

**AGENDA**  
**Polk State College**  
**District Board of Trustees Board Meeting**  
**April 25, 2016 - 4:00 PM**  
**WST 126**

**Student Spotlight**

Sinead Fernandes, AA Degree Graduate, Winter Haven campus

**Pledge of Allegiance**

**Foundation Recognitions**

Ms. Tracy Porter

**Special Recognitions**

Dr. Eileen Holden

**Agenda**

- 1. Meeting Called to Order**
- 2. Adoption of Agenda**
- 3. Consent Agenda Items**
  - a. Payroll Distribution - Mr. Peter Elliott
  - b. Expenditure Summary - Mr. Peter Elliott
  - c. Personnel Action Report - Mr. Peter Elliott
  - d. Salary Schedule Changes - Mr. Peter Elliott

Those items included under the Consent section are self-explanatory and are not expected to require discussion before action. Items will be enacted by one motion. If discussion is desired by any Board member on any item, the item should be identified and removed from the Consent agenda for separate action.

- 4. Approval of Board Minutes**
  - a. March 28, 2016 Board Minutes
- 5. President's Report**
  - a. June 27, 2016 DBOT Meeting Location Change
  - b. What's up? April/May 2016 issue
- 6. Attorney's Report**
- 7. Business Services Action Items**
  - a. Employment Contracts - Administrator and Professional/Technical Employees - Mr. Peter Elliott
  - b. Faculty Employment Contract Renewals - Mr. Peter Elliott

- c. Faculty Employment Contract Renewals - Collegiate High Schools - Mr. Peter Elliott
- d. Polk State Chain of Lakes Collegiate High School - 2015 Audited Financial Statements - Mr. Peter Elliott
- e. Polk State Lakeland Collegiate High School - 2015 Audited Financial Statements - Mr. Peter Elliott
- f. Polk State Lakeland Gateway to College Collegiate High School - 2015 Audited Financial Statements - Mr. Peter Elliott

**8. Business Services Informational Items**

- a. Investment Interest Comparison - Mr. Peter Elliott
- b. Budget Amendment Summary - Mr. Peter Elliott
- c. Financial Statements - Mr. Peter Elliott
- d. Project Status, College-Wide - Mr. Peter Elliott
- e. Florida College System 2015-2016 College Annual Equity Update Report - Ms. Val Baker

**9. Items Removed from the Consent Agenda**

**10. Academic and Student Services Action Items**

**11. Academic and Student Services Informational Items**

**12. Collegiate High School Report**

- a. Polk State Chain of Lakes Collegiate High School Report

**13. First Reading Items (No action required)**

**14. Second Reading Items (Final Approval)**

- a. DBOT Rule 1.05 - Goals of the Board - Ms. Val Baker

**15. Board Discussion**

**16. Adjournment**

**Public Participation (from DBOT Rule 1.02)**

At every regular meeting of the Board and at any meeting at which official action of the Board is to be taken, and prior to any official action being considered by the Board, members of the public shall be given an opportunity to address the Board regarding any issue on the Board agenda for that meeting. Presentations by any individual shall be limited to three (3) minutes. In order for meetings to proceed in an efficient and orderly process, the Board Chair may announce special rules to limit the number of speakers, shorten or lengthen time allowed to speakers, designate representatives to speak on behalf of a group, or other conditions consistent with the requirements of Section 286.0114, Florida Statutes.

At the discretion of the Chair and within limits established by the Chair, individuals requesting the opportunity to address the Board on an issue not on the agenda of the current Board meeting may be allowed to speak at the end of the meeting prior to adjournment.

Student appeals for grades or discipline issues are not heard by the District Board of Trustees. Students wishing to file an appeal are referred to Procedure 1018.



**Agenda Item:** Payroll Distribution - Mr. Peter Elliott

**Date:** April 25, 2016

**POLK STATE COLLEGE  
BOARD OF TRUSTEES  
AGENDA TRANSMITTAL SHEET**

**Issue:**

As prescribed by Section 1001.64, Florida Statutes, each Board of Trustees shall account for expenditures of all College funds. The presentation of the payroll distribution report provides Board members with a comparative analysis of payroll expenses. The information in this report includes salaries only. This report is for March 2016.

**Background/Analysis:**

Payroll expenses are classified by employee type.

**Fiscal Impact:**

There was an overall increase in payroll for the month of March as compared to February. This is mainly attributable to an increase in part-time and full-time instructional costs.

*Peter S. Elliott, Vice President for Administration / CFO*

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**Initiating Official**

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**THIS RECOMMENDED ITEM MEETS THE FOLLOWING ELEMENT(S) OF POLK STATE COLLEGE'S MISSION STATEMENT, VISION STATEMENT, AND CORE VALUES:**

Commitment to Student Success through Innovation, Value, and Engagement, Commitment to Knowledge, Diversity, Integrity, Leadership, and Service

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**President's Recommendation:**

Recommend Approval

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**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Payroll Distribution Report	Backup Material

# PAYROLL DISTRIBUTION

## MARCH 2016

	MARCH 2016		FEBRUARY 2016		MARCH 2015	
	<u>%</u>	<u>Salaries</u>	<u>%</u>	<u>Salaries</u>	<u>%</u>	<u>Salaries</u>
Management	9.48%	\$ 278,174.96	9.63%	\$ 269,315.25	8.42%	\$ 254,086.06
Instructional	49.27%	1,445,670.99	47.25%	1,320,910.78	49.89%	1,504,961.83
Professional	24.47%	717,968.90	26.19%	732,129.04	25.30%	763,236.72
Technical, Clerical, Trade	15.88%	466,092.28	16.21%	453,196.93	15.23%	459,561.18
Student Employment	0.90%	26,514.72	0.72%	20,296.08	1.16%	34,971.27
TOTAL	<u>100.00%</u>	<u>\$ 2,934,421.85</u>	<u>100.00%</u>	<u>\$ 2,795,848.08</u>	<u>100.00%</u>	<u>\$ 3,016,817.06</u>



**Agenda Item:** Expenditure Summary - Mr. Peter Elliott

**Date:** April 25, 2016

**POLK STATE COLLEGE  
BOARD OF TRUSTEES  
AGENDA TRANSMITTAL SHEET**

**Issue:**

As prescribed by Section 1001.64, Florida Statutes, each Board of Trustees shall account for expenditures of all College funds. The presentation of the warrants summary provides information regarding the payments for current expenses and capital outlay items for the month, including all payments made electronically. The itemized warrants listing will be available for review at the Board meeting.

**Background/Analysis:**

The warrants summary is broken out by payee type. The warrants list is provided by check number, date, vendor name and amount paid to vendor.

**Fiscal Impact:**

Total expenditures for the month of March were \$7.7 million.

*Peter S. Elliott, Vice President for Administration / CFO*

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**Initiating Official**

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Commitment to Student Success through Innovation, Value, and Engagement, Commitment to Knowledge, Diversity, Integrity, Leadership, and Service

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**President's Recommendation:**

Recommend Approval

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**ATTACHMENTS:**

Description	Type
❑ Expenditure Summary Report	Backup Material

Polk State College  
Expenditure Summary for March 2016

**CHECK PAYMENTS**

<u>PAYEE CATEGORY</u>	<u>AMOUNT</u>
Student Disbursements and Refunds	916.11
Employee Payroll and Reimbursements	70,478.81
Vendor Payments	1,076,404.89 *
<b>Subtotal Check Payments</b>	<b>\$ 1,147,799.81</b>

**ELECTRONIC PAYMENTS**

<u>PAYEE NAME</u>	<u>AMOUNT</u>
Santa Fe College - Employee Insurance	435,560.81
Santa Fe College - Property/Casualty Insurance	162,173.00
Santa Fe College - Workers Compensation Insurance	1,183.98
International Travel - Panama	15,627.74
Employee Payroll	2,121,111.90
Employee Reimbursements	26,699.77
Vendor Payments	1,860,190.76
Student Disbursements and Refunds	862,256.31
Merchant Fees - Early Childcare	448.70
Merchant Fees - American Express/Discover/Visa/Master Card	1,715.89
Florida Department of Revenue - State Sales Tax	414.41
Tampa Electric Company	51,158.36
TIAA-CREF Retirement Savings Plan	19,535.01
Vanguard Retirement Savings Plan	5,665.92
Expertpay Withholding	4,975.06
Wageworks Reimbursement	24,325.00
VALIC Retirement Savings Plan	51,374.35
VOYA Retirement Savings Plan	300.00
State of Florida Retirement (FRS)	229,886.13
Internal Revenue Service - Payroll Taxes	658,934.16
<b>Subtotal Electronic Payments</b>	<b>\$ 6,533,537.26</b>
 <b>Grand Total - All Payments</b>	 <b>\$ 7,681,337.07</b>

\* Total includes customer subtotal located on the last page of the check register.



**Agenda Item:** Personnel Action Report - Mr. Peter Elliott

**Date:** April 25, 2016

**POLK STATE COLLEGE  
BOARD OF TRUSTEES  
AGENDA TRANSMITTAL SHEET**

**Issue:**

In accordance with Polk State College DBOT Rule 3.01 and Section 1012.855, Florida Statutes, the employment of all personnel shall be upon the recommendation of the President, subject to rejection for cause by the District Board of Trustees.

**Background/Analysis:**

This is the **March 2016** report to the Board detailing recent personnel actions including new hires, terminations and changes to current employee assignments.

**Fiscal Impact:**

Nearly all personnel actions have some impact to area/departamental personnel budgets. However, care is taken to ensure that personnel actions do not cause personnel budgets to exceed budgeted amounts.

