at June 30:

<b>Capital Assets, Net at June 30</b>		
<b>(In Thousands)</b>		
	<b>2018</b>	<b>2017</b>
Land	\$ 6,515	\$ 6,515
Artwork	\$ -	\$ 12
Construction in Progress	2	12,849
Buildings	85,899	71,088
Other Structures and Improvements	5,425	5,326
Furniture, Machinery, and Equipment	4,130	4,705
Assets Under Capital Lease(s)	-	-
<b>Capital Assets, Net</b>	<b>\$ 101,971</b>	<b>\$100,495</b>

Additional information about the College's capital assets is presented in the notes to the financial statements.

**Capital Expenses and Commitments**

Major capital expenses through June 30, 2018, were incurred on the following projects: A new Science Health Building was constructed on the South Lake Campus and ready for operation in July 2017. The majority of the construction took place in FY 15-16 and 16-17, only minor work was completed in FY17-18. The College did not have major construction commitments in place at June 30, 2018.

**Debt Administration**

As of June 30, 2018, the College had \$12,000 in State Board of Education capital outlay bonds, a decrease of \$36,000, or 75%, from the prior fiscal year. Additional information about the College's long-term debt is presented in the notes to financial statements.

### ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The College's economic condition is closely tied to that of the State of Florida. Because of limited economic growth and increased demand for State resources, only a modest increase in State funding is anticipated in the 2018-19 fiscal year. In response, the Board of Trustees did not increase the tuition rate. The College's current financial and capital plans indicate that the infusion of additional financial resources from an increase in tuition rates will be necessary to maintain its present level of services.

### REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A or other required supplementary information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Dr. Heather Bigard, Vice President for Administrative and Financial Services, Lake-Sumter State College, 9501 US Hwy 441, Leesburg, Florida 34788.



# BASIC FINANCIAL STATEMENTS

## LAKE-SUMTER STATE COLLEGE A Component Unit of the State of Florida Statement of Net Position

June 30, 2018

	College	Component Unit(s)
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 3,789,179	\$ 4,212,429
Restricted Cash and Cash Equivalents	960,323	-
Accounts Receivable, Net	1,337,131	15,000
Notes Receivable, Net	-	-
Due from Other Governmental Agencies	980,526	-
Due from Component Unit(s)/College	164,674	-
Inventories	-	-
Prepaid Expenses	283,658	11,000
Deposits	2,397	-
<b>Total Current Assets</b>	<b>7,517,887</b>	<b>4,238,429</b>
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	2,799,341	-
Investments	-	8,165,524
Restricted Investments	-	6,595,425
Depreciable Capital Assets, Net	60,458,753	287,182
Nondepreciable Capital Assets	6,516,993	348,872
Other Assets	-	1,162,972
<b>Total Noncurrent Assets</b>	<b>69,775,087</b>	<b>16,559,975</b>
<b>TOTAL ASSETS</b>	<b>77,292,974</b>	<b>20,798,404</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Other Postemployment Benefits	-	-
Pensions	5,999,565	-
Accumulated Decrease in Fair Value of Hedging	-	-
Derivatives	-	-
Deferred Amount on Debt Refunding(s)	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>5,999,565</b>	<b>-</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	295,029	-
Salary and Payroll Taxes Payable	1,608,992	-
Retirement Plan(s) Payable	-	-
Retainage Payable	-	-
Due to Other Governmental Agencies	149,422	-
Due to Component Unit(s)/College	-	946
Unearned Revenue	-	74,650
Deposits Held for Others	190,434	-
Long-Term Liabilities - Current Portion:		
Bonds Payable	-	-
Notes Payable	-	-
Installment Purchase(s) Payable	-	-
Capital Lease(s) Payable	-	-
Special Termination Benefits Payable	-	-
Compensated Absences Payable	215,879	-
Other Postemployment Benefits Payable	-	-
Net Pension Liability	-	-
<b>Total Current Liabilities</b>	<b>2,459,757</b>	<b>75,596</b>

**LAKE-SUMTER STATE COLLEGE**  
**A Component Unit of the State of Florida**  
**Statement of Net Position (Continued)**

June 30, 2018

	College	Component Unit(s)
<b>LIABILITIES (Continued)</b>		
Noncurrent Liabilities:		
Bonds Payable	12,000	-
Notes Payable	-	-
Installment Purchase(s) Payable	-	-
Capital Lease(s) Payable	-	-
Special Termination Benefits Payable	-	-
Compensated Absences Payable	1,227,245	-
Other Postemployment Benefits Payable	645,096	-
Net Pension Liability	12,319,093	-
<b>Total Noncurrent Liabilities</b>	<b>14,203,434</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>14,203,434</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Other Postemployment Benefits	32,203	-
Pensions	903,427	-
Deferred Inflows-Irrevocable Split-Interest Agreements		1,162,972
Derivatives	-	-
Deferred Amounts on Debt Refunding(s)	-	-
Deferred Federal Pell Grants	-	-
Deferred Service Concession Arrangement Receipts	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>935,630</b>	<b>1,162,972</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	66,963,747	636,054
Restricted:		
Nonexpendable:		6,595,424
Endowment	-	
Expendable:		3,275,815
Endowment	307,886	
Grants and Loans	57,447	4,220,404
Scholarships	3,690,324	2,216,468
Capital Projects	491	-
Debt Service	-	2,038,388
Other	-	577,283
Unrestricted	(5,326,176)	
<b>TOTAL NET POSITION</b>	<b>\$ 65,693,719</b>	<b>\$ 19,559,836</b>

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

**LAKE-SUMTER STATE COLLEGE**  
**A Component Unit of the State of Florida**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2018**

Nongovernmental Grants and Contracts	36,745	-
Sales and Services of Educational Departments	10,519	-
Auxiliary Enterprises	257,419	-
Other Operating Revenues	20,467	1,378,758
<b>Total Operating Revenues</b>	<b>8,153,655</b>	<b>1,378,758</b>
<b>EXPENSES</b>		
Operating Expenses:		
Personnel Services	20,167,383	247,247
Scholarships and Waivers	4,977,742	471,748
Utilities and Communications	1,318,390	-
Contractual Services	2,129,544	57,196
Other Services and Expenses	1,664,753	483,607
Materials and Supplies	2,200,190	42,847
Depreciation	2,701,871	8,974
<b>Total Operating Expenses</b>	<b>35,159,873</b>	<b>1,311,619</b>
<b>Operating Income (Loss)</b>	<b>(27,006,218)</b>	<b>67,139</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State Noncapital Appropriations	14,354,002	-
Federal and State Student Financial Aid	6,624,200	-
Gifts and Grants Received for Other Than Capital or Endowment Purposes	1,681,766	-
Private Gifts for Endowment Purposes	-	-
Investment Income (Loss)	31,017	379,171
Net Gain on Investments	-	2,002,690
Loss on Disposal of Capital Assets	-	-
Interest on Capital Asset-Related Debt	(2,820)	-
Other Nonoperating Expenses	-	-
<b>Net Nonoperating Revenues (Expenses)</b>	<b>22,688,185</b>	<b>2,381,861</b>
<b>Income (Loss) Before Other Revenues, Expenses, Gains, or Losses</b>	<b>(4,318,034)</b>	<b>2,449,000</b>
State Capital Appropriations	491,757	-
Capital Grants, Contracts, Gifts, and Fees	1,960,128	-
Additions to Endowments	-	712,342
<b>Total Other Revenues, Expenses, Gains, or Losses</b>	<b>2,451,885</b>	<b>712,342</b>
<b>Increase (Decrease) in Net Position</b>	<b>(1,866,149)</b>	<b>3,161,342</b>
Net Position, Beginning of Year	67,751,023	16,398,494
Adjustment to Beginning Net Position	(191,154)	-
<b>Net Position, Beginning of Year, as Restated</b>	<b>67,559,869</b>	<b>16,398,494</b>
<b>Net Position, End of Year</b>	<b>\$ 65,693,720</b>	<b>\$ 19,559,836</b>

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

**LAKE-SUMTER STATE COLLEGE**  
**A Component Unit of the State of Florida**  
**Statement of Cash Flows**

**For the Fiscal Year Ended June 30, 2018**

	<u>College</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Student Tuition and Fees, Net	\$ 5,721,257
Grants and Contracts	1,454,794
Payments to Suppliers	(7,624,753)
Payments for Utilities and Communications	(1,315,993)
Payments to Employees	(14,598,258)
Payments for Employee Benefits	(4,307,171)
Payments for Scholarships	(4,977,742)
Loans Issued to Students	-
Collection on Loans to Students	-
Auxiliary Enterprises, Net	263,326
Sales and Services of Educational Departments	10,519
Other Receipts (Payments)	148,719
<b>Net Cash Used by Operating Activities</b>	<u>(25,225,302)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State Noncapital Appropriations	14,354,002
Federal and State Student Financial Aid	6,782,619
Federal Direct Loan Program Receipts	2,187,876
Federal Direct Loan Program Disbursements	(2,187,876)
Gifts and Grants Received for Other Than Capital or Endowment Purposes	1,681,786
Private Gifts for Endowment Purposes	-
Other Nonoperating Receipts (Disbursements)	(1,784)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>22,816,623</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from Capital Debt	-
State Capital Appropriations	3,579,867
Capital Grants and Gifts	1,087,978
Proceeds from Sale of Capital Assets	-
Purchases of Capital Assets	(2,222,508)
Principal Paid on Capital Debt and Leases	(48,000)
Interest Paid on Capital Debt and Leases	(2,820)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>2,394,517</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from Sales and Maturities of Investments	-
Purchase of Investments	-
Investment Income	31,017
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>31,017</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	16,855
Cash and Cash Equivalents, Beginning of Year	7,531,988
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 7,548,843</u></u>

**LAKE-SUMTER STATE COLLEGE**  
**A Component Unit of the State of Florida**  
**Statement of Cash Flows (Continued)**

**For the Fiscal Year Ended June 30, 2018**

<b>College</b>	
<b>RECONCILIATION OF OPERATING LOSS</b>	
<b>TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating Loss	\$ (27,197,372)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	2,701,871
Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:	
Due from Other Governmental Agencies	84,709
Due from Component Unit	147,919
Due to Other Governmental Agencies	117,575
Receivables, Net	(871,620)
Inventories	-
Prepaid Expenses	(78,158)
Accounts Payable	(1,577,873)
Retirement Plan(s) Payable	-
Salaries and Payroll Taxes Payable	(152,668)
Unearned Revenue	-
Deposits Held for Others	58,677
Special Termination Benefits Payable	-
Compensated Absences Payable	162,647
Other Postemployment Benefits Payable	453,942
Net Pension Liability	811,176
Deferred Outflows of Resources Related to Other Postemployment Benefits	823,540
Deferred Inflows of Resources Related to Other Postemployment Benefits	(709,667)
Deferred Outflows of Resources Related to Pensions	-
Deferred Inflows of Resources Related to Pensions	-
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>\$ (25,225,302)</b>

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

# **NOTES TO FINANCIAL STATEMENTS**

## **1. Summary of Significant Accounting Policies**

**Reporting Entity.** The governing body of Lake-Sumter State College,<sup>1</sup> a component unit of the State of Florida, is the College Board of Trustees. The Board of Trustees constitutes a corporation and is composed of nine members appointed by the Governor and confirmed by the Senate. The Board of Trustees is under the general direction and control of the Florida Department of Education, Division of Florida Colleges, and is governed by State law and State Board of Education (SBE) rules. However, the Board of Trustees is directly responsible for the day-to-day operations and control of the College within the framework of applicable State laws and SBE rules. The College serves Lake and Sumter Counties.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. These criteria were used to evaluate potential component units for which the Board of Trustees is financially accountable and other organizations for which the nature and significance of their relationship with the Board of Trustees are such that exclusion would cause the College's financial statements to be misleading. Based on the application of these criteria, the College is a component unit of the State of Florida, and its financial balances and activities are reported in the State's Comprehensive Annual Financial Report by discrete presentation.

**Discretely Presented Component Units).** Based on the application of the criteria for determining component units, the Lake-Sumter State College Foundation, Inc. (Foundation), a legally separate entity, is included within the College's reporting entity as a discretely presented component unit and is governed by a separate board.

The Foundation is also a direct-support organization, as defined in Section 1004.70, Florida Statutes, and although legally separate from the College, is financially accountable to the College. The Foundation is managed independently, outside the College's budgeting process, and its powers generally are vested in a governing board pursuant to various State statutes. The Foundation receives, holds, invests, and administers property, and makes expenditures to or for the benefit of the College.

The Foundation is audited by other auditors pursuant to Section 1004.70(6), Florida Statutes. The Foundation's audited financial statements are available to the public and can be obtained from the Vice President for Administrative and Financial Services, Lake-Sumter State College, 9501 US Hwy 441, Leesburg, Florida 34788. The financial data reported on the accompanying financial statements was derived from the Foundation's audited financial statements for the fiscal year ended December 31, 2017.

**Basis of Presentation.** The College's accounting policies conform with the accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by GASB. The National Association of College and University Business Officers (NACUBO) also provides the College with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB). GASB allows public colleges various reporting options. The College has elected to report as an entity

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<sup>1</sup> The College's Board of Trustees approved the name change from Lake-Sumter Community College to Lake-Sumter State College on (date) pursuant to Section 1001.60(2)(b), Florida Statutes.

engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entity-wide reporting including the following components:

- Management's Discussion and Analysis
- Basic Financial Statements:
  - Statement of Net Position
  - Statement of Revenues, Expenses, and Changes in Net Position
  - Statement of Cash Flows
  - Notes to Financial Statements
- Other Required Supplementary Information

**Measurement Focus and Basis of Accounting.** Basis of accounting refers to when revenues, expenses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The College's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The College follows GASB standards of accounting and financial reporting.

The College's component unit uses the economic resources measurement focus and the accrual basis of accounting, and follows GASB standards of accounting and financial reporting.

Significant interdepartmental sales between auxiliary service departments and other institutional departments have been accounted for as reductions of expenses and not revenues of those departments.

The College's principal operating activity is instruction. Operating revenues and expenses generally include all fiscal transactions directly related to instruction as well as administration, academic support, student services, physical plant operations, and depreciation of capital assets. Non-operating revenues include State noncapital appropriations, Federal and State student financial aid, and investment income. Interest on capital asset-related debt is a non-operating expense. Other revenues generally include revenues for capital construction projects.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the College's policy to first apply the restricted resources to such programs followed by the use of the unrestricted resources.

The statement of revenues, expenses, and changes in net position is presented by major sources and is reported net of tuition scholarship allowances. Tuition scholarship allowances are the difference between the stated charge for goods and services provided by the College and the amount that is actually paid by the student or the third party making payment on behalf of the student. The College calculated its scholarship allowance by identifying amounts within the student accounts receivable system paid by

student financial aid for tuition and fees. To the extent that these resources are used to pay student charges, the College records a scholarship allowance against student tuition and fees.

The statement of cash flows is presented using the direct method in compliance with GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

**Cash and Cash Equivalents.** The amount reported as cash and cash equivalents consists of cash on hand, cash in demand accounts, and cash with the State Treasury Special Purpose Investment Account (SPIA) and the State Board of Administration (SBA) Florida PRIME investment pools. For reporting cash flows, the College considers all highly liquid investments with original maturities of 3 months or less, that are not held solely for income or profit, to be cash equivalents. Under this definition, the College considers amounts invested in the State Treasury SPIA and SBA Florida PRIME investment pools to be cash equivalents.

College cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets are classified as restricted.