*Peter S. Elliott, Vice President for Administration / CFO*

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**Initiating Official**

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Commitment to Knowledge, Diversity, Integrity, Leadership, and Service

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**President's Recommendation:**

Recommend Approval

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**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Personnel Actions	Backup Material



# Polk State College District Board of Trustees Personnel Actions

## March 2016

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### **ADMINISTRATIVE**

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#### **NEW APPOINTMENTS/CHANGES**

None

#### **ADDITIONAL ASSIGNMENTS**

None

#### **TERMINATIONS/RESIGNATIONS**

Craig-Bowser, Osubi	F/R Director, Arts & Cultural Affairs	20160317	Resignation	LWAC
Garnett, Cheryl	F/R Center Director	20160318	Resignation	JDA

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### **INSTRUCTIONAL**

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#### **NEW APPOINTMENTS/CHANGES**

Clark, Crystal	P/T Adjunct	20160315	EMS
Diaz, Victor	P/T Adjunct	20160310	Criminal Justice
Duppenthaler, Laurie	P/T Adjunct	20160314	Nursing
Gonzalez, Ariel	P/T Adjunct	20160328	EMS
Harris, Robert	P/T Adjunct	20160303	LLAS
Hernandez, David	P/T Adjunct	20160329	Criminal Justice
Ryan, Amanda	F/R Professor	20160126	GTC
Sapp, Kevin	P/T Adjunct	20160328	LLAS
Seeright, David	P/T Adjunct	20160314	EMS
Smith, Tyler	P/T Adjunct	20160328	EMS
Steiger, Neal	P/T Adjunct	20160303	LLAS
Ward, Jason	P/T Adjunct	20160314	EMS

#### **ADDITIONAL ASSIGNMENTS**

Anderson, Dale	P/T Special Project	20160301	LLAS
Duppenthaler, Laurie	P/T PT Clinical Assistant	20160314	Nursing
Hiestand, Lisa	P/T PT Clinical Assistant	20160115	Nursing
Jenko, Mary	P/T Special Project	20160301	LLAS
Macon, Demetrius	P/T PT Coordinator	20160201	CHSW
McGriff, Chevalyette	P/T Special Project	20160301	VPAC
Palacios, Karlos	P/T Adjunct	20160307	LWFD
Randolph, Logan	P/T Special Project	20160105	Strategic Initiatives
Terry, Cynthia	P/T Adjunct	20160316	GTC

#### **TERMINATIONS/RESIGNATIONS**

Atalan, Gokce	P/T Adjunct	20150508	Assignment Ended	LLAS
Bell, Michael	P/T Adjunct	20160211	Assignment Ended	Criminal Justice
Bitsicas, Katina	P/T Adjunct	20150508	Assignment Ended	LLAS
Burke, Craig	P/T Adjunct	20150601	Retirement	Criminal Justice
Cardona, Brian	P/T Adjunct	20150508	Assignment Ended	LLAS
Cooke, Donald	P/T Adjunct	20160301	Resignation	EMS
Hogan, James	P/T Adjunct	20140701	Assignment Complete	Criminal Justice
Mendez, Eric	P/T Adjunct	20150508	Assignment Ended	LLAS
Olds, Cherry	F/R Professor	20160331	Involuntary Termination	LLAS
Pickles, Tamara	P/T Adjunct	20160226	Resignation	Criminal Justice
Poole, Mary	P/T Adjunct	20150508	Assignment Complete	LLAS
Reynolds, Brent	P/T Adjunct	20121212	Assignment Complete	LWFD
Roberts, James	P/T Adjunct	20160301	Assignment Complete	Criminal Justice
Sockwell, Angela	P/T Adjunct	20160229	Retirement	Criminal Justice

# Polk State College District Board of Trustees Personnel Actions

## March 2016

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### **PROFESSIONAL/TECHNICAL**

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#### **NEW APPOINTMENTS/CHANGES**

Fenelon, Claudy	F/R Sr. Program Specialist	20160328	SSDN
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#### **ADDITIONAL ASSIGNMENTS**

None

#### **TERMINATIONS/RESIGNATIONS**

Irvine, John	F/R Accountant	20160311	Resignation	CMPT
Scuderi, Judith	P/R Librarian	20151213	Retirement	LKLR
Selfridge, Jason	F/R Coor, Corporate College Programs	20160229	Resignation	Corporate College

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### **CAREER**

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#### **NEW APPOINTMENTS/CHANGES**

Armbruster, Angelene	F/R Purchasing Specialist	20160328	VPBS
Fuller, Heather	P/T OPS Worker	20160104	TLCC-LW
Mays, Nollie	P/T OPS Worker	20160307	IT-Media Service
Miller, Joan	P/R Administrative Clerk	20160307	WHPV
Perry, Clive	P/T Tutor	20160301	TLCC-WH
Phillips, Jeff	P/T Special Project	20160225	LWAC
Rogers, Jake	P/T OPS Worker	20160301	Athletics
Sholar, Dirk	P/T OPS Worker	20160314	IT-Media Service
Urbina, Christina	P/R Financial Aid Assistant	20160328	SSFA
Worley, Elsa	P/T Professional Tutor	20160104	TLCC-LW
Ximin, Karla	P/T Tutor	20160104	TLCC-LW

#### **ADDITIONAL ASSIGNMENTS**

Autrey, Lee	P/T Test Proctor	20160301	Corporate College
Bradman, Heather	P/T OPS Worker	20160315	SSFA
Camacho, Jaysha	P/T OPS Worker	20160201	WLAS
Champney, Stephanie	P/T Test Proctor	20160301	Corporate College
Clinger, Marta	P/T Test Proctor	20160301	Corporate College
Crawford, Mary	P/T Professional Tutor	20160202	Student Svcs
Goodman, Ian	P/T Special Project	20160225	LWAC
Ingram, Haleigh	P/T Test Proctor	20160301	Corporate College
Ramraj, Raymond	P/T Tutor	20160223	Student Svcs
Simmons, Nancy	P/T Professional Tutor	20160314	Student Svcs

#### **TERMINATIONS/RESIGNATIONS**

Brooks, Lafunda	P/R Administrative Clerk	20160309	Resignation	LKPV
Ferguson, Nickesha	F/R Financial Aid Assistant	20160317	Resignation	SSFA
Floyd, Dennis	F/R PC Support Specialist	20160311	Resignation	DPTS
Kim, Gina	P/T OPS Worker	20160310	Assignment Complete	SALO
Sheppard, Yolanda	P/R Activity Coach	20160310	Assignment Complete	SALO
Sheppard, Yolanda	P/R OPS Worker	20160310	Assignment Complete	SALO
Urbina, Christina	P/R OPS Worker	20160310	Assignment Complete	SALO
Welch, Brandon	F/R User Support Specialist II	20160331	Resignation	DPTS

# Polk State College District Board of Trustees Personnel Actions

## March 2016

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### STUDENTS

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#### NEW APPOINTMENTS/CHANGES

Ferrer, Luis	P/T Work Study	20160201	SSFA
Goodin, Brennan	P/T Work Study	20160328	SSFA
James, Nichole	P/T Work Study	20160328	SSFA
Robinette, Janie	P/T Work Study	20160328	SSFA
Sheppard, Yolanda	P/T Work Study	20160311	SSFA
Urbina, Christina	P/T Work Study	20160311	SSFA

#### ADDITIONAL ASSIGNMENTS

None

#### TERMINATIONS/RESIGNATIONS

None

# Polk State College District Board of Trustees Personnel Actions

## March 2016

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### NOMENCLATURE

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AVP	- Associate Vice President
CC	- Corporate College
CHS	- Collegiate High School-Lakeland
CHSW	- Collegiate High School-WH-Chain of Lakes
CJ	- Criminal Justice
CMPT	- Controller
Coor.	- Coordinator
CVT	- Cardio Vascular Technology
CWS	- College Work Study
DBOT	- District Board of Trustees
DD	- District Dean
DEVP	- Development & Planning, Assoc VP
DPTS	- Data Processing/Tech Support
EMS	- Emergency Medical Services
EPI	- Education Prep Institute
ET	- Instructional Education Technology
FAC	- Facilities
F/R	- Full-time Regularly-Established
F/T	- Full-time Temporary
GTC	- Gateway to College
HR	- Human Resources
Inst Assess/Dev/Plan/Coor	- Instructional Assessment/Development/Planning/Coordination
IPS/Criminal Justice	- Institute of Public Safety/Criminal Justice
IR	- Institutional Research
IT	- Information Technology
JDA	- JD Alexander Center
KAC	- Kids at College
LKLR	- Lakeland-Learning Resources
LKPV	- Lakeland Provost
LLAS	- Lakeland-Liberal Arts & Sciences
LWFD	- Lakeland-Workforce Development
NUR	- Nursing
OCPA	- Office of Communications & Public Affairs
OPS Worker	- Other Professional Services Worker
Org Assess/Devel Services	- Organizational Assessment/Development Services
OTA	- Occupational Therapy Program
P/R	- Part-time Regularly-Established
P/T	- Part-time Temporary
PRES	- President
Prof Instr Services/ Cert. Training	- Professional Instructional Services/Certification Training
Prof Instr Services/Lic. Training	- Professional Instructional Services/Licensure Training
SADM	- Student Services-Admissions
SSDN	- Student Services-Dean
SSAA	- Student Services/Activities & Athletics
SSFA	- Student Services-Financial Aid
TLCC	- Information Technology
VPAC	- Vice President of Academics
VPBS	- Vice President of Administrative & Business Svcs
VPSS	- Vice President of Student Svcs
WHLR	- Winter Haven-Learning Resources
WHPV	- Winter Haven Provost
WLAS	- Winter Haven-Liberal Arts & Sciences
WWFD	- Winter Haven- Workforce Development



**Agenda Item:** Salary Schedule Changes - Mr. Peter Elliott

**Date:** April 25, 2016

**POLK STATE COLLEGE  
BOARD OF TRUSTEES  
AGENDA TRANSMITTAL SHEET**

**Issue:**

In accordance with Polk State College DBOT Rule 3.16 and F.S. 1001.64(18), the District Board of Trustees will approve all pay plan and salary schedule changes at monthly Board meetings.

**Background/Analysis:**

Changes to the Salary Schedule have occurred that require Board approval.

**Fiscal Impact:**

Changes to the salary schedule may impact personnel budgets of areas and departments. The business office has ensured that the proposed changes will not result in an over-spent budget.

*Peter S. Elliott, Vice President for Administration / CFO*

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**Initiating Official**

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**THIS RECOMMENDED ITEM MEETS THE FOLLOWING ELEMENT(S) OF POLK STATE COLLEGE'S MISSION STATEMENT, VISION STATEMENT, AND CORE VALUES:**

Commitment to Knowledge, Diversity, Integrity, Leadership, and Service

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**President's Recommendation:**

Recommend Approval

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**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Salary Schedule Changes	Backup Material

**Polk State College**  
**POSITION ACTIONS – Salary Schedule**  
**April 2016**

**New Positions:**

N/A

**Re-leveled Positions:**

**Coordinator of Cultural Events:** This Career position was re-leveled from C14 to C15. This change was based primarily on expanded responsibilities, newly required technical skills, and a higher level of required education. The volume of arts and cultural events has increased markedly over the past two years, requiring greater organizational competence and a higher level of productivity. This position is currently vacant.

**Program Assistant, Collegiate High School:** This Career position was re-leveled from C14 to C15. The duties and responsibilities have changed significantly as a result of legislative changes, which have added more complexity and quantity of work associated with the enrollment and graduation processes, the implementation of a lottery admissions process to accommodate greater student enrollment demands, and the transfer of purchasing and distribution responsibilities from the College to the collegiate high schools.

**Desktop Administrator:** This position was changed from a Career C14 to a Professional/Technical position at pay level P13. This re-level was based primarily on an expansion in the scope and responsibilities of the position, which have changed from campus-based to college-wide. The experience and skill requirements of the position have also increased, as well as the required level of formal education. This position is currently vacant.

**Re-titled Positions:**

**Student Services Supervisor:** This Career level position's job title has been changed to "Coordinator, Information Desk" to better reflect the primary role of this position. The pay level was not changed.

**Changes to the Supplemental Salary Schedule:**

N/A

**Other Changes to the Salary Schedule:**

N/A



**Agenda Item:** March 28, 2016 Board Minutes  
**Date:** April 25, 2016

ATTACHMENTS:

Description	Type
 March 28, 2016 Board Minutes	Backup Material

**MINUTES**  
**POLK STATE COLLEGE**  
**District Board of Trustees Meeting**  
**Monday, March 28, 2016 – 4:00 p.m.**  
**Lakeland Campus, LTB 1100**

Dr. Eileen Holden called the March 28, 2016 District Board of Trustees meeting to order at 4:00 p.m.

**Members Present:** Mr. Rick Garcia, Mr. Greg Littleton, Ms. Teresa Martinez, and Mr. Mark Turner

**Members Absent:** Mr. Dan Dorrell, Ms. Linda Pilkington, and Ms. Cindy Ross

**Student Spotlight:** Chantell Harrell, Liberal Arts major, Lakeland campus

**Foundation Special Recognitions: Ms. Tracy Porter**

Ms. Porter introduced Susan Copeland, Polk State College Alumni President. Ms. Copeland acknowledged a gift from DSM Technology Consultants in the amount of \$26,250 for scholarships, technology, and programs, and introduced David Robinson, founder and CEO. Mr. Robinson acknowledged that he is happy to support students because education is the key to success and a gateway out of poverty.

**Special Recognitions: Dr. Eileen Holden**

Dr. Holden introduced Dean Donald Painter. Dean Painter then introduced Speech Communication Professor and Director of Forensics at the Lakeland campus Professor Christina Gesmundo. Professor Gesmundo established the Polk State Speech and Debate Team about two years ago, and this year's team made a strong showing at the FCSAA State Championship earlier this month in Jacksonville. This was the first time it had competed at the FCSAA State Championship. At the state competition, Polk State faced off against colleges such as Broward, Miami Dade, and Tallahassee Community College. Professor Gesmundo brought home the 2016 Forensics Coach of the Year Award. Gesmundo's peers voted for her to receive the award. Professor Gesmundo then introduced Polk State student and Lakeland resident Toby Pelland who placed fifth in Informative Speaking. His peers also selected him to receive the Shira Brownstein Award, which is given to the student who best embodies fellowship, generosity, humility and overall service.

**Adoption of Agenda:**

Mr. Turner moved, seconded by Mr. Littleton, to approve the agenda for March 28, 2016. All members voted affirmatively.

**Consent Agenda Items: Mr. Peter Elliott**

- a. **Payroll Distribution for February 2016**– Approved on consent agenda. Board action is required.
- b. **Expenditure Summary for February 2016** – Approved on consent agenda. Board action is required.
- c. **Tangible Personal Property Deletions** – Approved on consent agenda. Board action is required.
- d. **Personnel Action Report for February 2016** – Approved on consent agenda. Board action is required.

Mr. Turner moved, seconded by Mr. Garcia, to approve the consent agenda items for February 2016. All members voted affirmatively.



Those items included under the Consent section are self-explanatory and are not expected to require discussion before action. Items will be enacted by one motion. If discussion is desired by any Board member on any item, the item should be identified and removed from the Consent agenda for separate action.

### **Approval of Board Minutes**

Mr. Littleton moved, seconded by Mr. Turner, to approve the February 22, 2016 Board minutes. All members voted affirmatively.

### **President's Report**

- a. Dr. Holden distributed copies of the March/April 2016 issue of "What's up?" which lists recent and current happenings at Polk State College.

Dr. Holden provided a brief legislative update to the Board. She acknowledged that the budget has been signed by the Governor and the Winter Haven Learning Resources (WLR) PECO project has been approved. The College's \$6 million PECO request will complete the Winter Haven Learning Resources Building renovations. An additional \$1 million in recurring operating funds was also approved, which will help cover the costs to migrate to a new and much-needed ERP platform.

Dr. Holden noted that the final hurdle has been cleared with the FLDOE for the new Early Childhood Education (ECE) and Elementary Education (ELEM) BS degrees. The College is now approved as an initial teacher preparation program and can officially open the doors to the programs in the fall.

Dr. Holden shared details about the recent Panamanian trip made by several Polk State faculty, staff, and students and several representatives from the Central Florida Development Council (CFDC). The trip served as an academic/trade mission to help teach students the complexities of international business. She encouraged all to read the trip blogs written by Polk State's Director of Communications Rachel Pleasant.

### **Attorney's Report**

Attorney Don Wilson had nothing to report.

### **Business Services Action Items:**

- a. **Kids at College 2016 Course Fees - Ms. Tracy Porter** – Ms. Porter presented and recommended approval of the Kids at College 2016 Course Fees.

Mr. Garcia moved, seconded by Mr. Littleton, to approve the Kids at College 2016 Course Fees. All members voted affirmatively.

- b. **Termination of Employment – Mr. Peter Elliott** – Mr. Elliott presented and recommended approval of the termination of Professor Cherry Olds' continuing contract and her dismissal from employment with Polk State College.

Mr. Garcia moved, seconded by Mr. Turner, to approve the termination of Professor Cherry Olds' continuing contract and her dismissal from employment with Polk State College. All members voted affirmatively.

### **Business Services Informational Items: Mr. Peter Elliott**

- a. **Investment Interest Comparison for February 2016** - Mr. Elliott briefed the Board on the College's investment interest. No Board action required.

- b. Budget Amendment Summary for February 2016** - Mr. Elliott presented and reviewed the Budget Amendment Summary for the Board's information. Discussion ensued. No Board action required.
- c. Financial Statements for February 2016** - Mr. Elliott presented and reviewed the Financial Report for the Board's information. No Board action required.
- d. Project Status Report, College-Wide for March 2016** - Mr. Elliott presented and reviewed the Project Status Report for the Board's information. No Board action required.

**Academic & Student Services Action Items: Dr. Kenneth Ross**

- a. Course Fees** – Dr. Ross presented and recommended approval of the new non-credit course fees for March 2016.

Mr. Turner moved, seconded by Mr. Garcia, to approve the non-credit course fees. All members voted affirmatively.

**Polk State Lakeland Collegiate High School Report: Mr. Corey Barnes**

- a. 2016-2017 Demographic and Placement Data for Polk State Lakeland Collegiate High School Applicants** – Mr. Barnes briefly updated the Trustees on the demographic and placement data for Polk State Lakeland Collegiate High School applicants.

Mr. Barnes provided a Polk State Lakeland Collegiate High School enrollment status report to the Board. Discussion ensued about the application process and guidelines. Mr. Barnes reported that any student who is not accepted, will be encouraged to attend a recruitment session and apply to Polk State Lakeland Gateway to College Collegiate High School. He explained that Gateway to College is a college transition program and its admission requirements are less stringent than Collegiate High School's admission requirements.

**First Reading Items:**

- a. DBOT Rule 1.05, Goals of the Board – Ms. Val Baker** -- Ms. Baker presented as a first-read item revised DBOT Rule 1.05, Goals of the Board. She reviewed the proposed revisions made to Rule 1.05 and advised the Trustees that it will be presented for final approval at the April 25, 2016 Board meeting.

**Second Reading Items (Final Approval): NONE**

**Board Discussion:**

None.

**Adjournment:**

Having no further business, the meeting adjourned at 4:35 pm.

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Ms. Teresa Martinez, DBOT Chair      Date

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Eileen Holden, Ed.D.      Date  
President



**Agenda Item:** June 27, 2016 DBOT Meeting Location Change

**Date:** April 25, 2016

**POLK STATE COLLEGE  
BOARD OF TRUSTEES  
AGENDA TRANSMITTAL SHEET**

**Issue:**

The location of the June 27, 2016 DBOT meeting has changed from LTB 1100 to the Polk State Center for Public Safety Auditorium.