At June 30, 2018, the College reported as cash equivalents at fair value \$1,699,149 in the State Treasury SPIA investment pool representing ownership of a share of the pool, not the underlying securities (Level 3 inputs, as discussed in Note X.). Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The State Treasury SPIA investment pool carried a credit rating of A+/- by Standard & Poor's, had an effective duration of 2.8 years and fair value factor of 0.9923 at June 30, 2018. Participants contribute to the State Treasury SPIA investment pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balance. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance. The College relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury SPIA investment pool are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

At June 30, 2018, the College reported as cash equivalents \$48,900 in the Florida PRIME investment pool administered by the SBA pursuant to Section 218.405, Florida Statutes. The College's investments in the Florida PRIME investment pool, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The Florida PRIME investment pool carried a credit rating of AA-/- by Standard & Poor's and had a weighted-average days to maturity (WAM) of 39 days as of June 30, 2018. A portfolio's WAM reflects the average maturity in days based on final maturity or



reset date, in the case of floating-rate instruments. WAM measures the sensitivity of the Florida PRIME investment pool to interest rate changes. The investments in the Florida PRIME investment pool are reported at amortized cost. Section 218.409(8)(a), Florida Statutes, provides that “the principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board [State Board of Administration] can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days.” As of June 30, 2018, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

**Capital Assets.** College capital assets consist of land; construction in progress; buildings; other structures and improvements; furniture, machinery, and equipment. These assets are capitalized and recorded at cost at the date of acquisition or at acquisition value at the date received in the case of gifts and purchases of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The College has a capitalization threshold of \$5,000 for tangible personal property and \$25,000 for buildings and other structures and improvements. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 40 years
- Other Structures and Improvements – 10 years
- Furniture, Machinery, and Equipment:
  - Computer Equipment – 3 years
  - Vehicles, Office Machines, and Educational Equipment – 5 years
  - Furniture – 7 years

**Noncurrent Liabilities.** Noncurrent liabilities include bonds payable, compensated absences payable, other postemployment benefits payable, and net pension liabilities that are not scheduled to be paid within the next fiscal year.

**Pensions.** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary

net positions of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS and HIS fiduciary net positions have been determined on the same basis as they are reported by the FRS and the HIS plans. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**2. Reporting Change(s)**

The College implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended. This statement addresses accounting and financial reporting for postemployment benefits other than pensions (OPEB) provided to employees of state and local government employers; establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses; requires governments to report a liability, deferred outflows of resources, deferred inflows of resources, and expenses on the face of the financial statement for the OPEB they provide; and requires more extensive note disclosures and supplementary information about a government's OPEB liability.

The College administers a single employer OPEB plan. The College is reporting a beginning deferred outflow of resources equal to the amounts paid for OPEB benefits subsequent to the measurement date of the beginning total OPEB liability and before the beginning of the College's fiscal year. There is not a beginning deferred inflow of resources. The effects of this change are detailed in a subsequent note.

**3. Adjustment(s) to Beginning Net Position**

The beginning net position of the College was increased by \$191,154 due to implementation of GASB Statement No. 75. The College's total OPEB liability reported at June 30, 2017, increased by \$424,321 to \$645,096 as of July 1, 2017, due to the transition in the valuation methods under GASB Statement No. 45 to GASB Statement No. 75, and beginning balances for deferred outflows and inflows of resources were not restated.

**4. Deficit Net Position in Individual Funds**

The College reported an unrestricted net position which included a deficit in the current funds - unrestricted, as shown below. This deficit can be attributed to the full recognition of long-term liabilities (i.e., compensated absences payable, OPEB payable, and net pension liabilities) in the current unrestricted funds.

<u>Fund</u>	<u>Net Position</u>
Current Funds - Unrestricted	\$ (6,261,956)
Auxiliary Funds	935,780
<b>Total</b>	<u>\$ (5,326,176)</u>

## 5. Investments – Component Unit

Investments held by the Foundation at December 31, 2017 are all Level 1 inputs reported at fair value, as follows:

Investment Type	Fair Value	Maturities in Years		
		1-5	6-10	More than 10
Investment in Debt Obligations:				
US Government Obligations	\$ 204,121	\$ 181,706	\$ -	\$ 22,415
Corporation Bonds	4,867,062	2,610,687	2,085,368	171,007
<b>Total Investment in Debt Obligations</b>	<b>\$ 5,071,183</b>	<b>\$ 2,792,393</b>	<b>\$ 2,085,368</b>	<b>\$ 193,422</b>
Other Investments:				
Equities	<u>9,689,766</u>			

**Fair Value Measurement.** The Foundation categorizes the fair measurements of its investments based on the hierarchy established by GAAP. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Foundation does not have any investments measured using Level 2 or 3 inputs.

Fair value measurements of the Foundation's investments at December 31, 2018, are reported as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>Investments by fair value level</b>	<b>Amount</b>			
<b>Debt Securities:</b>				
Government Obligations	204,121	204,121		
Corporate Bonds	4,666,254	4,666,254		
Foreign Bonds	200,808	200,808	-	-
<b>Total Debt Securities</b>	<b>\$ 5,071,183</b>	<b>5,071,183</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Equity Securities</b>				
Equities	9,559,114	9,559,114		
ETF Closed End Equity Funds	56,324	56,324		
Real Estate Investment Trusts	74,328	74,328		
<b>Total Equity Securities</b>	<b>9,689,766</b>	<b>9,689,766</b>	<b>-</b>	<b>-</b>
<b>Total investments by fair value level</b>	<b>\$ 14,760,949</b>	<b>\$ 14,760,949</b>		

The Foundation mitigates risk by utilizing investment managers to build a portfolio with the right risk profile.

The following risks apply to the Foundation's investment in debt securities:

*Interest Rate Risk* –Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Foundation's investment policy does not limit investment maturities except with respect to cash equivalents, which must have a maximum average maturity of less than one year. The Foundation manages its exposure to fair value losses from increasing interest rates through the segmented time distribution method.

*Credit Risk* –Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Foundation's investment policy limits its fixed income investments to an overall weighted average credit rating of "A" or better by Moody's or better by Standard & Poor's. No more than 15% of the fixed income portion of the portfolio shall be rated below investment grade (below Baa/BBB). All commercial paper investments must have a minimum rating of A1/P1 by Standard & Poor's and Moody's, respectively. Obligations of the U.S. Government and obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk. At December 31, 2012, the Foundation's investments in bonds and notes had credit quality ratings by nationally-recognized rating agencies ranging from Aa2 to Aaa by Moody's and from A to AAA by Standard & Poor's.

*Custodial Credit Risk* – Custodial credit risk is the risk that, in the event of failure of a counterparty to a transaction, the Foundation will not be able to recover the value of investment or collateral securities that

are in the possession of an outside party. Lending of the Foundation's portfolio of securities is expressly prohibited by the Foundation's investment policy. While the brokerage and trust accounts are in the name of the Foundation, the securities are actually held in the trust department or agent's name.

*Concentration of Credit Risk* – Concentration of credit risk is the risk of loss attributed to the magnitude of the Foundation's investment in a single issuer. The Foundation's investment policy limits investments in any one company to no more than seven% of the equity portion of its portfolio and no more than ten% of the fixed income portion of its portfolio, and the equity portion of the portfolio must maintain a minimum of twenty positions, with no position of any one issuer exceeding eight% of the manager's total portfolio. Securities issued by the U.S. Government or its agencies are not subject to these limitations. The policy also provides that no more than five% of the portfolio may be invested in commercial paper of any one issuer, and no more than \$3,000,000 in bank certificates of deposit of any single issuer, unless the investments are fully collateralized by U.S. Treasury or agency securities. The policy further limits investments in any one economic sector to no more than ten% of the equity portion of the portfolio may be in American Depository Receipts, and no more than sixty% of the fixed income portion of the portfolio may be invested in either corporate or mortgage-backed securities.

#### **6. Accounts Receivable**

Accounts receivable represent amounts for student fee deferments, various student services provided by the College, uncollected commissions for food service and vending machine sales, unused credit memos, and contract and grant reimbursements due from third parties. The accounts receivable are reported net of a \$66,287 allowance for doubtful accounts. A total of \$102,746 was written off at the end of the fiscal year.

#### **7. Due From Other Governmental Agencies**

The amount due from other governmental agencies primarily consists of \$ 980,526 of Public Education Capital Outlay allocations due from the State for construction of College facilities.

#### **8. Due From and To Component Unit(s)/College**

The amount due from component unit consists of amounts owed to the College by the Lake-Sumter State College Foundation, Inc. (Foundation) for scholarships and student aid. The \$164,674 reported as due to component unit(s) consists of amounts owed by the College to the Foundation pursuant to an agreement to support the Foundation's operations. The College's financial statements are reported for the fiscal year ended June 30, 2018. The College's component unit(s) financial statements are reported for the fiscal year ended December 31, 2017. Accordingly, amounts reported by the College as due from and to component unit(s) on the statement of net position do not agree with amounts reported by the component unit(s) as due from and to the College.

#### **9. Capital Assets**

Capital assets activity for the fiscal year ended June 30, 2018, is shown in the following table:

<u>Description</u>	<u>Beginning Balance</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets:					
Land	\$ 6,514,755	\$ -	\$ -	\$ -	\$ 6,514,755
Artwork	\$ 12,188	-	-	\$ 12,188	\$ -
Construction in Progress	12,848,867	-	1,267,240	14,113,869	2,238
<b>Total Nondepreciable Capital Assets</b>	<b>\$ 19,375,810</b>	<b>\$ -</b>	<b>\$ 1,267,240</b>	<b>\$ 14,126,057</b>	<b>\$ 6,516,993</b>
Depreciable Capital Assets:					
Buildings	\$ 71,088,510	\$ -	\$ 14,810,734	\$ -	\$ 85,899,244
Other Structures and Improvements	5,325,564	-	99,449	-	5,425,013
Furniture, Machinery, and Equipment	4,704,858	-	674,694	1,249,645	4,129,907
Assets Under Capital Lease(s)	-	-	-	-	-
<b>Total Depreciable Capital Assets</b>	<b>81,118,932</b>	<b>-</b>	<b>15,584,877</b>	<b>1,249,645</b>	<b>95,454,164</b>
Less, Accumulated Depreciation:					
Buildings	25,145,804	-	1,965,627	-	27,111,431
Other Structures and Improvements	4,534,945	-	181,701	-	4,716,646
Furniture, Machinery, and Equipment	3,782,742	-	554,543	1,169,952	3,167,333
Assets Under Capital Lease(s)	-	-	-	-	-
<b>Total Accumulated Depreciation</b>	<b>33,463,491</b>	<b>-</b>	<b>2,701,871</b>	<b>1,169,952</b>	<b>34,995,410</b>
<b>Total Depreciable Capital Assets, Net</b>	<b>\$ 47,655,441</b>	<b>\$ -</b>	<b>\$ 12,883,006</b>	<b>\$ 79,693</b>	<b>\$ 60,458,754</b>

## 10. Long-Term Liabilities

Long-term liabilities activity for the fiscal year ended June 30, 2018, is shown in the following table:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Bonds Payable	\$ 60,000	\$ -	\$ 48,000	\$ 12,000	\$ -
Note(s) Payable	-	-	-	-	-
Installment Purchase(s) Payable	-	-	-	-	-
Capital Lease(s) Payable	-	-	-	-	-
Special Termination Benefits Payable	-	-	-	-	-
Compensated Absences Payable	1,280,477	212,490	49,843	1,443,124	215,879
Other Postemployment					
Benefits Payable	191,154	453,942	-	645,096	-
Net Pension Liability	11,507,917	1,375,919	564,743	12,319,093	-
<b>Total Long-Term Liabilities</b>	<b>\$ 13,039,548</b>	<b>\$ 2,042,351</b>	<b>\$ 662,586</b>	<b>\$ 14,419,313</b>	<b>\$ 215,879</b>

**Bonds Payable.** The State Board of Education (SBE) issues capital outlay bonds on behalf of the College. These bonds mature serially and are secured by a pledge of the College's portion of the State-assessed motor vehicle license tax and by the State's full faith and credit. The SBE and the State Board of Administration (SBA) administer the principal and interest payments, investment of debt service resources, and compliance with reserve requirements. The College had the following bonds payable at June 30, 2018:

The College had the following bonds payable at June 30, 2018:

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
SBE Capital Outlay Bonds: Series 2014B	\$ 12,000	5%	2020
<b>Total</b>	<u>\$ 12,000</u>		

Annual requirements to amortize all bonded debt outstanding as of June 30, 2018, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>SBE Capital Outlay Bonds and Capital Improvement Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 6,000	\$ 210	\$ 6,210
2020	6,000	60	6,060
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024-2028	-	-	-
2029-2033	-	-	-
<b>Total</b>	<u>\$ 12,000</u>	<u>\$ 270</u>	<u>\$ 12,270</u>

**Compensated Absences Payable.** College employees may accrue annual and sick leave based on length of service, subject to certain limitations regarding the amount that will be paid upon termination. The College reports a liability for the accrued leave; however, State noncapital appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the College expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. At June 30, 2018, the estimated liability for compensated absences, which includes the College's share of the Florida Retirement System and FICA contributions, totaled \$1,227,245. The current portion of the compensated absences liability, \$215,879, is the amount expected to be paid in the coming fiscal year and represents a historical percentage of leave used applied to total accrued leave liability.

**Other Postemployment Benefits Payable.** The College follows GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for other postemployment benefits administered by the Florida College System Risk Management Consortium.

#### **General Information about the OPEB Plan**

*Plan Description.* The College contributes to an agent multiple-employer defined benefit plan administered by the Florida College System Risk Management Consortium that provides OPEB for all employees who satisfy the College's retirement eligibility provisions. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the College are eligible to

participate in the College's healthcare and life insurance benefits. The College subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The College does not offer any explicit subsidies for retiree coverage. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary health coverage as soon as they are eligible. Neither the college nor the consortium issue a stand-alone annual report for the OPEB Plan and the OPEB Plan is not included in the annual report of a public employee retirement system or another entity. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

*Employees Covered by Benefit Terms.* At June 30, 2017, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	18
Inactive Employees Entitled to But Not Yet Receiving Benefits	
DROP Members	4
Active Employees	250
<b>Total</b>	<u>272</u>

***Total OPEB Liability***

The College's total OPEB liability of \$645,096 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.6%
Salary increases	5.9%, average, including inflation
Discount rate	3.56%
Healthcare cost trend rates	7.5% for 2017, decreasing 0.5% per year to an ultimate rate of 5.0% for 2023 and later years
Retirees' share of benefit-related costs	5.5% of projected health insurance premiums for retirees

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for FRS experience and generational mortality improvements using Scale MP-2014.



The demographic actuarial assumptions for mortality, retirement, disability incidence, and withdrawal used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013, adopted by the FRS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2017, valuation were based on a review of recent plan experience done concurrently with the June 30, 2017, valuation.