*Dr. Eileen Holden, President*

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**Initiating Official**

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**President's Recommendation:**

For Information Only

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**Agenda Item:** What's up? April/May 2016 issue

**Date:** April 25, 2016

**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> What's up? April/May 2016 issue	Cover Memo



Just in case someone asks you: “What’s up at Polk State College?”

- Polk State’s 114<sup>th</sup> graduation ceremony will take place May 5 at 6:30 p.m. at The Lakeland Center.
- Summer registration is now underway. Twelve-week summer classes begin May 9 and end Aug. 3. Eight-week summer classes begin May 9 and end July 5. Six-week summer classes take place May 9-June 20 and June 22-Aug. 3.
- Polk State Airside Center West will hold an open house from 5 to 7 p.m. on April 26 for anyone interested in learning more about the programs based at the location, including Cardiovascular Technology, Diagnostic Medical Sonography, Radiography and Medical Coding Specialist.
- Polk State’s Campus Concert Series will present two concerts by acoustic guitarist Justin Grimes on April 28. Grimes will perform at 10 a.m. at the Polk State Winter Haven WLR Patio and at 12:30 p.m. at the Polk State Lakeland Student Center. Both performances are free and open to the public.
- The Polk State Lake Wales Arts Center will host the 14<sup>th</sup> Annual Marilyn Newell Youth Music Festival from 8 a.m. to 5 p.m. on April 30 and from 2 to 4 p.m. on May 1.
- The Over 55 Show Band will present “The Merry Month of May” from 2 to 4 p.m. on May 1 at the Polk State Winter Haven Fine Arts Theatre. Admission is \$10.
- Polk State Humanities and Film Professor Mary Ann Murdoch has published a collection of short stories and poems titled, “Of Earnest Grasping.”
- Polk State Chain of Lakes Collegiate High School senior John Portlock competed with the Winter Haven High School Blue Devils in the FHSAA state tennis finals.
- Registration is now open for Polk State’s TALON Robotics summer program, which has options for students in middle and high school. The program will take place June 15-29 at both the Lakeland and Winter Haven campuses.
- Registration is now open for Polk State’s Kids at College summer program, which is open to children ages 5 to 14. Two sessions are offered; Session 1 is June 20-June 30, Session 2 is July 11-July 21. Classes take place at both the Lakeland and Winter Haven campuses.
- Polk State Music instructor Benjamin Pila, a Juilliard-trained classical guitarist, performed a solo concert at New York’s Metropolitan Museum of Art in early April.

**news.polk.edu**



**Agenda Item:** Employment Contracts - Administrator and Professional/Technical Employees - Mr. Peter Elliott

**Date:** April 25, 2016

**POLK STATE COLLEGE  
BOARD OF TRUSTEES  
AGENDA TRANSMITTAL SHEET**

**Issue:**

In accordance with Polk State College DBOT Rule 3.05 and Section 1012.83, Florida Statutes, the District Board of Trustees will approve all Polk State College employment contracts.

**Background/Analysis:**

The appointment of Professional/Technical staff and College Administrators to employment contracts requires approval by the District Board of Trustees.

**Fiscal Impact:**

Approval of these appointments will continue employment for the named employees during the 2016-2017 fiscal year. This action will be considered when developing the 2016-2017 budget.

*Peter S. Elliott, Vice President for Administration / CFO*

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**Initiating Official**

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**THIS RECOMMENDED ITEM MEETS THE FOLLOWING ELEMENT(S) OF POLK STATE COLLEGE'S MISSION STATEMENT, VISION STATEMENT, AND CORE VALUES:**

Commitment to Knowledge, Diversity, Integrity, Leadership, and Service

---

**President's Recommendation:**

Recommend Approval

---

**ATTACHMENTS:**

Description	Type
Admin and ProTech Annual Contracts	Backup Material

**Administrator Contract Recommendations**  
**Polk State College**  
**2016-2017**

<b>Name</b>		<b>Job Title</b>
Gerene M.	Thompson	Associate Dean, Academic Affairs (LK)
Yulonda D.	Bell	Associate Dean, Student Services (WH)
Michelle R.	Sams	Associate Dean, Student Services (LK)
Corey	Barnes	Principal, Lakeland Gateway to College Collegiate High School
Bridget A.	Fetter	Principal, Chain of Lakes Collegiate High School (WH)
Richard	Jeffries	Principal, Lakeland Collegiate High School
Valparisa J.	Baker	Director, Equity & Diversity
George R.	Urbano	Director, Facilities
Lynn K.	Wilson	Director, Financial Affairs, PSC Foundation
Annette H.	Hutcherson	Director, Nursing
Marcia	Conliffe	Director, Student Financial Services
Kathleen R.	Bucklew	Director, Student Enrollment/Registrar
Teresa B.	Vorous	Controller
Donald K.	Painter	Dean, Academic Affairs (LK)
April M.	Robinson	Dean, Academic Affairs (WH)
Sylvester	Little	Dean, Student Services (LK)
Lawrence	Pakowski	Dean, Student Services (WH)
B. Jill	Hall	Director, Human Resources
Kevin	Jones	Director, Strategic Planning & Assessment
Orathai	Northern	District Dean, Academic Programs
Naomi R.	Boyer	Associate VP, Strategic Initiatives & Innovation/CIO
Tamara M.	Sakagawa	Associate VP, Communications & Public Affairs
Stephen E.	Hull	Campus Provost (LK)
Martha	Santiago	Campus Provost (WH)
Tracy M.	Porter	VP, Institutional Advancement/Executive Director PSC Foundation
Kenneth S.	Ross	VP, Academic Affairs
Reginal T.	Webb	VP, Student Services
Peter S.	Elliott	VP, Administration/CFO



**Professional/Technical Contract Recommendations**  
**Polk State College**  
**2016-2017**

<b>Name</b>		<b>Job Title</b>
Debra M.	Metcalfe	Coordinator, Applied Education
Carol L.	Anderson	Coordinator, Clinical Education
Tanya J.	Bird	Coordinator, Clinical Education
William J.	Luckett	Coordinator, Clinical Education
Shannon E.	Ryals	Coordinator, Clinical Education
Jaime N.	Selph	Coordinator, Clinical Education
Harold L.	Tyus	Director, Athletics
Beverly H.	Woolery	Director, Educator Preparation Institute
Christina C.	Fullerton	Director, TLCC & Learning Resources (WH)
Courtlan P.	Thomas	Director, TLCC & Learning Resources (LK)
William M.	DeWitt	Director, Infrastructure & User Support
Eric	Crump	Program Director, Aerospace □
Merry L.	Etherton	Program Director, Diagnostic Medical Sonography
R. Kevin	Ferrier	Program Director, Cardiovascular Technology
Margaret C.	Ford	Program Director, Respiratory Care
Karen W.	Greeson	Program Director, Early Childhood Education & Management
Donald F.	Guillette	Program Director, Emergency Medical Services (EMS)
Saritza	Guzman-Sardina	Program Director, Occupational Therapy Assistant(OTA)
Ernie B.	Ivey	Program Director, Digital Media Technology
Maria E.	Lehoczký	Program Director, Bachelor of Applied Science
Mary E.	Luckett	Program Director, Radiography



**Agenda Item:** Faculty Employment Contract Renewals - Mr. Peter Elliott

**Date:** April 25, 2016

**POLK STATE COLLEGE  
BOARD OF TRUSTEES  
AGENDA TRANSMITTAL SHEET**

**Issue:**

In accordance with Polk State College DBOT Rule 3.05 and Section 1012.83, Florida Statutes, presented are the Faculty Annual Employment Contract Renewals and Award of Continuing Contracts for **Polk State College**.

**Background/Analysis:**

Pursuant to Section 1012.885(1), Florida Statutes, upon recommendation of the President, the District Board of Trustees shall approve the appointment of faculty to either an annual employment contract or continuing employment contract.

**Fiscal Impact:**

Approving the attached list will continue employment for the named employees for the 2016-17 fiscal year. This action will be considered when developing the budget for the 2016-17 fiscal year.

*Peter S. Elliott, Vice President for Administration / CFO*

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**Initiating Official**

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**THIS RECOMMENDED ITEM MEETS THE FOLLOWING ELEMENT(S) OF POLK STATE COLLEGE'S MISSION STATEMENT, VISION STATEMENT, AND CORE VALUES:**

Commitment to Knowledge, Diversity, Integrity, Leadership, and Service

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**President's Recommendation:**

Recommend Approval

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**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Polk State Faculty Contract Renewals	Backup Material

**Faculty Contract Recommendations**  
**Polk State College**  
**2016-2017**

Name		Contract Type
Danielle	Delgiudice	Continuing
Holly	Scoggins	Continuing
Johnny	Stewart	Continuing
Carol	Stinson	Continuing
Eric	Altman	Annual
Dale	Anderson	Annual
Chasity	Branham	Annual
Robert	Brown	Annual
Thelma	Chicas	Annual
Joan	Connors	Annual
Andrew	Coombs	Annual
Alexandros	Dimitriadis	Annual
Christina	Gesmundo	Annual
Mary	Grant	Annual
Cindy	Gundling-Tucker	Annual
Mark	Hartfield	Annual
Jess	Jones	Annual
Jean	McDonnell-Bennett	Annual
Chevalyette	McGriff	Annual
Paul	Mclain	Annual
Mark	Mershon	Annual
Raymond	Oberg	Annual
Carolyn	Orr	Annual
Jerri	Palmer	Annual
Scott	Perkins	Annual
Gwyndolyn	Phillips	Annual
Anthony	Rizzo	Annual
David	Rose	Annual
Roberta	Salmon	Annual
Lisa	Smelser	Annual
Gregory	Toole	Annual
Jacobus	Valk	Annual
Ryan	Wallace	Annual
Donald	West	Annual
Austin	Zekeri	Annual



**Agenda Item:** Faculty Employment Contract Renewals - Collegiate High Schools - Mr. Peter Elliott

**Date:** April 25, 2016

**POLK STATE COLLEGE  
BOARD OF TRUSTEES  
AGENDA TRANSMITTAL SHEET**

**Issue:**

In accordance with Polk State College DBOT Rule 3.05 and Section 1012.83, Florida Statutes, presented are the Faculty Annual Employment Contract Renewals for **Polk State Chain of Lakes Collegiate High School, Polk State Lakeland Collegiate High School and Polk State Lakeland Gateway to College High School.**

**Background/Analysis:**

Pursuant to Section 1012.885(1), Florida Statutes, upon recommendation of the President, the District Board of Trustees shall approve the appointment of faculty to either an annual employment contract or continuing employment contract.

**Fiscal Impact:**

Approving the attached list will continue employment for the named employees for the 2016-17 fiscal year. This action will be considered when developing the budget for the 2016-17 fiscal year.

*Peter S. Elliott, Vice President for Administration / CFO*

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**Initiating Official**

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**THIS RECOMMENDED ITEM MEETS THE FOLLOWING ELEMENT(S) OF POLK STATE COLLEGE'S MISSION STATEMENT, VISION STATEMENT, AND CORE VALUES:**

Commitment to Knowledge, Diversity, Integrity, Leadership, and Service

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**President's Recommendation:**

Recommend Approval

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**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Collegiate High Schools Faculty Contract Renewals	Backup Material

**Faculty Contract Recommendations  
Polk State Collegiate High Schools  
2016-2017**

Name		Contract Type
------	--	---------------

**Lakeland Gateway to College Collegiate**

Dawn	Dyer	Annual
Erik	Roldan	Annual
Amanda	Ryan	Annual
Maya	Smith	Annual

**Lakeland Collegiate**

Ami	Gideons	Annual
Ward	Hurst	Annual
Amy	McIntosh	Annual

**Chain of Lakes Collegiate (WH)**

Laura	Abercrombie	Annual
Alric	Fischle	Annual
Misty	Sparling	Annual



**Agenda Item:** Polk State Chain of Lakes Collegiate High School - 2015 Audited Financial Statements - Mr. Peter Elliott

**Date:** April 25, 2016

**POLK STATE COLLEGE  
BOARD OF TRUSTEES  
AGENDA TRANSMITTAL SHEET**

**Issue:**

Section 1002.33(9)(j), Florida Statutes establishes that an annual financial audit be performed for each charter high school and that the school's governing body shall be responsible for reviewing and approving the audit report.

**Background/Analysis:**

Annual audits provide information to the Board members regarding the operation and accounting of the Polk State Chain of Lakes Collegiate High School.

**Fiscal Impact:**

The audit confirms that the school is fiscally sound and that there are no concerns over the integrity of the information provided in the statements for fiscal year 2015. The audit of internal controls identified an internal control deficiency regarding textbooks. This finding did not impact the financial integrity of the school and has been corrected.

*Peter S. Elliott, Vice President for Administration / CFO*

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**Initiating Official**

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**THIS RECOMMENDED ITEM MEETS THE FOLLOWING ELEMENT(S) OF POLK STATE COLLEGE'S MISSION STATEMENT, VISION STATEMENT, AND CORE VALUES:**

Commitment to Student Success through Innovation, Value, and Engagement, Commitment to Knowledge, Diversity, Integrity, Leadership, and Service

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**President's Recommendation:**

Recommend Approval

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**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Polk State Chain of Lakes Collegiate High School Financial Report	Backup Material



POLK STATE  
Chain of Lakes  
Collegiate High School

# Annual Financial Report

Fiscal Year Ending June 30, 2015

*We are Polk.*<sup>TM</sup>

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## **FINANCIAL SECTION**

**POLK STATE COLLEGE  
CHAIN OF LAKES COLLEGIATE CHARTER HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

The management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the Polk State College Chain of Lakes Collegiate High School (School) for the year ended June 30, 2015, and should be read in conjunction with the financial statements and the notes thereto. This overview is required by Governmental Accounting Standards (GASB) codification section Co5 – *Colleges and Universities*. The MD&A, and the financial statements and notes thereto, are the responsibility of School management.

**FINANCIAL HIGHLIGHTS**

Net position represents the residual interest in the School's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. The School's net position at June 30, 2015 totaled \$979,869. The School's net position increased by \$165,076 as a result of operations during the fiscal year primarily due to State and Local Grants and Contracts increases in revenue from the school board.

Governmental units are required to depreciate capital assets including furniture, machinery, and equipment. Florida State Colleges, of which the School is a division, have established guidelines for capitalizing assets and for depreciation. Furniture, machinery, and equipment with a value less than \$5,000, all library books, and computer software will be expensed in the year of purchase. The School did not purchase any furniture, machinery, and equipment that met the thresholds for capitalization during this fiscal year. No depreciation expense was recorded for the fiscal year.

Fiscal year ended June 30, 2015 was the ninth year of existence for the School. Since prior period information is available for the 2013-2014 fiscal year, comparative analysis data is presented.

**USING THIS ANNUAL REPORT**

This 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 that provide information on the School as a whole and presents a long-term view of the School's finances. The following activities are included in the School's basic financial statements:

The School is a public charter school of the School Board of Polk County, open to Polk County public, private, or home school students who are at the 11th and 12th grade level. The purpose of the School is to provide academic and technical education for serious high school students who desire to undertake college-level study. The two year curriculum gives students the opportunity to complete a high school diploma and an associate degree, simultaneously, in either academic transfer or technical education options. The high school is distinguished by application of varied instructional delivery and learning styles, a technology-across-the-curriculum approach and incorporation of an integrated academic seminar series at each grade level. The curriculum includes academies of Information Technology, Allied Health, and Criminal Justice.

The School is operated by Polk State College and is housed on the College's Winter Haven Campus. Students attending the School enjoy full access to all college facilities, activities and services. Enrollment during this ninth year of operation was 285 students. Enrollment for the 2015-2016 fiscal year is estimated to be 290 students.

**POLK STATE COLLEGE  
CHAIN OF LAKES COLLEGIATE CHARTER HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**THE STATEMENT OF NET POSITION AND THE STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION**

One of the most important questions asked about the School's finances is, "Is the School as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information on the School as a whole and on its activities in a way that helps answer this question. When revenues and other support exceed expenses, the result is an increase in net position. When the reverse occurs, the result is a decrease in net position. The relationship between revenues and expenses may be thought of as the School operating results.

These two statements report the School's net position and changes in them. One can think of the School's net position, the difference between 1) assets and deferred outflows of resources, and 2) liabilities and deferred inflows of resources, as one way to measure the School's financial health, or financial position. Over time, increases or decreases in the School's net position are one indicator of whether its financial health is improving or deteriorating.

These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

A condensed statement of assets, liabilities and net position of the School for the fiscal years ended June 30, 2015 and June 30, 2014, is shown in the following table:

**Condensed Statement of Net Position at**

	<u>6-30-15</u>	<u>6-30-14 (1)</u>
<b>Assets</b>		
Current Assets	\$ 1,231,694	\$ 1,078,080
<b>Total Assets</b>	<u>1,231,694</u>	<u>1,078,080</u>
<b>Deferred Outflows of Resources</b>	<u>96,833</u>	<u>34,683</u>
<b>Liabilities</b>		
Current Liabilities	47,836	32,932
Noncurrent Liabilities:	<u>133,683</u>	<u>265,038</u>
<b>Total Liabilities</b>	<u>181,519</u>	<u>297,970</u>
<b>Deferred Inflows of Resources</b>	<u>167,139</u>	<u>-</u>
<b>Net Position</b>		
Restricted for Capital		
Outlay	206,395	302,426
Unrestricted	<u>773,474</u>	<u>512,367</u>
<b>Total Net Position</b>	<u>\$ 979,869</u>	<u>\$ 814,793</u>
<b>Increase in Net Position</b>	<u>\$ 165,076</u>	

Note (1): The June 30, 2014 balance above have been restated to reflect the effects of the implementation of GASB Statement No. 68

**POLK STATE COLLEGE  
CHAIN OF LAKES COLLEGIATE CHARTER HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

Revenues and expenses for the School for the 2014-2015 and 2013-2014 fiscal years are shown in the following table:

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

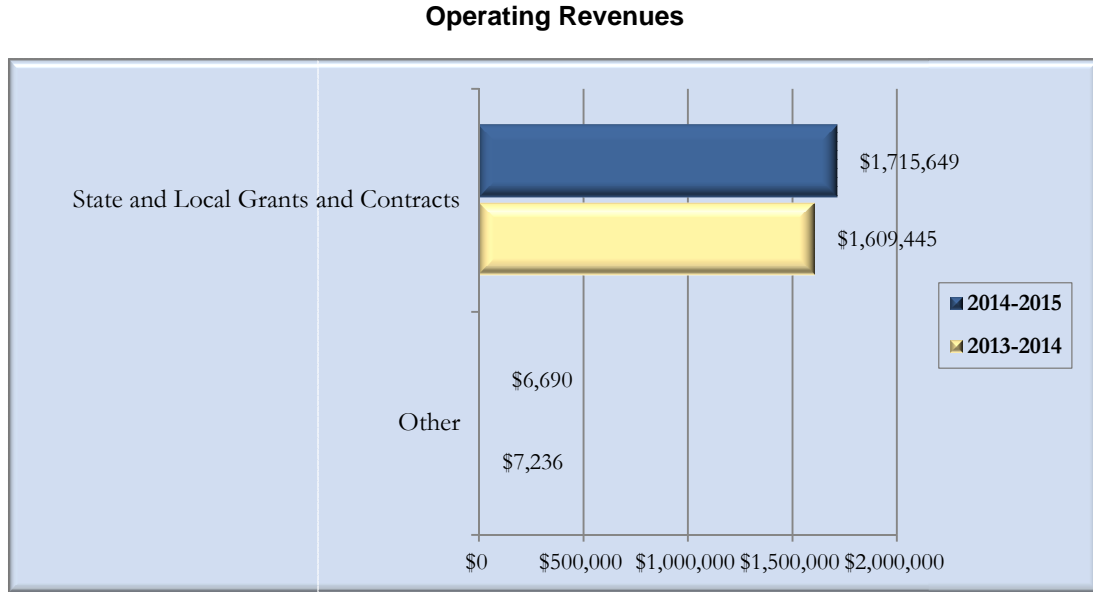
	<u>6-30-15</u>	<u>6-30-14</u>
<b>Operating Revenues</b>		
State and Local Grants and Contracts	\$ 1,715,649	\$ 1,609,445
Other Operating Revenues	<u>6,690</u>	<u>7,236</u>
<b>Total Operating Revenues</b>	1,722,339	1,616,681
Less, Operating Expenses	<u>1,692,100</u>	<u>1,690,047</u>
<b>Net Operating Income (Loss)</b>	<u>30,239</u>	<u>(73,366)</u>
<b>Other Revenues</b>		
Capital Grants, Contracts, Gifts, and Fees	<u>134,837</u>	<u>176,681</u>
<b>Increase in Net Position</b>	<u>165,076</u>	<u>103,315</u>
Net Position, Beginning of Year	1,004,825	901,510
Adjustment related to implementation of GASB 68	<u>(190,032)</u>	<u>-</u>
<b>Net Position, Beginning of Year, as Restated</b>	<u>814,793</u>	<u>901,510</u>
<b>Net Position, End of Year</b>	<u><u>\$ 979,869</u></u>	<u><u>\$ 1,004,825</u></u>

**Operating Revenue**

GASB Cod. Sec. Co5 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.

**POLK STATE COLLEGE  
CHAIN OF LAKES COLLEGIATE CHARTER HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

The following chart presents the School's operating revenues for the 2014-2015 and 2013-2014 fiscal years:



School operating revenues increased by \$106,204, or 6.5 percent, as compared to the prior fiscal year, primarily due to the following factors:

- State and Local Grants and Contracts increased by \$106,204 primarily as a result of increased allocation from the school board for base funding, discretionary tax equalization, instructional material, class size reduction and a 2% increase in students.

**Operating Expenses**

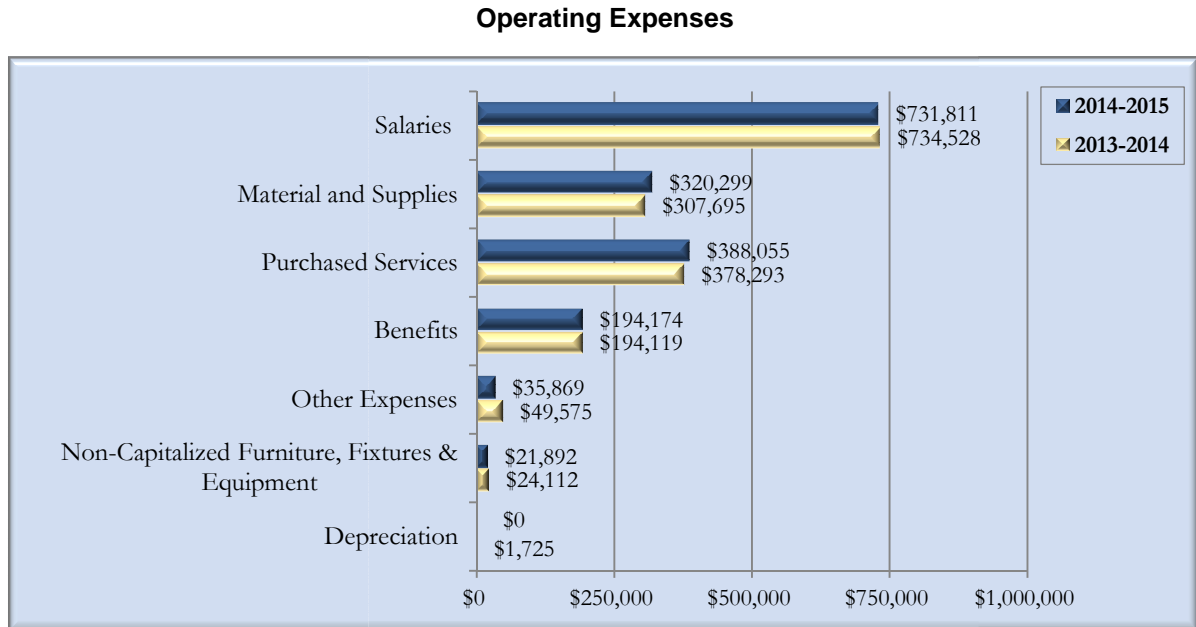
Expenses are categorized as operating or non-operating. The majority of the School's expenses are operating expenses as defined by GASB Cod. Sec. Co5.

**POLK STATE COLLEGE  
CHAIN OF LAKES COLLEGIATE CHARTER HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

Operating expenses for the School for the 2014-2015 and 2013-2014 fiscal years are presented in the following table:

<b>Operating Expenses For the Fiscal Years Ended</b>		
	<u>6/30/2015</u>	<u>6/30/2014</u>
<b>Operating Expenses</b>		
Salaries	\$ 731,811	\$ 734,528
Benefits	194,174	194,119
Purchased Services	388,055	378,293
Materials and Supplies	320,299	307,695
Non-Capital Furniture, Fixtures & Equipment	21,892	24,112
Other Expenses	35,869	49,575
Depreciation	-	1,725
<b>Total Operating Expenses</b>	<u><u>\$1,692,100</u></u>	<u><u>\$ 1,690,047</u></u>

The following chart presents the School's operating expenses for the 2014-2015 and 2013-2014 fiscal years:



School operating expense changes were the result of the following factors:

- Total operating expenses increased slightly by \$2,053.

**POLK STATE COLLEGE  
CHAIN OF LAKES COLLEGIATE CHARTER HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**THE STATEMENT OF CASH FLOWS**

Another way to assess the financial health of School is to look at the Statement of Cash Flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also helps users assess:

- An entity's ability to generate future net cash flows
- Its ability to meet its obligations as they come due
- Its need for external financing

A summary of the School's cash flows for the 2014-2015 and 2013-2014 fiscal years is presented in the following table:

**Condensed Statement of Cash Flows**

	<u>2014-2015</u>	<u>2013-2014</u>
Cash Provided (Used) by:		
Operating Activities	\$ 22,659	\$ (74,785)
Noncapital Financing Activities	(161,825)	(84,991)
Capital and Related Financing Activities	<u>139,166</u>	<u>159,776</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	-	-
Cash and Cash Equivalents, Beginning of Year	<u>-</u>	<u>-</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Because the School does not have its own bank account, cash flows can actually be measured in terms of the increase or decrease in the amount Due from Polk State College.

**CAPITAL ASSETS**

At June 30, 2015, the School had \$41,625 in capital assets, less accumulated depreciation of \$41,625, for net capital assets of \$0. There were no depreciation charges for the current fiscal year. More information about the School's capital assets is presented in the notes to financial statements.

**DEBT**

At June 30, 2015, the School had \$133,683 of noncurrent liabilities consisting of compensated absences payable and the School's proportionate share of the College's net pension liability related to the Florida Retirement System defined benefit pension plan. More information about the School's noncurrent liabilities is presented in the notes to financial statements.



**POLK STATE COLLEGE  
CHAIN OF LAKES COLLEGIATE CHARTER HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE**

Polk State College's and the School's economic condition is closely tied to that of the State of Florida. For the 2015-2016 fiscal year the School will continue its on-going efforts to contain costs and to continue to serve the School in its commitment to the growth of educational programs, improved student access, and overall excellence in the service to its students and community. The conservative budgetary stance taken by the College and School provides a framework for a focused response in support of our educational mission and provides financial stability in the face of limited economic growth and increased demand for State and College resources.

The School plans to enroll approximately 290 students in the 2015 fall term.

**REQUEST FOR INFORMATION**

Questions concerning information provided in the MD&A, and financial statements and notes thereto, or requests for additional information should be addressed to the Vice President for Administration/CFO, Polk State College, 999 Avenue H, Northeast, Winter Haven, Florida 33881.



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
**Polk State College Chain of Lakes Collegiate Charter High School**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Polk State College Chain of Lakes Collegiate Charter High School, (the "School"), a charter school and division of Polk State College, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's 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 entity'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 entity'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 opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Polk State College Chain of Lakes Collegiate Charter High School, as of June 30, 2015, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matters***

As discussed in Note 9 to the financial statements, in 2015, the School adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

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INDEPENDENT AUDITOR'S REPORT  
(cont...)

***Emphasis of Matters (concluded)***

As discussed in Note 1, the financial statements of the School are intended to present the financial position, the changes in financial position and cash flows of only that portion of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Polk State College that is attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of Polk State College as of June 30, 2015, the changes in its financial position or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 7 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2016, on our consideration of Polk State College Chain of Lakes Collegiate Charter High School'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 Polk State College Chain of Lakes Collegiate Charter High School's internal control over financial reporting and compliance.