### ***Changes in the Total OPEB Liability***

	<b>Amount</b>
<b>Balance at 6/30/17, as Restated</b>	<b>\$ 664,206.00</b>
<b>Changes for the year:</b>	
Service Cost	46,260.00
Interest	19,265.00
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(35,904.00)
Changes in Assumptions or Other Inputs	(48,731.00)
Benefit Payments	(19,110.00)
<b>Net Changes</b>	<b>(19,110.00)</b>
<b>Balance at 6/30/18</b>	<b>\$ 645,096.00</b>

There were no changes of benefit reflected to be recognized.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.01% in 2016 to 3.56% in 2017.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following table presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1%age point lower (2.56%) or 1%age point higher (4.56%) than the current rate:

	<b>1% Decrease (2.56%)</b>	<b>Current Discount Rate (3.56%)</b>	<b>1% Increase (4.56%)</b>
Total OPEB liability	\$713,044	\$645,096	\$587,719

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following table presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1%age point lower (7.50% decreasing to 6.50%) or 1%age point higher (7.50% increasing 8.50%) than the current healthcare cost trend rates:

	1% Decrease (7.50% decreasing to 6.50%)	Healthcare Cost Trend Rates (7.50% decreasing to x%)	1% Increase (7.50% increasing to 8.50%)
Total OPEB liability	\$560,847	\$645,096	\$752,845

### ***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the fiscal year ended June 30, 2018, the College recognized OPEB expense of \$61,824. At June 30, 2018, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Transactions subsequent to the measurement date	-	32,203

**Net Pension Liability.** As a participating employer in the Florida Retirement System (FRS), the College recognizes its proportionate share of the collective net pension liabilities of the FRS cost-sharing multiple-employer defined benefit plans. As of June 30, 2018, the College's proportionate share of the net pension liabilities totaled \$8,265,408. Note 9 includes a complete discussion of defined benefit pension plans.

### **11. Retirement Plans – Defined Benefit Pension Plans**

#### ***General Information about the Florida Retirement System (FRS)***

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 121, Florida Statutes, also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class employed by the State and faculty and specified employees of State colleges. Chapter 112, Florida Statutes, established the HIS Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the College are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and

described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services Web site ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The College's FRS and HIS pension expense totaled \$1,871,692 for the fiscal year ended June 30, 2018.

#### FRS Pension Plan

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

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.

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

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

*Benefits Provided.* Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following table shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
<b>Regular Class members initially enrolled before July 1, 2011</b>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<b>Regular Class members initially enrolled on or after July 1, 2011</b>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<b>Senior Management Service Class</b>	2.00

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

*Contributions.* The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2017-18 fiscal year were:

<u>Class</u>	<u>% of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	7.92
FRS, Senior Management Service	3.00	22.71
Deferred Retirement Option Program (applicable to members from all of the above classes)	0.00	13.26
FRS, Reemployed Retiree	(2)	(2)

(1) Employer rates include 1.66% for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06% for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The College's contributions to the Plan totaled \$727,430 for the fiscal year ended June 30, 2018.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2018, the College reported a liability of \$8,265,408 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The College's proportionate share of the net pension liability

was based on the College's 2016-17 fiscal year contributions relative to the total 2016-17 fiscal year contributions of all participating members. At June 30, 2017, the College's proportionate share was .027943189%, which was an increase of .000658167 from its proportionate share measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the College recognized pension expense of \$1,516,334. In addition, the College reported deferred outflows of resources and deferred inflows of resources related to pensions

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 758,566	\$ 45,786
Change of assumptions	2,777,761	
Net difference between projected and actual earnings on FRS Plan investments	-	204,837
Changes in proportion and differences between College FRS contributions and proportionate share of contributions	458,815	148,346
College FRS contributions subsequent to the measurement date	842,550	
<b>Total</b>	<b>\$ 4,837,692</b>	<b>\$ 398,969</b>

The deferred outflows of resources \$842,550, resulting from College contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2019	\$ 469,393
2020	1,247,612
2021	872,332
2022	178,238
2023	602,838
Thereafter	225,760
<b>Total</b>	<b>\$ 3,596,173</b>

*Actuarial Assumptions.* The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	7.10%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Compound</u>		
		<u>Annual Arithmetic Return</u>	<u>Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	3.0%	3.0%	1.8%
Fixed Income	18%	4.5%	4.4%	4.2%
Global Equity	53%	7.8%	6.6%	17.0%
Real Estate (Property)	10%	6.6%	5.9%	12.8%
Private Equity	6%	11.5%	7.8%	30.0%
Strategic Investments	12%	6.1%	5.6%	9.7%
<b>Total</b>	<b>100%</b>			
Assumed Inflation - Mean			2.6%	1.9%

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

**Discount Rate.** The discount rate used to measure the total pension liability was 7.10%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2017 valuation was updated from 7.60% to 7.10%.

**Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.10%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1%age point lower (6.10%) or 1%age point higher (8.10%) than the current rate:

	<b>1% Decrease (6.10%)</b>	<b>Current Discount Rate (7.10%)</b>	<b>1% Increase (8.10%)</b>
College's proportionate share of the net pension liability	\$14,959,889	\$8,265,408	\$2,707,455

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

#### **HIS Pension Plan**

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

*Benefits Provided.* For the fiscal year ended June 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

*Contributions.* The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2018, the contribution rate was 1.66% of payroll pursuant to Section 112.363, Florida Statutes. The College contributed 100% of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The College's contributions to the HIS Plan totaled \$136,297 for the fiscal year ended June 30, 2018.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2018, the College reported a net pension liability of \$4,053,685 for its proportionate share of the net pension liability. The current portion of the net pension liability is the College's proportionate share of benefit payments expected to be paid within 1 year, net of the College's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, and update procedures were used to determine liabilities as of July 1, 2017. The College's proportionate share of the net pension liability was based on the College's 2016-17 fiscal year contributions relative to the total 2016-17 fiscal year contributions of all participating members. As of June 30, 2017, the College's proportionate share was .0379116150%, which was a decrease of .001715949 from its proportionate share measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the College recognized pension expense of \$355,358. In addition, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change of assumptions	\$ 569,809	\$ (350,526)
Net difference between projected and actual earnings on HIS Plan investments	2,248	(8,440)
Changes in proportion and differences between College HIS contributions and proportionate share of HIS contributions	310,604	(145,492)
College contributions subsequent to the measurement date	136,297	-
<b>Total</b>	<u>\$ 1,018,958</u>	<u>\$ (504,458)</u>

The deferred outflows of resources totaling \$136,297, resulting from College contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2019	\$ 116,343
2020	115,597
2021	115,240
2022	86,397
2023	34,071
Thereafter	(94,445)
<b>Total</b>	<u>\$ 373,203</u>

*Actuarial Assumptions.* The total pension liability at July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	3.25%, average, including inflation
Municipal bond rate	3.58%

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

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



*Discount Rate.* The discount rate used to measure the total pension liability was%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2017 valuation was updated from 2.85% to 3.58%.

*Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 3.58%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1%age point lower (2.58%) or 1%age point higher (4.58%) than the current rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
College's proportionate share of the net pension liability	\$4,625,791	\$4,053,685	\$3,577,152

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

**12. Retirement Plans – Defined Contribution Pension Plans**

**FRS Investment Plan.** The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State's Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. College employees already participating in the State College System Optional Retirement Program or DROP are not eligible to participate in the Investment Plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions rates, that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2017-18 fiscal year were as follows:

<u>Class</u>	<u>% of Gross Compensation</u>
FRS, Regular	6.30
FRS, Senior Management Service	7.67

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the College.

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

The College's Investment Plan pension expense totaled \$347,294 for the fiscal year ended June 30, 2018.

**State College System Optional Retirement Program.** Section 1012.875, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible college instructors and administrators. The Program is designed to aid colleges in recruiting employees by offering more portability to employees not expected to remain in the FRS for 8 or more years.

The Program is a defined contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing college contributes 5.15% of the participant's salary to the participant's account, 3.3% to cover the unfunded actuarial liability of the FRS pension plan, and 0% to cover the administrative costs, for a total of 8.45%, and employees contribute 3% of the employee's salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the college to the participant's annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

The College's contributions to the Program totaled \$77,552 and employee contributions totaled \$45,435 for the 2017-18 fiscal year.

### 13. Construction Commitments

There were no major construction commitments as of 06/30/2018.

### 14. Operating Lease Commitments

The College leased 50 printers under operating leases, the majority of which expire in October 2018. These leased assets and the related commitments are not reported on the College's statement of net position. Operating lease payments are recorded as expenses when paid or incurred. Outstanding commitments resulting from this (these) lease agreement(s) are contingent upon future appropriations. Future minimum lease commitments for this (these) non-cancelable operating lease(s) are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2019	\$ 83,603
2020	8,917
2021	8,917
2022	8,917
2023	4,738
2024-2028	-
<b>Total Minimum Payments Required</b>	<b><u>\$ 115,093</u></b>

### 15. Risk Management Programs

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College provided coverage for these risks primarily through the Florida College System Risk Management Consortium (Consortium), which was created under authority of Section 1001.64(27), Florida Statutes, by the boards of trustees of the Florida public colleges for the purpose of joining a cooperative effort to develop, implement, and participate in a coordinated Statewide college risk management program. The Consortium is self-sustaining through member assessments (premiums) and purchases excess insurance through commercial companies for claims in excess of specified amounts. Excess insurance from commercial companies provided coverage of up to \$200 million for property insurance. Insurance coverage obtained through the Consortium included fire and extended property, general and automobile liability, workers' compensation, health, life, and other liability coverage. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past 3 fiscal years.

### 16. Functional Distribution of Operating Expenses

The functional classification of an operating expense (instruction, academic support, etc.) is assigned to a department based on the nature of the activity, which represents the material portion of the activity attributable to the department. For example, activities of an academic department for which the primary departmental function is instruction may include some activities other than direct instruction such as public service. However, when the primary mission of the department consists of instructional program elements, all expenses of the department are reported under the instruction classification. The operating expenses on the statement of revenues, expenses, and changes in net position are presented by natural

classifications. The following are those same expenses presented in functional classifications as recommended by NACUBO:

<u>Functional Classification</u>	<u>Amount</u>
Instruction	\$ 8,607,114
Public Services	172,508
Academic Support	4,256,000
Student Services	3,419,869
Institutional Support	6,493,178
Operation and Maintenance of Plant	4,455,856
Scholarships and Waivers	4,977,742
Depreciation	2,701,871
Auxiliary Enterprises	75,735
<b>Total Operating Expenses</b>	<u><u>\$ 35,159,873</u></u>

## 17. Discretely Presented Component Unit

The College has one discretely presented component units as discussed in Note 1. These component units represent 100% of the transactions and account balances of the aggregate discretely presented component units columns of the financial statements. The following financial information is from the most recently available audited financial statements for the component units:

### Condensed Statement of Net Position

	Direct-Support Organizations		Other		
	LSCC	Name of	Name of	Name of	Total
	Foundation	DPCU	DPCU	DPCU	
<b>Assets:</b>					
Current Assets	\$ 12,389	\$ -	\$ -	\$ -	\$ 12,389
Capital Assets, Net	636	-	-	-	636
Other Noncurrent Assets	7,773	-	-	-	7,773
<b>Total Assets</b>	<b>20,798</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,798</b>
<b>Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities:</b>					
Current Liabilities	76	-	-	-	76
Noncurrent Liabilities	-	-	-	-	-
<b>Total Liabilities</b>	<b>76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76</b>
<b>Deferred Inflows of Resources</b>	<b>1,163</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,163</b>
<b>Net Position:</b>					
Net Investment in Capital Assets	636	-	-	-	636
Restricted Nonexpendable	6,595	-	-	-	6,595
Restricted Expendable	11,751	-	-	-	11,751
Unrestricted	577	-	-	-	577
<b>Total Net Position</b>	<b>\$ 19,559</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,559</b>

## Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Direct-Support Organizations			Other		Total
	LSSC Foundation	Name of DPCU	Name of DPCU	Name of DPCU		
Operating Revenues	\$ 1,379	\$ -	\$ -	\$ 1,379	\$ 2,758	
Depreciation Expense	(9)	-	-	-	(9)	
Operating Expenses	(1,303)	-	-	-	(1,303)	
<b>Operating Income (Loss)</b>	67	-	-	1,379	1,446	
Net Nonoperating Revenues (Expenses):						
Nonoperating Revenues	2,382	-	-	-	2,382	
Interest Expense	-	-	-	-	-	
Other Nonoperating Expenses	-	-	-	-	-	
<b>Net Nonoperating Revenues (Expenses)</b>	2,382	-	-	-	2,382	
Other Revenues, Expenses, Gains, and Losses	712	-	-	-	712	
<b>Increase (Decrease) in Net Position</b>	3,161	-	-	1,379	4,540	
Net Position, Beginning of Year	16,398	-	-	-	-	
Adjustment to Beginning Net Position (1)	-	-	-	-	-	
<b>Net Position, Beginning of Year, as Restated</b>	16,398	-	-	-	-	
<b>Net Position, End of Year</b>	\$ 19,559	\$ -	\$ -	\$ 1,379	\$ 4,540	

(1) Add description of adjustment to Beginning Net Position.

### 18. Current Unrestricted Funds

The Southern Association of Colleges and Schools, Commission on Colleges, which establishes the accreditation requirements for institutions of higher education, requires a disclosure of the financial position of unrestricted net position, exclusive of plant assets and plant-related debt, which represents the change in unrestricted net position. To meet this requirement, statements of net position and revenues, expenses, and changes in net position for the current unrestricted funds are presented, as follows:

## Statement of Current Unrestricted Funds Net Position

<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 3,789,179
Accounts Receivable, Net	1,044,639
Notes Receivable, Net	-
Due from Other Agencies	6,700
Due from Component Units	32,888
Inventories	-
Prepaid Expenses	283,658
Other Assets	-
<b>TOTAL ASSETS</b>	<b>5,157,064</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Other Postemployment Benefits	-
Pensions	5,999,565
Accumulated Decrease in Fair Value of Hedging Derivatives	-
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	412,572
Retirement Plan(s) Payable	-
Salary and Payroll Taxes Payable	727,290
Unearned Revenue	-
Compensated Absences Payable	215,879
Net Pension Liability	-
<b>Total Current Liabilities</b>	<b>1,355,741</b>
Noncurrent Liabilities:	
Compensated Absences Payable	1,227,245
Other Postemployment Benefits Payable	645,096
Net Pension Liability	12,319,093
<b>TOTAL LIABILITIES</b>	<b>15,547,175</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Other Postemployment Benefits	32,203
Pensions	903,427
<b>TOTAL NET POSITION</b>	<b>\$ (5,326,176)</b>

**Statement of Current Unrestricted Funds Revenues,  
Expenses, and Changes in Net Position**

<b>REVENUES</b>	
Operating Revenues:	
Student Tuition and Fees, Net of Scholarship Allowances of \$2,054,064	\$ 5,998,490
Sales and Services of Educational Departments	10,519
State and Local Grants and Contracts	761,321
Auxiliary Enterprises, Net	257,419
Other Operating Revenues	16,245
<b>Total Operating Revenues</b>	<b>7,043,993</b>
<b>EXPENSES</b>	
Operating Expenses:	
Personnel Services	19,144,931
Scholarships and Waivers	(2,022,523)
Utilities and Communications	1,316,832
Contractual Services	1,862,744
Other Services and Expenses	966,325
Materials and Supplies	785,713
<b>Total Operating Expenses</b>	<b>22,054,022</b>
<b>Operating Loss</b>	<b>(15,010,028)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
State Noncapital Appropriations	14,354,002
Gifts and Grants	303,419
Investment Income (Loss)	-
Other Nonoperating Revenues	-
Interest on Capital Asset-Related Debt	-
Other Nonoperating Expenses	-
<b>Net Nonoperating Revenues (Expenses)</b>	<b>14,657,421</b>
<b>Income (Loss) Before Other Revenues, Expenses, Gains, or Losses</b>	<b>(543,762)</b>
Transfers to/from Other Funds	(338,029)
<b>Increase (Decrease) in Net Position</b>	<b>(881,791)</b>
Net Position, Beginning of Year	(4,475,661)
<b>Net Position, End of Year</b>	<b>\$ (5,357,452)</b>

## OTHER REQUIRED SUPPLEMENTARY INFORMATION

### Schedule of Changes in the College's Total Other Postemployment Benefits Liability and Related Ratios

Interest	19,265
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions or other inputs	(35,904)
Benefit Payments	(48,731)
<b>Net change in total OPEB liability</b>	<b>(19,110)</b>
Total OPEB Liability - beginning, as Restated	664,206
<b>Total OPEB Liability - ending</b>	<b>\$ 645,096</b>
Covered-Employee Payroll	\$ 11,424,377
<b>Total OPEB Liability as a percentage of covered-employee payroll</b>	<b>5.65%</b>

### Schedule of the College's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan

	2017 (1)	2016 (1)	2015 (1)	2014 (1)	2013 (1)
College's proportion of the FRS net pension liability	0.027943189%	.027285022%	.028816871%	.028388597%	.0230143%
College's proportion share of the FRS net pension liability	\$ 8,265,408	\$ 6,889,489	\$ 3,722,085	\$ 1,732,122	\$ 3,961,785
College's covered payroll (2)	\$ 13,769,761	\$ 13,894,753	\$ 12,865,517	\$ 12,444,911	\$ 11,664,616
College's proportion share of the FRS net pension liability as a %age of its covered payroll	60.03%	49.58%	28.93%	13.92%	33.96%
FRS Plan fiduciary net pension as a percentage of the FRS total pension liability	83.89%	84.88%	92.00%	96.09%	88.54%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.



**Schedule of College Contributions –  
Florida Retirement System Pension Plan**

	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
Contractually required FRS contribution	\$ 842,550	\$ 875,574	\$ 617,033	\$ 702,580	\$ 621,831
FRS contributions in relation to the contractually required contribution	\$ <u>(842,500)</u>	\$ <u>(875,574)</u>	\$ <u>(617,033)</u>	\$ <u>(702,580)</u>	\$ <u>(621,831)</u>
FRS contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
College's covered payroll (2)	\$ 13,769,760	\$ 13,683,155	\$ 13,894,753	\$ 12,865,517	\$ 12,444,911
FRS contributions as a percentage of covered payroll	6.12%	6.40%	4.44%	5.46%	5.00%
(1) The amounts presented for each fiscal year were determined as of June 30.					
(2) Covered payroll includes defined benefit plan actives, investment plan members, State college system optional retirement plan members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.					

**Schedule of the College's Proportionate Share  
of the Net Pension Liability –  
Health Insurance Subsidy Pension Plan**

	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>	<u>2013 (1)</u>
College's proportion of the HIS net pension liability	.037911615%	.039627564%	.036911297%	.035779918%	.034050966%
College's proportion share of the HIS net pension liability	\$ 4,053,685	\$ 4,618,428	\$ 3,764,372	\$ 3,345,510	\$ 2,964,584
College's covered payroll (2)	\$ 12,354,694	\$ 12,237,683	\$ 11,215,377	\$ 10,636,070	\$ 9,892,723
College's proportion share of the HIS net pension liability as a %age of its covered payroll	32.81%	37.74%	33.56%	31.45%	29.97%
HIS Plan fiduciary net pension as a percentage of the FRS total pension liability	1.64%	0.97%	0.50%	0.99%	1.78%
(1) The amounts presented for each fiscal year were determined as of June 30.					
(2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.					

**Schedule of College Contributions –  
Health Insurance Subsidy Pension Plan**

	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
Contractually required HIS contribution	\$ 136,297	\$ 195,414	\$ 193,414	\$ 141,098	\$ 122,570
HIS contributions in relation to the contractually required HIS contribution	\$ <u>(136,297)</u>	\$ <u>(195,414)</u>	\$ <u>(193,414)</u>	\$ <u>(141,098)</u>	\$ <u>(122,570)</u>
HIS contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
College's covered payroll (2)	\$ 12,354,694	\$ 12,157,788	\$ 12,237,683	\$ 11,215,377	\$ 10,636,070
HIS contributions as a percentage of covered payroll	1.10%	1.61%	1.58%	1.26%	1.15%
(1) The amounts presented for each fiscal year were determined as of June 30.					
(2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.					

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**1. Schedule of Changes in the College's Total Other Postemployment Benefits Liability and Related Ratios**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. The June 30, 2018, total OPEB liability significantly increased/decreased from the prior fiscal year as a result of changes to benefits and assumptions as discussed below.

*Changes of Benefit Terms.* The actuary report for 2017 did not include any changes of benefit terms.

*Changes of Assumptions.* In 2017, changes of assumptions amounted to (\$35,904) and are mainly due to changes in expected retirement ages of general plan members. A total of \$48,731 in benefit payments was disbursed. Total liability as a percentage of covered-employee payroll was 5.65%.

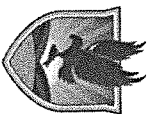
In 2012, amounts reported as changes of assumptions resulted primarily from adjustments to expected retirement ages of general plan members. In 2009, amounts reported as changes of assumptions resulted primarily from adjustments to expected retirement ages of members. In 2006, amounts reported as changes in assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting RP-2000 Healthy Annuitant Mortality Table for purposes of developing mortality rates.

**2. Schedule of Net Pension Liability and Schedule of Contributions – Florida Retirement System Pension Plan**

*Changes of Assumptions.* The long-term expected rate of return was decreased from 7.60% to 7.10%, and the active member mortality assumption was updated.

**3. Schedule of Net Pension Liability and Schedule of Contributions – Health Insurance Subsidy Pension Plan**

*Changes of Assumptions.* The municipal rate used to determine total pension liability increased from 2.85% to 3.58%.



# Lake Sumter State College

## OFFICE OF THE PRESIDENT

Present to the Board: September 19, 2018

TO: Lake-Sumter State College  
District Board of Trustees

FROM: Stanley M. Sidor  
President *Stan Sidor*

RE: 340 – Legislative Budget Request

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### **OVERVIEW:**

The Lake-Sumter State College Legislative Agenda addresses the local initiatives that support the Florida College System's substantial Legislative Issues for the 2019 session. On an annual basis Dr. Sidor will make an assessment of the needs of the college and will address the local

### **ANALYSIS:**

On an annual basis Dr. Sidor will make an assessment of the needs of the college and bring this to the District Board of Trustees for discussion. Once the budget has been developed Dr. Sidor will address the local legislature.

### **RECOMMENDATION:**

It is recommended that the Board acknowledge or accept this item as written.



Lake Sumter  
State College

## OFFICE OF THE PRESIDENT

Present to the Board: September 19, 2018

TO: Lake-Sumter State College  
District Board of Trustees

FROM: Stanley M. Sidor  
President *Stan Sidor*

RE: 341 – 2018/2019 Classification & Salary Schedule

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### **OVERVIEW:**

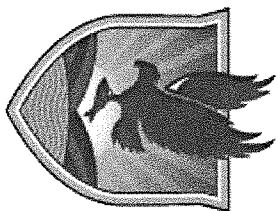
The 2018/2019 Classification & Salary Schedule has been updated for the next fiscal year to reflect the following changes:

### **ANALYSIS:**

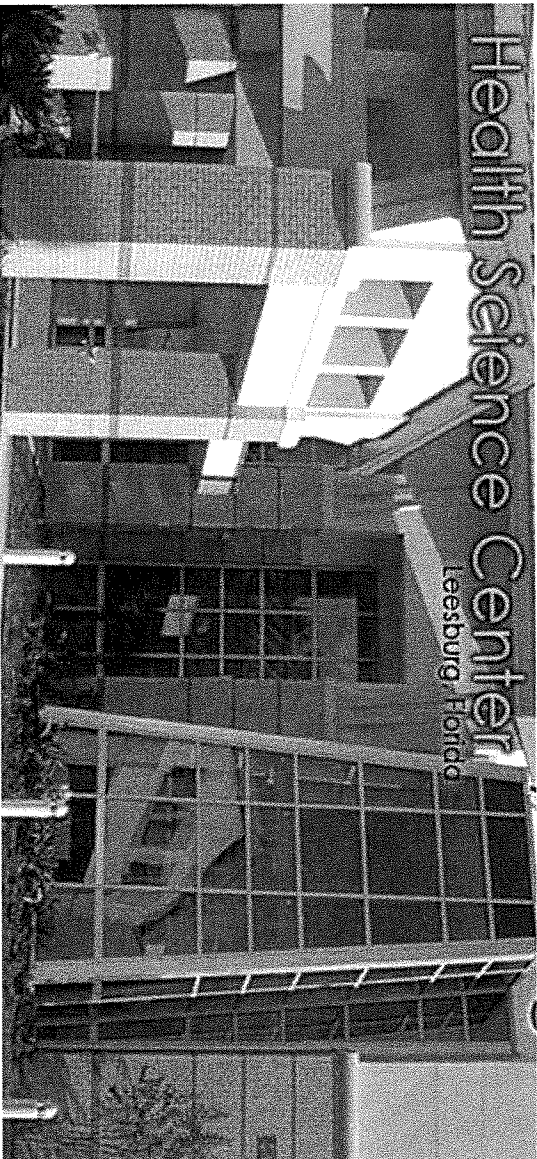
1. Additional compensation for Faculty earning additional degrees is increased.
2. A formal process for awarding the President's Achievement Award is included.
3. The recently approved Faculty compensation model is included in the 2018/2019 Schedule.
4. No other rates or salaries have been adjusted.

### **RECOMMENDATION:**

It is recommended that Board approve this item as written.



Lake Sumter  
State College



## CLASSIFICATION & SALARY SCHEDULE 2018 - 2019

# CLASSIFICATION & SALARY SCHEDULE 2018 - 2019

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## **MISSION STATEMENT**

Lake Sumter State College delivers student success through personal attention and flexible pathways leading to rewarding careers and higher wages.

## **WELCOME**

For employees who are commencing employment with Lake-Sumter State College (LSSC), on behalf of the Board of Trustees, faculty, staff, and administration, we extend a warm and sincere welcome.

For employees who have been with us, thanks for your past and continued service.

We extend our best wishes for success and happiness here at LSSC. We understand that it is our employees who provide the services that our students rely upon, and who will enable us to create new opportunities in the years to come.

## **EMPLOYEE CATEGORY DEFINITIONS**

This Classification and Salary Schedule is not intended to create or be interpreted as a contract of employment, or to give any employees any right to or expectancy of continued employment or employment in any particular job or capacity. All employees are employed at the will and pleasure of the College and may be terminated at any time. Salaries published herein are contingent upon the financial capability of the College as approved by the District Board of Trustees.

### **General**

Employees can be classified as either exempt or non-exempt per the Fair Labor Standards Act (FLSA). Employees' FLSA status is noted on their job description and in their Ellucian Banner record.

#### **Non-Exempt Status**

Employees classified as non-exempt under the FLSA are entitled to overtime pay at time and one-half of regular pay or earned compensatory time for a workweek of greater than 40 hours.

#### **Exempt Status**

Employees classified as exempt under the FLSA are primarily involved in executive, administrative or professional duties as defined by FLSA regulations and are not entitled to overtime pay or earned compensatory time.

### **Administrator**

Administrators perform broad supervisory functions. Administrator salaries range from grade MA-8 to MA-13. Full time Administrators may be on a 9-month, 10-month or 12-month contract.

### **Managerial**

Managerial employees are employed for the purpose of performing academic support, student service and institutional support activities. Managerial salaries range from grade MA-1 to MA-7. Coaches/Athletic Trainers in this category are on a 197-day contract with primary purpose of coaching and recruitment of athletes.

### **Professional**

Professional employees are in three classifications: Administrative salary range levels A2-1 to A2-10, Craft/Trades salary range levels C2-1 to C2-5, and Technical salary range levels T2-1 to T2-10.

### **Instructional Faculty**

Instructional Faculty employees are employed on a 163-day contract and have more than 50% instructional duties. Instructional faculty ranks include Lecturer, Instructor, Assistant Professor, Associate Professor, Professor and Senior Professor.



Instructional positions are classified as regular full-time if they require 35 hours of work per week and are expected to exceed six months in length.

#### **Non-Instructional Faculty**

Employees in non-instructional faculty (Librarians) positions have 50% or less instructional duties. For salary treatment, non-instructional faculty have the same ranks as instructional faculty but are on 12-month contracts.

#### **Grant Funded Position**

Grant-funded positions are classified as regular full-time, regular part-time or non-permanent as defined above. The College will adhere to established salary schedules, classification plans and hiring procedures when appointing grant personnel. Persons employed in grant positions may not receive a salary increase if there are insufficient funds in the grant. Grant funded positions can be eliminated at any time because the funding is not guaranteed.

#### **Regular Full-Time Positions**

Staff and non-instructional faculty positions will be classified as regular full-time if requiring 37½ hours of work per week and are expected to exceed six months.

All regular, full-time positions require approval by the President and District Board of Trustees and are eligible for all employment benefits including health, dental, vision and life insurance, retirement and FICA, workers' compensation, paid non-duty days (holidays, Spring Break & Winter Break), and leave according to state regulations and local Board rules. These positions must be classified and compensated according to approved salary schedules in the college budget.

#### **Regular Part-Time Positions**

Professional Administrative, Craft & Trades, Technical Managerial, Administrator and Non-instructional faculty positions will be classified as regular part-time if requiring twenty-eight (28) hours of work or less per week and are established with the expectation of being in continuous existence in excess of six months.

These positions require approval by the President and District Board of Trustees and employees filling them are eligible for retirement, workers' compensation, FICA, unemployment benefits, pro-rated paid non-duty days (holidays, Spring Break & Winter Break) and vacation leave according to state regulations and local Board rule. These positions are classified and compensated according to approved salary schedules in the college budget.

#### **Non-Permanent Positions (Staff, Non-Instructional Faculty & Adjuncts)**

A non-permanent position may be established in situations where a short-term need exists for services to the College. Staff and non-instructional Faculty (Librarian) positions classified as non-permanent will be permitted to work no more than twenty-eight (28) hours per week on average. Non-permanent instructional positions (adjuncts) will be permitted to teach a maximum of three courses or nine (9) credit hours per semester

These positions do not require Board approval, but do require budget-funding approval. Persons employed as non-permanent employees are eligible for workers' compensation, Bencor Alternative FICA plan, a qualified retirement plan for part-time, seasonal, or temporary employees who are not covered by the Florida Retirement System, and unemployment compensation. Non-permanent employees are not eligible for sick or vacation leave.

Employees in non-permanent positions cannot participate in standing or official College committees and assignments outside of the duties of their non-permanent position. However, as approved by Administration, they may attend College special activities (i.e. Convocation or Holiday Luncheon) and formal in-service training as necessary to perform their duties.

Persons employed in non-permanent positions that become "regular" positions shall be required to apply for open positions during the internal posting period to be considered for the regular vacancy.

#### **Full-Time Lecturer**

Based on the strategic needs of the college a full time Lecturer position may be established requiring 35 hours of work

per week. These positions do not require Board approval, but do require funding approval. Persons employed in non-continuing contract track positions for one full academic year will be eligible for employment benefits including health and dental, retirement and FICA or Bencor Alternative FICA, and workers' compensation, but will not be eligible for accrued paid leave.

Persons employed in non-permanent full-time faculty positions that become "regular" positions shall be required to apply for open positions during the internal posting period to be considered for the regular vacancy. Their health and dental insurance will continue during the summer upon written acceptance of the regular position.

#### **Student Assistant**

Eligibility is limited to any student enrolled in six (6) or more credit hours at LSSC in each fall or spring term or a minimum of three (3) hours during the summer terms. The maximum number of hours a Student Assistant may work in a week is 28. Student Assistant salary is at least equal to the current Federal Minimum Wage or the Florida State Minimum wage whichever is greater.