*Brynjulfson CPA, P.A.*

Brynjulfson CPA, P.A.  
Auburndale, Florida  
March 28, 2016

**POLK STATE COLLEGE  
CHAIN OF LAKES COLLEGIATE CHARTER HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
STATEMENT OF NET POSITION  
As of June 30, 2015**

**ASSETS**

Current Assets:

Due from Polk State College	\$ 1,218,281
Due from Other Governmental Agencies	10,102
Accounts Receivable	3,311
Total Current Assets	<u>1,231,694</u>

**TOTAL ASSETS**

1,231,694

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Amounts Related to Pensions	96,833
Total Deferred Outflows of Resources	<u>96,833</u>

**LIABILITIES**

Current Liabilities:

Accounts Payable	\$ 7,532
Salary and Payroll Taxes Payable	30,903
Compensated Absences Payable	2,686
Current net pension liability - current portion	6,715
Total Current Liabilities	<u>47,836</u>

Noncurrent Liabilities:

Compensated Absences Payable	43,788
Noncurrent net pension liability	89,895
Total Noncurrent Liabilities	<u>133,683</u>

**TOTAL LIABILITIES**

181,519

**DEFERRED INFLOWS OF RESOURCES**

Deferred Amounts Related to Pensions	167,139
Total Deferred Inflows of Resources	<u>167,139</u>

**NET POSITION**

Restricted for Capital Outlay	206,395
Unrestricted	<u>773,474</u>

**TOTAL NET POSITION**

\$ 979,869

See Accompanying Notes to Financial Statements

**POLK STATE COLLEGE**  
**CHAIN OF LAKES COLLEGIATE CHARTER HIGH SCHOOL**  
**A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**For the Fiscal Year Ended June 30, 2015**

**REVENUES**

Operating Revenues:

State and Local Grants and Contracts	\$ 1,715,649
Other Operating Revenues	6,690
Total Operating Revenues	<u>1,722,339</u>

**EXPENSES**

Operating Expenses:

Salaries	731,811
Benefits	194,174
Purchased Services	388,055
Materials and Supplies	320,299
Non-Capitalized Furniture, Fixtures and Equipment	21,892
Other expenses	35,869
Total Operating Expenses	<u>1,692,100</u>

<b>Operating Income</b>	<u>30,239</u>
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**NONOPERATING REVENUES**

Capital Grants, Contracts, Gifts, and Fees	134,837
Total Nonoperating Revenues	<u>134,837</u>

<b>Increase in Net Position</b>	<u>165,076</u>
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<b>Net Position, Beginning of Year</b>	1,004,825
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Adjustment related to the implementation of GASB 68	<u>(190,032)</u>
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<b>Net Postion, Beginning of Year, as Restated</b>	<u>814,793</u>
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<b>Net Position, End of Year</b>	<u><u>\$ 979,869</u></u>
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See Accompanying Notes to Financial Statements

**POLK STATE COLLEGE**  
**CHAIN OF LAKES COLLEGIATE CHARTER HIGH SCHOOL**  
**A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE**  
**STATEMENT OF CASH FLOWS**  
**For the Fiscal Year Ended June 30, 2015**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Grants and Contracts	\$ 1,715,649
Payments to Suppliers	(764,558)
Payments to Employees	(721,714)
Payments for Employee Benefits	(217,290)
Other Receipts	10,572
<b>Net Cash Provided By Operating Activities</b>	<u>22,659</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Due from Polk State College	(161,825)
<b>Net Cash Used by Noncapital Financing Activities</b>	<u>(161,825)</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Capital Grants and Gifts	139,166
<b>Net Cash Provided by Capital and Related Financing Activities</b>	<u>139,166</u>

**Net Increase (Decrease) in Cash and Cash Equivalents**

-

**Cash and Cash Equivalents, Beginning of Year**

-

**Cash and Cash Equivalents, End of Year**

\$ -

**RECONCILIATION OF NET OPERATING LOSS**

**TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Income	\$ 30,239
Adjustments to Reconcile Net Operating Income (Loss)	
to Net Cash Provided by Operating Activities:	
(Increase) decrease in Accounts Receivable	3,882
(Decrease) increase in Accounts Payable	1,557
(Decrease) increase Salary and Payroll Taxes Payable	3,946
(Decrease) increase Compensated Absences Payable	6,151
Net change in pension related elements	(23,116)

**Net Cash Provided by Operating Activities**

\$ 22,659

See Accompanying Notes to Financial Statements

**POLK STATE COLLEGE  
CHAIN OF LAKES COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity.** Polk State College Chain of Lakes High School (School) is a charter school and division of Polk State College (College). The School is organized pursuant to Section 1002.33, Florida Statutes and is governed by the Board of Trustees of the College who are appointed by the governor of the State of Florida.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, Polk County District School Board. The charter was renewed for ten years commencing on July 1, 2009 and ending June 30, 2019. The District may terminate the charter if good cause is shown.

**Basis of Presentation.** As a division of the College, the School's accounting policies conform with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is responsible for establishing GAAP for public colleges and universities through its statements (GASBS) and Interpretations (GASBI). The National Association of College and University Business Officers (NACUBO) also provided the College with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB. The College reports as an entity engaged in only business-type activities. The College has adopted 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

**Basis of Accounting.** Basis of accounting refers to when revenues, expenses, and related 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. As a division of the College, the School'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 School follows GASB standards of accounting and financial reporting.



**POLK STATE COLLEGE  
CHAIN OF LAKES COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
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The School'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, and depreciation of capital assets. Non-operating revenues include revenues for capital construction and equipment.

The statement of net position is presented in a classified format to distinguish between current and non-current assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the School'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.

The statement of cash flows is presented using the direct method in compliance with GASB Cod. Sec. 2450 – *Cash Flow Statements*.

**Capital Assets.** School capital assets include furniture, machinery, and equipment. These assets are capitalized and recorded at cost at the date of acquisition or at estimated fair value at the date received in the case of gifts and purchase of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other cost incurred for repairs and maintenance are expensed as incurred. The School 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 estimated useful life of 3 years for furniture, machinery, and equipment (computer equipment).

**Indirect Cost Allocation.** The College provides for facilities, utilities, insurance, finance, payroll and administrative services of the School at an indirect cost allocation rate of \$1,000 per full-time equivalent student enrolled at the School. The indirect cost allocation for the year ended June 30, 2015 was \$285,000 and of that \$90,000 was paid as an operating expense to the College and the remaining \$195,000 was paid in the form of rent of facilities.

**NOTE 2 – DUE FROM POLK STATE COLLEGE**

The School does not have its own bank accounts and, therefore, the amount of \$1,218,281 reported as "Due from Polk State College" represents the School's equity in the College's current resources. Because the College's current resources are invested in a variety of different types of assets, this balance is not reported as cash.

**POLK STATE COLLEGE  
CHAIN OF LAKES COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 3 – CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2015, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Depreciable Capital Assets:				
Furniture, Machinery, and Equipment	\$ 41,625	\$ -	\$ -	\$ 41,625
<b>Total Depreciable Capital Assets</b>	<u>41,625</u>	<u>-</u>	<u>-</u>	<u>41,625</u>
Less, Accumulated Depreciation:				
Furniture, Machinery, and Equipment	41,625	-	-	41,625
<b>Total Accumulated Depreciation</b>	<u>41,625</u>	<u>-</u>	<u>-</u>	<u>41,625</u>
<b>Total Depreciable Capital Assets, Net</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 4 – LONG-TERM LIABILITIES**

Long-term liabilities activity for the fiscal year ended June 30, 2015, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated Absences Payable	\$ 40,323	\$ 6,152	\$ -	46,474	\$ 2,686
Net pension liability (1)	224,716	-	128,106	96,610	6,715
	<u>\$ 265,039</u>	<u>\$ 6,152</u>	<u>\$ 128,106</u>	<u>143,084</u>	<u>\$ 9,401</u>
Less amount due in one year				(9,401)	
Net due after one year				<u>\$ 133,683</u>	

(1) - The beginning balance resulted from the implementation of GASB Statement No. 68

School employees may accrue annual vacation and sick leave on length of service, subject to certain limitations regarding the amount that will be paid upon termination. The School reports a liability for the accrued leave; however, State appropriations fund only the portion of accrued leave that is paid in the current fiscal year. Although the School 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, 2015, the estimated liability for compensated absences, which includes the School's share of the Florida Retirement System and FICA contributions, totaled \$46,474. Of this amount, \$2,686 is considered a current liability that is expected to be paid in the coming fiscal year. The School calculates its current portion of compensated absences liability by applying the remaining percentage of time for those employees in the Deferred Retirement Option Program plus the total payouts of all employees who have notified the School that they are leaving employment during the fiscal year.

**NOTE 5 – STATE RETIREMENT PROGRAMS**

The School follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, for reporting the employers' proportionate share of the net pension liabilities for the FRS 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 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.

**POLK STATE COLLEGE  
CHAIN OF LAKES COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
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Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance. 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 (SMSC) employed by the State and faculty and specified employees of State colleges. The College does not allocate HIS costs to the School,

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 pension expense totaled \$1,206,630 for the 2014-15 fiscal year.

**Florida Retirement System (FRS) Defined Benefit Pension Plan**

*Plan Description.* The FRS Pension Plan (Plan) is a cost-sharing multiple employer defined benefit pension plan, with a Deferred Retirement Option Program (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.

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.

**POLK STATE COLLEGE  
CHAIN OF LAKES COLLEGIATE HIGH SCHOOL  
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*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.

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

*Contributions:* The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2014-15 fiscal year were:

Class	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	3.00	7.37
Deferred Retirement Option Program - Applicable to Members from all of the Above Classes	0.00	12.28

Notes: (A) Employer rates include 1.26 percent for the post-employment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.04 percent for administrative costs of the Public Employee Optional Retirement Program.

The School's contributions to the plan totaled \$39,842 for the fiscal year ended June 30, 2015.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* At June 30, 2015, the College reported a liability of \$3,601,859 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The College's proportionate share of the net pension liability was based on the College's 2014-15 fiscal year contributions relative to the total 2013-14 fiscal year contributions of all participating members. At June 30, 2014, the College's proportionate share was .059032633 percent, which was an increase of .010364314 from its proportionate share measured as of June 30, 2013. The School's proportionate share is calculated to be 2.6822 percent of the total College share and totaled \$96,610 at June 30, 2015.