#### **Work Study Student**

The Financial Aid office approves and qualifies a student for the Work Study Program for part-time employment with the College. The Financial Aid office determines the number of credit hours a Work Study Student must be enrolled. A Work Study Student's salary is at least equal to current Federal or Florida State Minimum Wage.

## **BENEFITS**

<u><b>Status</b></u> <u><b>Non-Duty Days</b></u>	<u><b>Retirement</b></u>	<u><b>Health / Dental</b></u>	<u><b>Sick</b></u>	<u><b>Vacation</b></u>	<u><b>Paid</b></u>
(Holidays/Breaks)					
<i><b>Regular</b></i> Full Time & Regular Grant* 260 Days/year	Yes	Yes	Yes	Yes	Yes
Regular FT & Regular Grant Less Than 260 Duty Days	Yes	Yes	Yes	No	Yes
Regular FT Coaches/Trainer 197 Duty Days	Yes	Yes	Yes	No (While on Contract)	Yes
Regular Part Time 20 to 28 hours per Week	Yes	No	No	Yes (4 Hours per Month / Holiday)	Yes
Regular Full-time Faculty	Yes	Yes	Yes	No	No
Non-permanent Full-time < 6 months	No	No	No	No	No
Non-permanent Full-time > 6 months	Yes	Yes	No	No	No
Non-permanent Part-time	No	No	No	No	No
Lecturer	Yes	Yes	No	No	No

## Compensation

### Compensation for Additional Degree or Hours

The following compensation amounts will be awarded to employees for the respective accredited educational accomplishment. The awarded amount will be added to the employee's base salary effective the month the employee submits the official documentation of the degree or hours completed. See Administrative Procedure 5-12 for eligibility requirements and details.

#### **Awarded Amounts**

- Associate's Degree: Faculty & Staff \$250 to base salary
- Bachelor's Degree: Faculty & Staff \$500 to base salary
- Master's Degree: Faculty \$4,000 / Staff \$ 2,000 to base salary
- 18 Additional approved credits in discipline/field: Faculty only \$500 to base salary
- Doctorate Degree: Faculty \$4,000 / Staff \$ 2,000 to base salary

### Cellular Devices Base Salary Adjustment

Specific positions require the employee to own and use a cellular device to execute position duties. A \$ 300 Cellular Device Usage stipend is added to the respective employee's base salary. (Note: the salary ranges depicted on pages 22-29 do not include this cellular device stipend.)

## Faculty Rank & Promotion Plan

### Candidate Eligibility for Faculty Rank Promotion (FR & P) Consideration

To be an eligible candidate for rank promotion a faculty member must:

- have continuing contract status
- have received satisfactory ratings on the last three performance evaluations
- any deficiencies identified through the annual evaluation process must be resolved through completion of targeted faculty development as indicated in the annual review
- complete and include the Annual Evaluation Verification Form signed by Supervisor

Candidates must officially apply for promotion consideration. Candidates must complete and submit a professional portfolio. The portfolio must provide evidence of the candidate's performance in meeting the Categories of Criteria set forth in the FR&P plan.

## **SPECIALIZED ACTIVITIES**

### **Non-permanent Part-Time Professional**

The following positions will be funded as indicated below. Rates are per clock hour.

Advisors	\$16-\$21 per hour
Librarians	\$20-\$26 per hour
Musical Accompanists (Professional)	Varies per hour
Non-Credit Instructors	Varies per hour (\$30, \$32, \$35 per degree)
Test Proctors & Test Supervisors	\$10 per hour
Tutors:	
o Two Year College Degree	\$10.00 per hour
o Four Year College Degree & Above	\$12 - \$18 per hour
o Upward Bound Tutors	\$25 per hour

### **Specialized Areas**

The following is a pre-approved list of additional compensation awards by the Board of Trustees.

Assistant Athletic Coach	\$5,000 per year/per sport
Club Advisors & Coaches	\$800 – \$9,000 per duties/responsibilities assigned

**NOTE:** All retirees participating in the Florida Retirement System will pay a 1.45% FICA tax.

The President may add other specialized areas as appropriate.

In cases of critical skills or specialized areas, the president may approve an hourly rate increase.

Faculty who assume additional responsibilities may be granted reassigned time or other compensation as approved by the President.

## General Information

### Compensation

Provided there are funds available, an employee shall be eligible for added compensation as either an annual performance payment or an annual salary increase. Eligibility requires the employee's position be a regular part-time, regular full-time, or non-permanent full-time. Eligibility also requires the employee hold a satisfactory annual performance evaluation or satisfactory completion of the probationary performance period documenting that performance standards have been met satisfactorily or higher. If performance is less than satisfactory, then an employee will not be eligible for added compensation until performance is at a satisfactory level and the compensation will then be prorated.

### Authority

The President, as empowered by the District Board of Trustees and LSSC Board Rules and Administrative Procedures, can authorize position upgrades/reclassifications; salary schedule changes; salary increases; special payments and overtime; and hiring, movement, and dismissal of all employees and contractors.

### Salary Increases and Reclassifications

With the exception of any annual Board-approved salary increase, an employee will receive an increase to salary only if the employee's position is upgraded to a higher classification and the employee remains in the position; or the employee is promoted into a position at a higher classification.

### President's Achievement Award

The President's Achievement Award allows the college to acknowledge and reward exemplary performance and contributions by faculty and staff. An Achievement Award, ranging from \$100 up to \$2,000, may be awarded to an individual or team for sustained, exceptional performance and/or significant contributions beyond normal performance expectations.

The President's Achievement Award is recognition of sustained, exceptional performance and/or significant contributions over an extended period of time which represents a major portion of the employee's area of responsibilities, including performance or project goals above and beyond normal performance expectations. An award at this level may also represent an employee's sustained commitment to, and demonstrated completion of, a professional development goal that resulted in a significant improvement in their department or division, or contributed to the department's achievement of a broader goal. Cabinet members may recommend faculty and staff for these awards to the President for consideration.

### Hardship Vacation Leave Payout

Guidelines and requirements concerning an employee's request for a special "hardship" payout of accrued vacation outside of the Leave policy, Administrative Procedure 5-11 are listed here:

#### Consideration Guidelines:

- Economic: Is the debt situation threatening one's own base or immediate family's\* livelihood (home, food, health, transportation to work) where a creditor may or has taken legal action.  
\* *Immediate family as defined by FMLA: spouse, children, mother, and father.*

#### Requirements:

- Employee status
  - o Regular full-time staff employee with a minimum of 5 years of service
- Frequency
  - o **An employee, if granted a request, cannot make another request for three (3) years**
- Amount Limit
  - o The employee may request no more than one-half of his/her accrued vacation leave balance not to exceed 20 days

- Request for Consideration
  - o The employee will submit the request in writing to the HR Director for a special hardship vacation leave payout and copy their Supervisor and respective Vice President
  - o The written request will contain a brief statement as to need or reason for the request and how other financial support alternatives were not possible. In addition, the request should include the number of accrued vacation days to be paid out.
  - o HR will review the request, verify the leave balance account, etc. and submit the request for approval to the President. The HR Director will notify the employee of the outcome of the President's decision. The President's decision is final.

# Personnel Classifications



## **Instructional & Non-Instructional Personnel**

### **Adjunct (Non-permanent, Part-Time) Instructors**

#### **General Education Adjunct Pay per Credit Hour**

Adjuncts will be paid according to the highest degree earned in field

Example: An adjunct has a Master's degree in English and a Ph. D. in Biology. The class taught is English. The adjunct will be paid \$568 per credit hour as follows:

Associate Degree	-	\$448	Bachelor's Degree	-	\$520
Master's Degree	-	\$568	Doctorate Degree	-	\$613

The Adjunct teaching load is limited to 9 credit hours per semester. The Vice President of Academic Affairs or President may approve excess teaching loads in exigent cases.

#### **Faculty Compensation for Lab Hours wait for Doug**

Faculty are paid for each contact hour spent in each lab.

#### **Faculty Compensation for Independent Study**

Faculty are paid \$25 per credit hour per student for an independent study.

#### **Nursing Adjunct Pay per Clock Hour based on highest degree earned in field.**

BSN - \$ 42 per hour  
MSN - \$ 45 per hour  
PhD - \$ 48 per hour

Instruction clock hour values for differing clinical activities assigned each semester per program need.

#### **Substitute Teaching Salary Schedule**

The pay for substitute teachers shall be at the hourly adjunct clock rate. A one-credit course meeting once a week for 15 weeks has 15 clock hours in a semester.

Academic Affairs and HR collaborate to calculate substitute teaching compensation as necessary.

### Faculty (Full-Time Instructional)

The 2018-2019 Salary Schedule for regular Instructional & Non-Instructional Personnel is presented on page 20. The faculty contract period shall extend from the first duty day of the fall semester through the last duty day of the spring semester. See page 13 for definition of "duty day". The specific dates to be worked during this contract period shall be as determined by the President or his designee. The District Board of Trustees, upon recommendation from the President, may defer any change in compensation and method of payment established at the beginning of a fiscal year to a later time during that fiscal year.

### Calculation of Pay for Full-time Instructional Faculty

#### Full-time, Regular Instructional Faculty

- *If hired effective the first day of the academic year*
  - Determine minimum starting salary, based on discipline, degree and years of full-time teaching experience.
  - Determine first pay period of academic year (Pay period that includes August 20<sup>th</sup>)
  - Determine last pay period of academic year (Pay period **PRIOR TO** the pay period that includes August 20<sup>th</sup>)
  - Count the number of PAY DATES (First Pay Date in academic year through the Pay Date PRIOR TO the pay period that includes August 20<sup>th</sup>)
  - Divide starting salary by total number of pays to be received for contract period (24) = bi-monthly gross pay

#### Lecturer (Non-Continuing Contract- track Instructional Faculty)

- *If hired for ONE (1) semester only:*
  - Determine minimum starting salary, based on discipline, degree and years of full-time teaching experience.
  - Determine the number of duty days in the semester (Based on Academic calendar)
  - Divide minimum salary by total duty days for full academic year (163)
  - Multiply DAILY rate from above by the number of days in semester = total gross salary for one semester
  - Count the number of PAY PERIODS: First Pay Period of semester (pay period that includes August 20<sup>th</sup>) through Last PAY Period (pay period immediately following date when grades are due)
  - Divide total gross salary by total number of pays to be received for contract period = bi-monthly gross pay
- *If hired effective the first day of the academic year for TWO (2) semesters:*
  - Determine minimum starting salary, based on discipline, degree and full-time teaching experience.
  - Determine first pay period of academic year (pay period that includes August 20<sup>th</sup>)
  - Determine last pay period of academic year (pay period immediately following date when grades are due)
  - Count the number of PAY PERIODS (First Pay period in academic year through Last PAY Period immediately following date when grades are due)
  - Divide starting salary by total number of pay periods for contract period = bi-monthly gross pay
- *If hired in the middle of the semester:*
  - Determine minimum starting salary, based on discipline & degree
  - Determine the number of days in semester

- Divide minimum salary by total duty days for full academic year (163)
- Multiply DAILY rate from above by the number of **working** days in semester = total gross salary for one semester
- Count the number of PAY PERIODS (First Pay Period of semester through Last PAY Period immediately following date when grades are due)
- Divide total gross salary by total number of pays to be received for contract period = bi-monthly gross pay

### **Large Class Incentive Pilot Program**

Faculty who teach select high-enrollment courses will be offered the opportunity to earn a large class incentive as outlined in the tables below. Interested faculty are encouraged to work with their Dean to determine applicability.

#### **Associate Level**

##### **Course(3 hour course)**

Students above cap	Stipend Amount
3 to 5	\$300.00
6 to 10	\$600.00
11 to 15	\$900.00

#### **Baccalaureate Level**

##### **course(3 hour course)**

Students above cap	Stipend Amount
3 to 5	\$350.00
6 to 10	\$650.00
11 to 15	\$950.00

### **How to Calculate Contract Period/Teaching Load**

1. For any days worked over the normal contract period, faculty will be paid at their daily rate of pay.
2. A full-time Lecturer teaching load is equated to 21 credit hours per semester (fall & spring). Student contact hours and specific assigned duties may be used in determining load when approved by the College President.
3. All other full-time teaching faculty load is equated to 15 credit hours per semester (fall or spring). Student contact hours and specific assigned duties may be used in determining load when approved by the College President.
4. When classes do not meet minimum enrollment requirements, faculty may be required to combine classes (in related areas) and may be given credit on teaching load for just one class.

### **How to Calculate Overload Compensation**

Full-time instructors teaching credit classes in excess of the stated full-time semester hour load will receive overload pay per based on highest degree earned in field:

Bachelor's Degree - \$520                      Master's Degree - \$568                      Doctorate Degree - \$613

### **For Lab Hours**

1 hour of credit for 2 hours of Lab times the appropriate overload rate.

### **For Summer Semesters**

Full-Time Faculty will be paid at the rate of \$9,202 per 3-credit course. (\$734.00 per credit hour)

### Independent Study

\$25 per credit hour per student.

### Co-Op

\$100 per student (not based on credit hours).

### Levels of Experience

For hiring and placement purposes, the assigned level is determined by the prior years of related instructional experience, position needs and budget limitations. All experience must be verified by the Human Resources Department and level ratings approved by the College President. Where "critical skills" services are necessary, the President may allow an increase to the beginning salary by an amount not to exceed twenty percent (20%).

### Substitute Teaching Salary Schedule

The pay for substitute teaching shall be at the hourly overload clock rate. A one-credit course meeting once a week for 15 weeks has 15 clock hours in a semester.

Academic Affairs and HR collaborate to calculate substitute teaching compensation as necessary.

### Awarding of Additional Compensation for Additional Responsibilities

An instructional employee may receive an additional compensation payment for both performing duties and responsibilities or for the completion of special projects, which are in addition to the employee's normal duties. The President awards additional compensation when funds are available.

### Awarding of Instructional Reassigned Time wait on Doug

An instructional employee may receive instructional release time during Fall and/or Spring semesters for performing time-bounded special duties or completing special projects as deemed necessary by the Vice President of Academic Affairs and approved by the President. Instructional release time shall not exceed nine credit hours a semester. Release time may be exercised in conjunction with additional compensation for situations where the compensated value of the duties or projects is higher than the value of compensated instructional time. When such a situation occurs, the following calculation will be used to establish the value of the release time awarded to enable the identification of an appropriate stipend.

Instructional release time is in course credit hours converted to work hours based upon the 1141 hours computed from 7 hour day times the 163 instructor contract days. The release time work hours' value is computed by taking those hours times the respective faculty member's hourly gross salary rate. A portion of the 20 hours per week that is non-instructional is used in support of the 15 hours of instructional hours and needs to be added to the instructional release hours to accurately determine the total value of release time. Therefore, for each hour of instructional hour released .75 will be used, i.e. 6 instructional hours released equals 4.5 hours, of the 20 non-instructional hours.

Example: Lorrie Smith, Instructor, to be given 6 hours per week of instructional release time for a special project. Lorrie's annual 163-day contract gross salary is \$36,266. The hourly rate is \$31.78.

In support of those 6 hours is an additional 4.5 hours from the 20 non-instructional hours.  
Total calculated release hours per week is 10.5.

Smith's Total weekly Release Hours in C-Year	C-Year # of weeks Released	Per Semester Total Hours	Instructor Hourly Rate	Value of Release	Value of Release	
10.5	3	2.8	344.4	31.78	\$10,945	\$5,472.50

**Duty Day Definition**

Duty days and non-duty days are employment terms used in various College documents. These terms and associated expectations are defined as follows:

**Duty Day**

An employment/contract day when the College is in operation and employees are either required to be in scheduled service or available for service to fulfill employment obligations unless leave is granted. Duty days are typically Monday through Friday. Full-time faculty duty days are either instructional days or non-instructional days as specified in the current College Personnel Dates calendar. Full-time faculty do not have to be at the college for all duty hours; however, they are obligated professionally to be present for scheduled office hours, committee work, departmental meetings, planned college sponsored training or college-wide meetings, graduation, etc. unless excused by administration.

Employees' failure to comply with duty days and hours with the exception of granted leave may lead to compensation adjustments or discipline up to and including unsatisfactory performance review, contract status changes, or employment termination.

**Non-Duty Day**

A non-employment/contract day because the College is not in operation, i.e. holidays and semester breaks. Non-duty days are published in the current College Personnel Dates Calendar.

If non-exempt staff are required to work on non-duty days, they will be compensated appropriately. Exempt staff and faculty are not normally compensated for working non-duty days. For unusual circumstances, special consideration may be given as approved by Cabinet.

**Summer Semester**

In the summer when the College is in operation, full-time faculty who are not instructing are expected to respond within a reasonable time period to critical emails or phone calls from department chairs or administrators. The reasonable time is within one business day in keeping with LSSC's Golden Rule of Service. Critical emails or phone calls are defined as department chair or administrator communications necessary to obtain important information for making time-sensitive business decisions.

The College recognizes that critical communication may not be possible in the summer with some full-time faculty who are out of reach. Faculty who will be out of reach are expected to communicate their out-of-reach timeframes to their respective Deans. In some cases, Deans may need to make decisions without information or consultation from those out-of-reach faculty.

Amongst all parties, discretion, professionalism, and common sense should prevail in all situations.

### **Professional, Managerial & Administrator Personnel**

The 2018-2019 Salary Schedules for regular Professional, Managerial & Administrator Personnel are presented on pages 22 – 29. All salaries are quoted for the fiscal year July 1, 2018- June 30, 2019. All employees are paid on a bi-monthly basis, 24 pay periods per year. Ranges are used to reflect the duties, responsibilities, knowledge and skills required by the position. The Board of Trustees, upon recommendation from the President, may defer any change in compensation and method of payment established at the beginning of a fiscal year to a later time during that fiscal year.

#### **Work Week**

The normal workweek will be thirty-seven and one-half (37½) hours. The normal workday for Professional Administrative personnel will be seven and one-half (7½) hours a day, not including lunch. The President may authorize a change in employees' schedules as deemed necessary for the efficient operation of the College.

#### **Beginning Rate of Pay**

Newly hired non-instructional employees with minimal experience, generally, will be paid at the minimum salary of the applicable pay range. In cases of "critical skills" positions, or where the applicant's training, experience and/or qualifications are above those required for the position, the President or his designee may hire new employees above the minimum, but not to exceed the mid-point of the range.

#### **Classes during Working Hours**

The College encourages all employees to pursue a formal education. However, this objective should be balanced against each department's work requirements in order to provide proper services to our students and staff. Advance permission to register for a class during the scheduled workday may be granted by the supervisor, subject to certain guidelines. If the desired course is offered in the evening or on a weekend, it should be taken during non-working hours. A course may be taken, with supervisory approval, during an employee's lunch hour. Any working hours lost while in class shall be made up during the workweek, and no compensatory time shall be allowed for the make-up work. Employees who foresee a conflict between work schedules and classes should consult with their supervisor prior to the registration period.

#### **Compensatory Time**

Only Full-time, non-exempt employees are eligible for and may be granted compensatory time.

#### **Compensation for Extra Time Worked for Non-Exempt Employees**

Non-Exempt employees will be compensated for extra hours worked as required by FLSA. Time worked beyond the base 37.5-hour workweek is discouraged, and will not be permitted without advance permission by the Supervisor. On those occasions when such work becomes necessary as designated by the supervisor (such as during peak registration periods), the non-exempt employee shall elect to be paid or take compensatory time for the extra time worked beyond 37.5 hours. Following FLSA requirements the extra time shall be paid or provided as compensatory time as follows.

Extra work time shall be compensated at a rate of one (1) hour between 37.5 to 40 hours worked in a week, and one and one-half (1.5) hours for each hour worked beyond forty (40) hours within the work week. The employee and the Supervisor, both when it is earned and when it is used, must agree upon compensatory time in advance. It should be used within a reasonable time, generally within the semester earned.

Compensatory Time shall be used prior to other categories of leaves (personal, vacation, sick).

An employee may not accumulate more than 240 hours of Compensatory Time.

Each workweek stands alone for purposes of Compensatory Time calculation. One cannot average two workweeks together (e.g., forty hours one workweek and thirty hours the next).

### Computation of Pay

1. Employees are paid on a bi-monthly basis, effective with date of hire. Documents, forms and changes received after the first business day of the pay period will be processed in the following pay period.
2. The annualized salary will be between the minimum and the maximum of a range.
3. Compute the hourly rate by dividing the annual salary by 1,950 hours (the number of full-time hours in a fiscal year), See Duty Day Calendar on page 32.
4. Compute the bi-monthly gross salary by dividing the annual salary by 24 (pay periods in the fiscal year)

### Hours Worked

"Hours worked" is the time for which a non-exempt employee is entitled to be compensated. Vacation leave, sick leave (including personal leave) and Paid Non-Duty days (Holidays and Breaks) are counted as hours worked in computing compensatory hours. Vacation leave, sick leave (including personal leave) and Paid Non-Duty days (Holidays and Breaks) are not counted when computing paid overtime hours at a rate of time and one half (1½) for each hour worked beyond 40 hours in a week.

### Night Shift

A night shift is defined as a shift in which 50 percent or more of the time worked is between 5:00 p.m. and 8:00 a.m. A non-exempt employee working a night shift will be paid a night shift differential of 15 cents per hour. In the event the employee no longer works on the night shift, the differential will no longer be paid, and the employee will be paid the base rate.

### **Interim Position Assignments**

An Interim appointment shall be assigned when an individual assumes 100% responsibility of a higher-level position as defined by the job description duties and responsibilities. An employee is appointed to an interim position by the President and approved by the District Board of Trustees. The term "Interim" is prefixed to the position's title.

All requests for Interim appointments must be submitted for approval in advance of the employee assuming the additional responsibilities and requires approval of the supervisor, Division Vice-President, Budget Office and President. No additional compensation will be approved or paid after the fact or without Budget approval.

The timeframe for continuation of additional compensation will be based on the duration of the assignment and increased workload and will be reviewed every six (6) months by the supervisor and Division Vice-President for renewal.

### **An Interim Assignment to a Higher Salary Classification**

If the employee assumes 100% of the responsibilities for the higher-level position, the employee receives compensation either:

- 1) At the base rate of the new classification,
- OR,**
- 2) At the midpoint percentage rate of the new classification (as calculated by the current position's midpoint percent), whichever is higher.

**Example:** The employee's salary range is \$19,716 to \$29,968 with a midpoint of \$24,842. The employee's current salary within that range is \$23,500 or 95% of the midpoint. Ninety-five percent (95%) of the new position's midpoint of \$26,084 (salary range was \$20,701 to \$31,466) would be \$24,780. Therefore, \$24,780 would become the employee's annual salary for the interim assignment.

### **Promotions (Permanent)**

A promotion occurs when a qualified employee is permanently transferred from one position to another in a higher-level classification. Calculating the appropriate salary is governed by two different situations: 1) promotion up one classification level, or 2) promotion up two or more classification levels.

#### **Promotion up one classification level**

1. Determine the midpoint of the employee's current salary range.
2. Multiply this % by the midpoint of the new classification's salary range midpoint
3. This outcome is the new salary, which may be adjusted for equity by Human Resources.

**Example:** The employee's current salary range is \$19,716 to \$29,968 with a midpoint of \$24,842. The employee's current salary within that range is \$23,500 or 95% of the midpoint. 95% of the new position's midpoint of \$26,084 (salary range was \$20,701 to \$31,466) would be \$24,780. Therefore \$24,780 would be the promoted employee's new salary.

#### **Promotion up two or more classification levels**

1. The new salary will be the base rate of the new salary classification.
2. If the employee's current salary is above the base rate of the new salary classification, then a 5% increase added to the base will be the new salary and adjusted, if necessary, for pay equity relative to other salaries in that pay group.

### **Reclassification/Organizational Changes**

When a position is reclassified to a higher or lower classification, adjustments to salary will be calculated in the same manner as a promotion or demotion.



### **Lateral Transfer**

Employees transferred to a position in the same classification or to a different position with the same pay range are not eligible for an increase.

### **Demotions**

Demotions occur when the employee is moved from one position to another within a lower salary grade or level, and typically will include a reduction in pay.

### **Additional Compensation for Additional Responsibilities**

An employee may receive additional compensation for performing duties and responsibilities outside the scope of the employee's job description, or beyond the employee's normal job duties.

All requests for additional compensation must be submitted for approval in advance of the employee assuming the additional responsibilities and requires approval of the supervisor, Division Vice President, Budget Office and President. No additional compensation will be approved or paid after the fact or without Budget approval.

The timeframe for continuation of additional compensation will be based on the duration of the increased workload and will be reviewed every six (6) months by the supervisor and Division Vice President for renewal.

Additional compensation may be considered for the following situations:

1. Assuming responsibilities for specialized activities including Club Advisor, Coaches, and others. Payment is based on an amount established by Cabinet. Please see page 6 for more details.
2. Assuming responsibilities of another position for a time limited period because the position is vacant.

This situation is considered a special appointment that must be made for a specified period and does not constitute a promotion. In order for special payment to be approved, documentation supporting the reasons for the additional compensation and the additional responsibilities must be attached to the request.

### **Calculation for Additional Compensation - Additional Responsibilities - Exempt Employee**

- a. Determine the responsibilities to be assumed by the employee from the total responsibilities of the new position.
  - b. In consultation with the employee, the supervisor determines the total number of hours per week necessary to complete the responsibilities, not to exceed 12.5 hours per week.
  - c. Calculate the hourly rate for the position (base rate divided by 1,950 hours) and multiply by the number of hours per week. Multiply this total by 52 to equal the annual additional compensation.
  - d. Divide the annual additional compensation by 24 to equal the bi-monthly payment. This is the amount the employee will receive bi-monthly for the duration of the assignment.
3. Assuming additional responsibilities due to a significant increase in workload within the employee's department.

This situation is considered extra work. The supervisor determines the appropriate TOTAL number of hours required to complete the extra work. Documentation supporting the reasons for the special payment and the additional responsibilities must be attached to the request.

### **Calculation for Additional Compensation - Increase in Workload - Exempt Employee**

- a. The supervisor must determine the appropriate number of hours necessary for the employee to complete the extra duties in advance.

- b. The total number of hours is projected forward for the total number of days the employee will perform the duties during the assignment to arrive at the total amount of hours.
- c. Multiply this total number of hours by the employee's hourly rate to arrive at the value for the additional compensation.

Example: The supervisor determines four extra duties will be assigned to an employee for 3 months (60 days). These four extra duties take 3 hours total to complete each day. 3 hours per day X 60 days = 180 hours total. 180 hours X \$9.60 (employee's hourly rate) = \$1,728.

**Calculation for Additional Compensation for Non-Exempt Employees**

If an employee is non-exempt and the duties require additional hours beyond 40 hours per week, the employee is entitled to overtime pay per FLSA regulations or compensatory time. See page 16 for details on calculating compensatory time.

# **2018-2019 Salary Schedules**

**2018-19 Faculty Rank Salary Ranges**  
(163 days for Instructional)

**Wait on Doug**

Base Annual Salary for each rank with adjustments for critical need areas, library faculty, and graduate coursework above minimum qualifications

Rank	Base Salary	Critical Area	Librarian	Masters+	Doctorate
Instructor	\$40,000				
Assistant	\$42,000				
Associate	\$44,100	+\$5,000	+\$8,000	+\$2,000	+\$4,000
Professor	\$46,305				
Sr. Professor	\$48,620				

**Salary Increases for Rank Promotions**

A faculty member being promoted to another rank will move to the base salary of the next rank and any compensation adjustments including recurring base-pay adjustments will be added to the base salary of the new rank as follows.

## Senior Management Class

<u>Level/</u> <u>Salary Range</u>	<u>Title</u>	<u>Days</u>
CC	President	260
MA-12 (Exempt) \$ 98,000 – \$ 150,000 (Midpoint=\$ 124,000)	Vice President of Academic Affairs Vice President of Administrative & Financial Services Vice President of Enrollment and Student Affairs	260 260 260
<b>Managerial - Administrator Salary Levels and Ranges</b>		
<u>Level/</u> <u>Salary Range</u>	<u>Title</u>	<u>Days</u>
M2-1 (Non-Exempt) \$ 25,000 – \$ 38,737 (Midpoint=\$31,869)		
M2-2 (Non-Exempt) \$ 27,000 – \$ 41,820 (Midpoint=\$ 34,410)	Coordinator State Programs, Financial Aid	260
M2-3 (Non-Exempt) \$ 29,500 – \$ 45,856 (Midpoint = \$ 37,678)		
	Coordinator Nursing Programs	260
MA-3 (Exempt) \$ 29,500 – \$ 45,856 (Midpoint = \$ 37,678)	Manager, Continuing Education Programs Manager, Pre-College Program, Upward Bound Programs Manager, Testing Services, Learning Center	260 260 260
MA-4 (Exempt) \$ 31,000 - \$ 47,815 (Midpoint= \$ 39,408)		
	Academic Advisor, Student Development Accountant Accounts Payable Manager Admissions Counselor Assistant Registrar Career Advisor, Student Development Executive Assistant to President Financial Aid Advisor Financial Aid Counselor Foundation Operations Manager Foundation Program Associate Manager Learning & Development Center SL Manager Student Life/South Lake	260 260 260 260 260 260 260 260 260 260 260 260 260 260

Manager, Talent Search Program

260

## Managerial - Administrator Salary Levels and Ranges

Level/

Salary Range

Title

Days

Marketing Manager-Graphic Designer  
Senior Specialist Advisor RN/BSN Program

260  
260

MA-5 (Exempt)

\$ 35,700–\$ 55,137

(Midpoint=\$ 45,419)

Budget Manager  
College Functions/Event Manager  
HSCA Academic Program Coordinator  
HSCA Simulation Coordinator  
Math Emporium Coordinator  
Manager, Early College Ctr-Sumter Workforce/Aca Adv  
Manager, Enrollment & Student Affairs/Sumter  
Payroll Manager  
Program Manager LSAMP  
Recruitment Manager  
Senior Manager Learning & Development Center  
Talent Acquisition Manager, Human Resources  
Upward Bound Program Manager, Education Opportunity Programs

260  
260  
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260

MA-6 (Exempt)

\$ 39,500–\$ 61,046

(Midpoint= \$ 50,273)

Assistant Director Student Development Advising  
Assistant Director Student Development Disability Service  
Finance Business Process Analyst  
Senior Manager, Baccalaureate & Workforce Programs  
Senior Manager Benefits & Compensation  
Senior Manager Payroll Operations, Business Services  
Senior Manager Professional Development & Wellness, HR

260  
260  
260  
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260  
260

MA-7 (Exempt)

\$ 42,200–\$ 65,285

(Midpoint= \$ 53,743)

Assistant Director Admissions  
Assistant Director Continuing Education Programs  
Assistant Director Financial Aid  
Assistant Director Human Resources  
Coordinator Academic Assessment  
Director Student Life  
Title III Grant Manager  
Title III Statistician

260  
260  
260  
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260  
260

## Managerial - Administrator Salary Levels and Ranges

Level/ Salary Title	Days
MA-8 (Exempt) \$ 46,900–\$ 72,664 (Midpoint=\$ 59,782)	
Associate Dean Arts & Letters	260
Associate Dean Math & Science	260
Director, Accounting	260
Director, Athletics	260
Director Equity & Diversity/ Title IX Coordinator	260
Director Cash Management	260
Director, Purchasing	260
Director, Strategic Communications	260
Registrar	260
MA-9 (Exempt) \$ 53,700–\$ 83,340 (Midpoint=\$ 68,520)	
BSN Program Manager	260
Director Campus Safety & Auxiliary Operations	260
Director Corporate Training, Continuing Education	260
Director Educational Opportunity Programs	260
Director eLearning	260
Director Enrollment Management	260
Director of Facilities	260
Director Financial Aid	260
Director Health Sciences Collegiate Academy	260
Director Library Services	260
Director/Program Manager, Energy Technology Programs	260
Director Student Development	260
Interim Director Human Resources	260
Workforce Project Manager (9-month)	163
MA-10 (Exempt) \$ 66,900–\$ 102,582 (Midpoint=\$ 84,741)	
Controller	260
Dean of Arts & Letters	260
Dean of Math & Science	260
Dean of Nursing	260
Dean of Students	260
Dean of Workforce Development	260
HR Project Manager	260
MA-11 (Exempt) \$ 85,400–\$ 127,400 (Midpoint=\$ 106,400)	
Associate Vice President of General Studies	260
Associate Vice President of Institutional Advancement/Exec Dir Found	260
Chief Information Officer	260
9/4/2018	24

## Professional Administrative Salary Levels and Ranges

Level/ Salary Range	Title	Days
A2-1 (Non-Exempt) \$17,500 – \$28,500 (Midpoint=\$ 23,000)	Administrative Specialist Learning Center	260
A2-2 (Non-Exempt) \$19,000 – \$31,900 (Midpoint=\$ 25,450)	Administrative Specialist Student Development Courier HR Administrative Assistant Specialist Shipping & Receiving	260 260 260 260
A2-3 (Non-Exempt) \$ 19,800 – \$ 33,000 (Midpoint=\$ 26,400)	Administrative Specialist/Disability Office Administration Staff Assistant /Academic Affairs Administrative Staff Assistant / South Lake Marketing Content Specialist Specialist Admissions/Records	260 260 260 260 260
A2-4 (Non-Exempt) \$ 20,400 – \$34,000 (Midpoint=\$ 27,200)	Career Development Program Assistant Instructional Administrative Staff Assistant – South Lake Senior Staff Specialist Student Development Senior Administrative Staff Assistant Senior Specialist Accounting	260 260 260 260 260
A2-5 (Non-Exempt) \$ 21,200 –\$ 35,000 (Midpoint=\$ 28,100)	Program Specialist Financial Aid Program Specialist Financial Aid SL Program Specialist EOP	260 260 260
A2-6 (Non-Exempt) \$ 22,500 – \$ 36,500 (Midpoint=\$29,500)	Accounts Payable Specialist Senior Program Specialist Admissions Senior Program Specialist Athletics Senior Program Specialist Financial Aid Senior Program Specialist, Nursing	260 260 260 260 260



## Professional Administrative Salary Levels and Ranges

Level/ Salary Range	Title	Days
<hr/>		
A2-7 (Non-Exempt) \$ 23,800 – \$ 38,000 (Midpoint=\$ 30,900)		
<hr/>		
A2-8 (Non-Exempt) \$ 24,400 – \$ 39,500 (Midpoint=\$ 31,950)	HRIS Specialist, Human Resources Senior Staff Specialist South Lake Shipping & Receiving Coordinator Staff Assistant, Workforce	260 260 260 260
<hr/>		
A2-9 (Non-Exempt) \$ 25,800 – \$ 41,300 (Midpoint=\$ 33,550)	Assistant Bursar Facilities Office Coordinator Senior Staff Specialist, Nursing Senior Administrative Assistant to Vice-President Transcript Evaluator	260 260 260 260 260
<hr/>		
A2-10 (Non-Exempt) \$ 26,900 – \$ 43,000 (Midpoint=\$34,950)		
<hr/>		

## Professional Crafts/Trades Salary Levels and Ranges

Level/ Salary Range	Title	Days
C2-1 (Non-Exempt) \$ 19,500 – \$ 30,900 (Midpoint=\$ 25,200)	Maintenance Service Worker I	260
C2-2 (Non-Exempt) \$ 21,000 – \$ 33,000 (Midpoint=\$ 27,000)	Maintenance Service Worker II Buildings Maintenance Service Worker II Painter	260 260
C2-3 (Non-Exempt) \$ 23,000 – \$ 35,500 (Midpoint=\$ 29,250)	Trades worker	260
C2-4 (Non-Exempt) \$ 24,000 – \$ 37,800 (Midpoint=\$ 30,900)	Interim Facilities Project Coordinator Maintenance Technician III - Structural	260 260
C2-5 (Exempt) \$ 27,000 – \$ 40,500 (Midpoint=\$ 33,750)	Building & Maintenance Supervisor LE Building & Maintenance Supervisor SL Maintenance Technician III-HVAC	260 260 260

## Professional Technical Salary Levels and Ranges

Level/ Salary Range	Title	Days
T2-1 (Non-Exempt) \$ 21,700 – \$ 34,000 (Midpoint=\$ 27,850)	Library Technician I	260
T2-2 (Non-Exempt) \$ 23,500 – \$ 36,610 Midpoint=\$ 30,055)	Library Technician II Science Lab Tech	260 260
T2-3 (Non-Exempt) \$ 26,500 –\$ 40,830 (Midpoint=\$ 33,665)	Library Technical Specialist	260
T2-4 (Non-Exempt) \$ 28,500 – \$ 44,230 (Midpoint=\$ 36,365)	Assistant Theater Technician Computer Technician Data Process Improvement Analyst eLearning Instructional Design Specialist Master Audiovisual Technician	260 260 260 260 260
T2-4 (Exempt) \$ 28,500 – \$ 44,230 (Midpoint=\$ 36,365)	Programmer-Analyst	260
T2-5 (Non-Exempt) \$ 35,000 –\$ 54,200 (Midpoint=\$ 44,600)	eLearning Senior Technologist Web Designer	260 260
T2-5 (Exempt) \$ 35,000 –\$ 54,200 (Midpoint=\$ 44,600)	Manager Technical Theatre	260
T2-6 (Non-Exempt) \$39,000 –\$ 60,200 (Midpoint=49,600)	eLearning Instructional Designer Help Desk Supervisor, IT	260 260
T2-6 (Exempt) \$ 39,000 –\$ 60,200 (Midpoint=\$ 49,600)	Network Administrator	260

## Professional Technical Salary Levels and Ranges

Level/ Salary Range	Title	Days
PT-7 (Exempt) \$ 42,500 –\$ 65,870 (Midpoint=\$ 54,185)	Business Intelligence Analyst  eLearning Manager Instructional Technology  Senior Programming Project Manager	260  260  260
PT-8 (Exempt) \$ 45,500 –\$ 70,100 (Midpoint=\$ 57,800)	          Senior Manager eLearning	          260
PT-9 (Exempt) \$ 48,000 – \$ 73,800 (Midpoint=\$ 60,900)	eLearning Assistant Director Financial Aid Business Process Analyst Manager Applications & Database Systems Principal Database Administrator Theater Manager (Technical/Operations)	260 260 260 260 260
PT-10 (Exempt) \$ 52,000 – \$ 79,700 (Midpoint=\$ 65,850)	Director Enterprise Systems  Director Technology Infrastructure & PC Support	260  260

## **2018-2019 BENEFITS SUMMARY**

Regular full-time employees are eligible for the coverage detailed below. Non-permanent full-time employees employed for longer than six months are eligible for all coverage except company-paid life insurance.

Coverage is effective the first day of the month following full-time employment. Employees may make changes to their coverage either during the annual open enrollment period each year or upon a qualifying event.

### **Health Insurance**

Employees may choose from various Blue Cross Blue Shield health insurance plans: ☐ Premium PPO Plan ☐ Preferred PPO Plan ☐ Core PPO Plan ☐ Health Savings Account

### **Dental Insurance**

Dental insurance offered through Ameritas Dental. Employees may choose from two dental plans:

- ☐ Standard Plan: annual benefit \$1,250
- ☐ Premium Plan: annual benefit \$1,500

*Dependent and Family coverage available*

### **Term Life/Supplemental Term Life Insurance**

All regular full-time employees are enrolled in LSSC's Term Life Insurance Group Policy at no cost to the employee. The basic term life insurance benefit consists of 1 times the full-time employee's annual salary, rounded to the next \$1,000, if not already a multiple thereof, not to exceed \$500,000. Supplemental Term Life/AD&D insurance coverage can be obtained at the employee's cost.

### **Voluntary Supplemental Benefits**

To supplement medical and dental insurance, LSSC offers many additional supplemental benefits including long-term & short-term disability, medical-gap insurance and supplemental life insurance plans for the employee, child and spouse. Employees may also choose to have a Pre-tax Flexible Spending Account Reimbursement for medical expenses and dependent care expenses. -

### **Employee Assistance Program**

LSSC offers an Employee Assistance Program for employees and those who live in their residence at no cost. Licensed and experienced counselors are available to help employees and household members deal with such problems as: marital, financial, alcohol/drugs, family relationships, work-related stress, general stress, legal referrals, weight loss, childcare, elder care, and general emotional/psychological problems or anything else that is causing disruptions in your life. Services are completely confidential, professional and always available.

### **Payroll & Direct Deposit**

Employees are paid on a bi-monthly basis, 24 pay periods per calendar year, on the 15<sup>th</sup> and 31<sup>st</sup> of each month. All employees, including adjuncts and student employees, are strongly encouraged to take advantage of direct deposit. Enrollment forms are located in LOIS. We appreciate your participation in direct deposit. Paychecks for employees without direct deposit are mailed the day before payday.

### **Florida Retirement System (FRS)**

All regular employees have a choice between the FRS pension plan and the investment plan. The College contributes a percent as governed by FL Statute. Employees contribute 3% of their annual salary taken as a pre-tax deduction.

### **Optional Retirement Program**

Administrators (Directors, Deans, Vice Presidents and President) and Faculty (includes Librarians) have the choice of participating in either one of the Florida Retirement System plans or the Optional Retirement Plan (ORP). The College contributes a percent as governed by FL Statute. Employees contribute 3% of their annual salary taken as a pre-tax deduction.

### **Other Retirement Plans**

Employees may enroll at any time in a 403B or 457 tax-deferred plan by authorizing a payroll deduction. A list of companies for 403B and 457 plans is available from the Payroll/Benefits Dept.

### **Sick Leave**

All regular full-time non-instructional-employees employed on a 12-month basis shall earn 3.75 hours of sick leave per pay period. - All regular full-time faculty employees shall earn 3.5 hours per pay period- each month (while on contract). All regular Athletic Coaches shall earn 3.75 hours per pay period- each month (while on contract). Employees may use four days (28 hours for faculty and 30 hours for staff) per fiscal year from their sick leave balance as personal leave.

### **Vacation Leave**

All regular employees employed on a twelve-month basis are entitled to accrue 3.75 hours of vacation leave per pay period- each month. Part-time employees in twelve-month positions that work 20 or more hours per week shall earn 2 hours of vacation leave per - pay period- each month.

After five years of service regular full-time employees employed on a twelve-month basis are entitled to accrue 4.69 hours' vacation leave per pay period- each month and after ten years of service are entitled to accrue 5.63 hours' vacation leave per pay period- each month.

### **Sick Leave Pool**

LSSC has a voluntary Sick Leave Pool to aid participating employees with sick leave during times of extended personal medical illness following depletion of an individual's own accrued sick and vacation leave due to employee's catastrophic and extended illness or injury. Any full-time employee is eligible to join the Sick Leave Pool during a twice-yearly open enrollment. Employees must be employed by LSSC for 12 months and have a balance of at least nine days of sick leave time accrued.

### **Tuition Waivers**

All regular full-time employees who successfully complete their 90-day probationary period with LSSC are eligible, as well as their spouse and dependent(s), for tuition fee waivers for two credit courses per term. The number of students eligible for such scholarships may be limited by available funding. (Board Rule 6.08 *Auxiliary Enterprises*)

### **Staff and Program Development**

Employees who have successfully completed the 90-day college probationary period may apply for reimbursement from SPD funds for course tuition and workshop/seminar attendance/conference fees. Maximum benefits per individual per fiscal year for a regular full-time employee is \$1,500 and for a regular part-time employee is \$500. Please read *Staff and Program Development Rule 6.16* for information that is more detailed.

### **Institutional Advancement/Foundation**

Employees who have successfully completed the 90-day college probationary period may apply for a \$125 book scholarship. Employees are also eligible to apply for semester scholarships. Please contact the Foundation Department for more information and applications.

### **Employee Handbook**

The Employee Handbook is available electronically on the HR page of the LSSC website and contains Administrative Procedures and Board Rules related to the terms and conditions of employment, links to employee forms, and personnel policies and procedures.

**2018-2019 DUTY DAY CALENDAR  
FISCAL YEAR JULY 1, 2018 – JUNE 30, 2019**

	Faculty Professional 163 Days	Staff and Non-Instructional Faculty 260 Days* **
JULY	0	22
AUGUST	13	23
SEPTEMBER	19	20
OCTOBER	23	23
NOVEMBER	19	22
DECEMBER	7	21
JANUARY	21	23
FEBRUARY	21	20
MARCH	16	21
APRIL	21	22
MAY	3	23
JUNE	0	20
<b>TOTAL</b>	<b>163</b>	<b>260</b>

Faculty 9 Month/163 Day Contracts:	August 15, 2018 – May 3, 2019
*Coaches 10 Month/197 Day Contracts:	August 3, 2018 - June 3, 2019
* Librarians 12 Month:	July 1, 2018 - June 30, 2019
*Regular Full-time Non-Instructional Staff:	July 1, 2018 - June 30, 2019

\*\*Includes paid non-Duty Days

College Closed
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- |  |                               |
|--|-------------------------------|
| *Wednesday, July 4, 2018                                 | Independence Day              |
| *Thursday, July 5, 2018                                  | Board Holiday                 |
| *Monday, September 3, 2018                               | Labor Day                     |
| *Sunday, November 11, 2018                               | **Veterans Day                |
| *Wednesday, November 22, 2018                            | Board Holiday                 |
| *Thursday, November 22– Sunday, Nov 25, 2018             | Thanksgiving                  |
| *Wednesday, December 12, 2018 – Tuesday, January 1, 2019 | Faculty Winter Break          |
| *Saturday, December 15 – Tuesday, January 1, 2019        | Staff Winter Break            |
| Monday, January 21, 2019                                 | Martin Luther King's Birthday |
| *March 17 - 24, 2019                                     | Spring Break                  |
| *Monday, May 27, 2019                                    | Memorial Day                  |

- Paid non-duty days for all regular employees employed on a 12-month basis.      \*\*Determined yearly per academic calendar



Lake Sumter  
State College

## OFFICE OF THE PRESIDENT

Present to the Board: September 19, 2018

TO: Lake-Sumter State College  
District Board of Trustees

FROM: Dr. Stanley Sidor  
President

RE: 342 – Second Reading of Revision to Board Rule 5.13 Leaves

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### OVERVIEW

Board Rule 5.13

#### 6. Administrative Leave (Current Version)

A Continuing contract employee, who has accepted employment outside of his or her contract status, may be granted an unpaid Administrative Leave of Absence that provides for the return of the employee to continuing contract status. The Administrative Leave of Absence may be granted on academic year at a time for up to a maximum of five years.

#### 6. Administrative Leave (Revised Version)

A continuing contract employee, who has accepted employment outside of his or her faculty contract status, may be granted an Administrative Leave of Absence that provides for the return of the employee to continuing contract status. The Administrative Leave of Absence from continued contract status may be granted on an annual basis.

### STATUS

Second Reading

### RECOMMENDATION

Approve the proposed revisions to Board Rule 5.13.



**LAKE-SUMTER STATE COLLEGE  
BOARD RULE**

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**TITLE:** Leaves

**NUMBER:** 5.13

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**AUTHORITY:** Federal Family and Medical Leave Act **PAGE:** 1  
of 3 Florida Statutes 1001.64 (18); 1012.865; 250.48; 741.313; SBE 6A-14.0432

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**HISTORY:** New: 7/1/65  
Amended: 8/1/68, 9/12/73, 1/20/93, 6/19/96, 6/16/99, 1/17/01, 3/20/02, 3/20/07,  
10/16/07, 3/18/08, 4/1/2016

**DATE ADOPTED:** 3/18/08

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**REFER TO PROCEDURE NUMBER:** PRO 5-11

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The following leaves of absence are authorized by the District Board:

**1. Vacation Leave**

All regular employees employed on a twelve (12) month basis are entitled to accrue vacation leave.

Employees may not use vacation leave during their probationary period (first ninety days of employment).

**2. Sick Leave**

All regular full-time employees are entitled to accrue sick leave.

**3. Holidays and Other Paid Non-Duty Days**

All full-time employees and regular part-time employees in twelve month positions who work 20 or more hours per week shall observe holidays and other paid non-duty days.

**4. Personal Leave**

All full-time employees may take up to four (4) days from their allocated sick leave days for personal reasons each fiscal year (July 1-June 30). Personal leave cannot be accumulated. Used personal leave is charged to sick leave.

**5. Workers' Compensation Leave**

All full-time employees shall receive up to twelve (12) days leave with pay in one calendar year when absence is necessary due to a work-related injury.

**6. Administrative Leave**

A continuing contract employee, who has accepted annual employment outside of his or her faculty contract status, may be granted an Administrative Leave of Absence that provides for the return of the employee to continuing contract status. The Administrative Leave of Absence from continuing contract faculty may be granted on an annual basis.

**7. Professional Leave (Temporary Duty)**

Professional leave, or temporary duty, is a temporary assignment used for providing educational services, attending meetings and workshops, etc., for the benefit of the College. The employee requesting temporary duty must submit a Travel Request and Reimbursement form.

**8. Sabbatical Leave**

Sabbatical leave may be granted to full-time College-funded faculty or administrative employees who have been employed as full-time LSSC employees for at least five (5) years. The duration of a sabbatical leave period shall not be longer than the employee's contract period, or less than one semester. The governance of the administration of sabbatical leave is detailed in the Administrative Procedures 5-10.

**9. Court-Related Leave**

Court-related leave is leave with pay, and used when an employee is on jury duty or subpoenaed as a witness in a court proceeding. When not involved in litigation on behalf of the College, an employee serving as a witness for a court proceeding may retain any fees earned. If an employee is involved in a court proceeding on behalf of the College, the employee is on duty, and all fees must be relinquished to the College.

**10. Military Leave**

Military leave shall be granted to employees who are ordered to federal or state military duty training, including the National Guard. The first thirty (30) days of such leave shall be paid leave. Leave used beyond the thirty (30) days shall be without pay.

**11. Family and Medical Leave Act (FMLA)**

As mandated by federal law, eligible employees are entitled upon request to leave without pay for specified qualifying events. An employee may use paid leave (vacation or sick) as a substitute for unpaid leave. See Administrative Procedure 5-

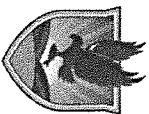
31 for details of eligibility, qualifying events, and leave time permitted.

**12. Domestic Violence Leave**

Employees may be granted up to three (3) days of unpaid leave (per Florida State Statute 741.313) in any twelve (12) month period if the employee, or family or household member of an employee, is the victim of domestic violence. Before receiving this leave, all annual vacation leave, personal leave and sick leave must be exhausted. Except in cases of imminent danger to the health or safety of the employee or family or household member, the employee must provide appropriate advance notice of at least three (3) days of the need for leave along with sufficient documentation of the act of domestic violence. This documentation may include copies of restraining orders, police reports, order to appear in court, etc.

**13. Unauthorized Absences**

Unauthorized absences will not be paid leave, and may subject the employee to disciplinary action, including termination.



## Lake Sumter State College

### OFFICE OF THE PRESIDENT

Present to the Board: September 19, 2018

TO: Lake-Sumter State College  
District Board of Trustees

FROM: Stanley M. Sidor  
President *Stan Sidor*

RE: 343 – Board Committee Announcement

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#### **OVERVIEW:**

The Lake-Sumter State College District Board of Trustees are broken down into four areas of service Strategic Planning, Foundation, Sumter Partnerships, and Facilities. The Board Chairman will divide the board into these committees based on their area of expertise.

#### **ANALYSIS:**

The Lake-Sumter State College District Board of Trustees Chairman will announce each committee member and select the chairman to plan and oversee the named committee.

#### **RECOMMENDATION:**

It is recommended that Board approve this item as written.



Lake Sumter  
State College

## OFFICE OF THE PRESIDENT

Present to the Board: September 19, 2018

TO: Lake-Sumter State College  
District Board of Trustees

FROM: Dr. Stanley Sidor  
President

RE: 344 – Health Insurance Benefit Renewal

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### OVERVIEW

The Blue Cross Blue Shield employee health insurance plan through the FCSRMC (consortium) experienced a 7.19% increase in premium rates for the 2019 plan year. This is slightly below the increase that was budgeted for 2018-19.

The College will continue to offer full-time employees four medical plans: Premium, Preferred, Core and the HRA will be replaced by a Health Savings Account (HSA). The HSA will include a health expense spending card worth \$500-\$1500, based on the number of dependents on the plan.

Open Enrollment will be held from October 10, 2018 until October 26, 2018, and the Benefits Fair will be held on October 10, 2018 in the Magnolia Room.

### ANALYSIS

The College will continue to cover the full amount of the premium for employee only coverage for the Core and HSA plans. A comparison of the 2018 rates to the 2019 rates is attached.

### RECOMMENDATION

Approve the benefit plan structure for the 2019 health insurance program.

**Lake-Sumter State College  
Employee Health Insurance Plan Rates**

**2018**

<b>PPO 3562 Premium</b>	<b>Monthly Premium</b>	<b>LSSC</b>	<b>Employee</b>
Employee	\$777.00	\$777.00	\$0.00
Spouse/Dependent	\$1,555.00	\$777.00	\$778.00
Child 1-2	\$1,260.00	\$777.00	\$483.00
Child 3-4	\$1,746.00	\$777.00	\$969.00
Family	\$2,032.00	\$777.00	\$1,255.00
<b>PPO 3769 Preferred</b>			
Employee	\$755.00	\$755.00	\$0.00
Spouse/Dependent	\$1,509.00	\$755.00	\$754.00
Child 1-2	\$1,224.00	\$755.00	\$469.00
Child 3-4	\$1,695.00	\$755.00	\$940.00
Family	\$1,973.00	\$755.00	\$1,218.00
<b>PPO 5772 Core</b>			
Employee	\$732.00	\$732.00	\$0.00
Spouse/Dependent	\$1,463.00	\$732.00	\$731.00
Child 1-2	\$1,186.00	\$732.00	\$454.00
Child 3-4	\$1,643.00	\$732.00	\$911.00
Family	\$1,912.00	\$732.00	\$1,180.00
<b>H.R.A.</b>			
Employee	\$707.00	\$707.00	\$0.00
Spouse/Dependent	\$1,333.00	\$786.00	\$547.00
Family	\$1,688.00	\$786.00	\$902.00

**2019**

<b>PPO 3562 Premium</b>	<b>Monthly</b>	<b>LSSC</b>	<b>Employee</b>	<b>Employee Change</b>
Employee	\$833.00	\$809.00	\$24.00	\$24.00
Spouse/Dependent	\$1,666.00	\$809.00	\$857.00	\$79.00
Child 1-2	\$1,351.00	\$809.00	\$542.00	\$59.00
Child 3-4	\$1,872.00	\$809.00	\$1,063.00	\$94.00
Family	\$2,179.00	\$809.00	\$1,370.00	\$115.00
<b>PPO 3769 Preferred</b>				
Employee	\$810.00	\$809.00	\$1.00	\$1.00
Spouse/Dependent	\$1,620.00	\$809.00	\$811.00	\$57.00
Child 1-2	\$1,314.00	\$809.00	\$505.00	\$36.00
Child 3-4	\$1,818.00	\$809.00	\$1,009.00	\$69.00
Family	\$2,116.00	\$809.00	\$1,307.00	\$89.00
<b>PPO 5772 Core</b>				
Employee	\$785.00	\$809.00	-\$24.00	-\$24.00
Spouse/Dependent	\$1,570.00	\$809.00	\$761.00	\$30.00
Child 1-2	\$1,273.00	\$809.00	\$464.00	\$10.00
Child 3-4	\$1,762.00	\$809.00	\$953.00	\$42.00
Family	\$2,050.00	\$809.00	\$1,241.00	\$61.00
<b>H.S.A.</b>		<i>Up To:*</i>		
Employee	\$590.00	\$809.00	-\$219.00	-\$219.00
Spouse/Dependent	\$1,180.00	\$809.00	\$371.00	-\$176.00
Child 1-2	\$958.00	\$809.00	\$149.00	-\$753.00
Child 3-4	\$1,325.00	\$809.00	\$516.00	-\$386.00
Family	\$1,541.00	\$809.00	\$732.00	-\$170.00

*The excess LSSC subsidy can only be used for vision or dental premiums.*

Total LSSC FY18 Budget	2,135,920.00
Total Projected FY19 Budget	2,331,096.00
Net Increase	195,176.00
Budgeted Increase FY19	<u>102,000.00</u>
Net Reserve	93,176.00





Lake Sumter  
State College

January 1, 2019 Benefits Comparison

No Longer  
Available in 2019

New for 2019

New for 2019



Cost Sharing - Members Responsibility	BlueOptions 3562.03766	BlueOptions 03769	BlueOptions 03359 (HRA)	BlueOptions 05772	BlueOptions HSA 05190 Individual Plan Employer Account Funding: \$500	BlueOptions HSA 05191 Family Plan Funding: \$1,000/\$1,500
Deductible (DED) (Per Person/Family Aggregate)					Health Care Reform Compliant	Health Care Reform Compliant
In-Network	\$500 / \$1,500	\$600 / \$1,800	\$1,500 / \$3,000	\$1,000 / \$3,000	\$1,500 / NA	\$3,000 / \$3,000
Out-of-Network	Combined w/ INN	Combined w/ INN	Combined w/ INN	Combined w/ INN	\$3,000 / NA	\$6,000 / \$6,000
Coinsurance (BCBSF pays / Member pays)						
In-Network	80% / 20%	80% / 20%	80% / 20%	80% / 20%	80% / 20%	80% / 20%
Out-of-Network	70% / 30%	60% / 40%	60% / 40%	60% / 40%	60% / 40%	60% / 40%
Out of Pocket Maximum (Per Person/Family Aggregate)						
In-Network	Includes Pharmacy \$5,000 / \$10,000	Includes Pharmacy \$6,000 / \$12,000	Includes Pharmacy \$3,000 / \$9,000	Includes Pharmacy \$6,000 / \$12,000	\$4,500 / NA	\$6,850 / \$9,000
Out-of-Network	Combined w/ INN	Combined w/ INN	Combined w/ INN	Combined w/ INN	\$9,000 / NA	\$18,000 / \$18,000
Medical / Surgical Care by a Physician						
Office Services						
In-Network Family Physician	\$25	\$30	Ded + 20%	\$40	Applicable	Applicable
In-Network Specialist	\$40	\$50	Ded + 20%	\$75	DED + 20%	DED + 20%
Out-of-Network	DED + 30%	Ded + 40%	Ded + 40%	Ded + 40%	DED + 40%	DED + 40%
Preventive Services (Adult & Well Child)						
Office Services						
In-Network Family Physician	\$0	\$0	\$0	\$0	\$0 Copayment	\$0 Copayment
In-Network Specialist	\$0	\$0	\$0	\$0	\$0 Copayment	\$0 Copayment
Out-of-Network	30%	40%	40%	40%	40%	40%
Medical / Surgical Care at a Facility						
Inpatient Hospital Facility (per admitt)						
In-Network	Option 1: \$750 Option 2: \$1,500	Option 1: \$1,000 Option 2: \$2,000	Option 1: Ded + 20% Option 2: Ded + 25%	Option 1: Ded + 20% Option 2: Ded + 20%	Option 1: Ded + 20% Option 2: Ded + 25%	Option 1: Ded + 20% Option 2: Ded + 25%
Out-of-Network	\$2,500	Ded + 40%	Ded + 40%	Ded + 40%	\$500 PAD + DED + 40%	\$500 PAD + DED + 40%
Outpatient Hospital Facility (per visit) (Surgical)						
In-Network	Option 1: \$150	Option 1: Ded + 20%	Option 1: Ded + 20%	Option 1: Ded + 20%	Option 1: Ded + 20%	Option 1: Ded + 20%
Out-of-Network	\$350	Ded + 40%	Ded + 40%	Ded + 40%	DED + 40%	DED + 40%
Emergency and Urgent Care						
Emergency Room Facility (per visit) (No surgery performed or not admitted)						
In-Network						
Urgent Care Centers	In-Network	DED + 20%	DED + 20%	DED + 20%	DED + 20%	DED + 20%
Ambulance	In-Network	\$35	\$65	DED + 20%	\$75	DED + 20%
Other Special Services and Locations	In-Network	DED + 20%	DED + 20%	DED + 20%	DED + 20%	DED + 20%
Telemedicine Services - with Teladoc						
In-Network	\$10	\$10	\$10	\$10	Allowance Max. \$45 covered 1 per lifetime	Allowance Max. \$45 covered 1 per lifetime
Gastric Bypass Covered 1						
Prescription Drugs						
Deductible		N/A	N/A	N/A	Integrated Deductible	Integrated Deductible
In-Network						
- Retail						
Generic/Brand/Non-Preferred/Specialty RX Maximum	\$15 / \$45 / \$65 / \$250	\$15 / \$45 / \$65 / \$250	\$15 / \$45 / \$65 / \$250	\$15 / \$45 / \$65 / \$250	DED	DED
- Mail Order						
Generic/Brand/Non-Preferred/Specialty RX Maximum	\$30 / \$90 / \$130	\$30 / \$90 / \$130	\$15 / \$45 / \$65 / \$250	\$30 / \$90 / \$130	DED	DED
Platinum Level Plan	\$500 deductible with low member cost share;	\$600 deductible with predictable cost share for services (10-15% member cost share)	A high deductible PPO health plan w/ most services requiring deductible & coinsurance.	\$1,000 deductible with 20% coinsurance as member cost share	Health Savings Account	Health Savings Account
NOTES	10% for services provided				A high deductible health plan with all services requiring deductible & coinsurance. FCSRMC makes contribution to member's HSA account to help offset the deductible. Employee can add pre-tax dollars to their account for medical, dental & vision. Account owned by member.	