**POLK STATE COLLEGE  
CHAIN OF LAKES COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

For the fiscal year ended June 30, 2015, the School recognized pension expense of \$23,116. In addition, the School 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>
Differences between expected and actual experience	\$ -	\$ 5,979
Change of assumptions	16,731	
Net difference between projected and actual earnings on FRS pension plan investments	-	161,161
Changes in proportion and differences between College FRS contributions and proportionate share of contributions	40,259	-
College FRS contributions subsequent to the measurement date	39,842	-
<b>Total</b>	<u>\$ 96,832</u>	<u>\$ 167,140</u>

The deferred outflows of resources related to pensions totaling \$39,842 resulting from School contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. 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>
2016	\$ (30,665)
2017	(30,665)
2018	(30,665)
2019	(30,665)
2020	9,625
Thereafter	2,889
<b>Total</b>	<u>\$ (110,146)</u>

*Actuarial Assumptions.* The total pension liability in the July 1, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.65 percent, 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, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

**POLK STATE COLLEGE  
CHAIN OF LAKES COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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:

<b>Asset Class</b>	<b>Target Allocation (1)</b>	<b>Annual Arithmetic Return</b>	<b>Compound Annual (Geometric) Return</b>	<b>Standard Deviation</b>
Cash	1.00%	3.11%	3.10%	1.65%
Intermediate-Term Bonds	18.00%	4.18%	4.05%	5.15%
High Yield Bonds	3.00%	6.79%	6.25%	10.95%
Broad US Equities	26.50%	8.51%	6.95%	18.90%
Developed Foreign Equities	21.20%	8.66%	6.85%	20.40%
Emerging Market Equities	5.30%	11.58%	7.60%	31.15%
Private Equity	6.00%	11.80%	8.11%	30.00%
Hedge Funds / Absolute Return	7.00%	5.81%	5.35%	10.00%
Real estate (Property)	12.00%	7.11%	6.35%	13.00%
<b>Total</b>	<b>100.00%</b>			
Assumed inflation - Mean		2.60%		2.00%

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

**Discount Rate:** The discount rate used to measure the total pension liability was 7.65 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

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

## **NOTE 6 – RISK MANAGEMENT**

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 \$150 million to February 28, 2015, and up to \$200 million from March 1, 2015, 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 three fiscal years.

**POLK STATE COLLEGE  
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**NOTE 7 – LITIGATION**

The School has no pending or threatened legal actions.

**NOTE 8 – SCHEDULE OF DISTRICT SCHOOL BOARD REVENUE SOURCES**

Revenues for current operations are received primarily through the Polk County District School Board pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE and under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. Section 1002.33(20)(a)2, Florida Statutes provides for an administrative fee of 5 percent for enrollment for up to and including 250 students. For charter schools with a population of 251 or more students, the difference between the total administrative fee calculation and the amount of the administrative fee withheld may only be used for capital outlay purposes. The School Board withheld a 5 percent administrative fee totaling \$74,734 for the 2014-2015 fiscal year from the School, which is reflected as purchased services expenditure in the accompanying statement of revenues, expenses and changes in net position.

**POLK STATE COLLEGE  
CHAIN OF LAKES COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

The following is a schedule of Polk County District School Board revenue sources and amounts:

<u>Source</u>	<u>Amount</u>
Base Funding	\$ 1,207,552
Class Size Reduction	254,073
Instructional Materials Allocation	132,175
Discretionary Tax Equalization Allocation	56,364
Discretionary Millage	54,801
Other FEFP	5,311
Digital Classroom Allocation	3,013
Discretionary Lottery	942
13-14 Class Size Adjustment	60
Proration to Funds Available	(10,300)
Teacher Supply Allocation	2,080
Student Transportation	20,095
Capital Outlay Portion of 5% Fee	(10,517)
<b>Subtotal</b>	<b>\$ 1,715,649</b>
Capital Outlay	134,837
<b>Total Revenue through Polk County District School Board</b>	<b>\$ 1,850,486</b>
Other Operating Revenues	6,690
<b>Total Revenue</b>	<b>\$ 1,857,176</b>

**NOTE 9 – REPORTING CHANGES**

The School participates in the Florida Retirement System (FRS) defined benefit pension plan administered by Florida Division of Retirement. As a participating employer, the College implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities of the defined benefit pension plans.

The reporting change caused the adjustment to beginning fund balance as depicted in the below chart as deferred outflows related to subsequent contributions decreasing the beginning liability.

	<u>Net Pension liability</u>	<u>Deferred Outflows</u>	<u>Beginning Balance Adjustment</u>
FRS Net Pension Liability	\$ (224,715)	\$ 34,683	\$ (190,032)





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## **REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of Polk State College Chain of Lakes Collegiate Charter High School's Proportionate Share of Net Pension Liability**  
**Florida Retirement System**  
**Last 10 Fiscal Years**

	<u><b>2014</b></u>
College's proportion of the net pension liability (asset)	0.059032633%
College's proportionate share of the net pension liability (asset)	\$ 3,601,859
School's proportion of College net pension liability (asset)	2.6822%
School's proportionate share of the College net pension liability (asset)	\$ 96,610
School's covered-employee payroll	\$ 729,977
School's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	13.23%
FRS Plan fiduciary net position as a percentage of the total pension liability	96.09%

**Notes to the Schedule of Proportionate Share of Net Pension Liability**

Additional years will be added to this table until ten years' data is presented

The amounts presented for each fiscal year were determined as of the measurement date of the collective pension liability which is 6/30 of each year presented,

The School's share of the net pension liability is calculated using a measurement date as of the end of the prior fiscal year.

Covered-employee 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 II of Chapter 121, Florida Statutes.

*Changes of Assumptions.* As of June 30, 2014, the inflation rate assumption was decreased from 3 percent to 2.6 percent, the real payroll growth assumption was decreased from 1 percent to 0.65 percent, and the overall payroll growth rate assumption was decreased from 4 percent to 3.25 percent. The long-term expected rate of return decreased from 7.75 percent to 7.65 percent.

**Schedule of Polk State College Chain of Lakes Collegiate Charter High School's Contributions**  
**Florida Retirement System**  
**Last 10 Fiscal Years**

	<b>2015</b>
School's contractually required contribution	\$ 39,842
School's contributions in relation to the contractually required contribution	\$ (39,842)
Contribution deficiency (excess)	\$ -
School's covered-employee payroll	\$ 729,977
Contributions as a percentage of covered-employee payroll	5.46%

**Notes to the Schedule of Contributions**

---

Additional years will be added to this table until ten years' data is presented

The amounts presented for each fiscal year were determined as of 6/30 of each year presented,

Covered-employee 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 II of Chapter 121, Florida Statutes.



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## **OTHER REPORTS**

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

To the Board of Trustees  
Polk State College Chain of Lakes Collegiate Charter High School

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 Polk State College Chain of Lakes Collegiate Charter High School (the "School") a charter school and division of Polk State College, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated March 28, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School'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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings at finding 2015-01, which we consider to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School'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*.

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

**Purpose of this Report**

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

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.  
Auburndale, Florida  
March 28, 2016



## MANAGEMENT LETTER

To the Board of Trustees  
Polk State College Chain of Lakes Collegiate Charter High School

### Report on the Financial Statements

We have audited the financial statements of Polk State College Chain of Lakes Collegiate Charter High School, (the "School"), a charter school and division of Polk State College, as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated March 28, 2016.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the *Comptroller General of the United States*.

### Other Reporting Required by Government Auditing Standards

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standard*. Disclosures in this report, which is dated March 28, 2016, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There are no prior audit findings.

### Financial Condition

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require that we apply appropriate procedures to determine whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, require that we apply financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

### Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we apply appropriate procedures to determine whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

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## MANAGEMENT LETTER

(cont...)

### Other Matters

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Polk State College Chain of Lakes Collegiate Charter High School

### Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Trustees, the School District of Polk County, Florida and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

*Brynjulfson CPA, P.A.*

Brynjulfson CPA, P.A.  
Auburndale, Florida  
March 28, 2016

**POLK STATE COLLEGE  
CHAIN OF LAKES COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2015**

**2015-01: Text Book Inventory**

**Type:** Significant Deficiency

**Criteria:** Adequate internal controls, including segregation of duties, are required to be designed and implemented to provide reasonable assurance that the appropriate textbooks are purchased and to control their distribution and return as well as to substantiate the textbook inventory.

**Condition:** Based upon our audit procedures, we noted the following conditions where the internal control procedures over textbook purchases, distribution and inventory accounting had not been adequately designed:

- The list of textbooks required for purchase is generated by one staff member and is not reviewed or compared to the student schedules by another staff member to ensure accuracy.
- The distribution of textbooks to the students is performed by one staff member without any review by another staff member or creation of an audit trail to ensure accuracy and that the textbooks were appropriately distributed.
- Textbook inventory records are maintained on an excel spreadsheet that is stored on the personal computer of the staff member who oversees the purchases and distribution of the text books.
- A periodic inventory comparing the inventory records to supporting documentation and to the actual textbooks in inventory is not performed.
- The processing of student textbook returns and disposition of obsolete textbooks are performed by one staff member without review of another staff member to ensure accuracy.

**Effect:** The internal control deficiencies noted above could result in material misstatements due to errors or fraud which could remain undetected by management. Furthermore, maintaining electronic documents on a personal computer exposes the information to data loss and restricts access to the information from anyone other than the employee who owns the computer.

**Cause:** Improper design of internal controls over textbook purchases, distribution and inventory.

**Recommendation:** Management should design and implement adequate internal controls over the textbook purchasing, distribution and inventory cycle. The list of textbooks to be purchased should be reviewed by a staff member other than the individual preparing the list by comparing the requested books to the individual student schedules. The distribution, collection of student returns and disposition of the textbooks needs to be segregated among two or more employees to ensure separate accounting of the textbooks and the supporting documentation. The excel schedule used to maintain the textbook inventory records should be maintained on the College servers and allow access to other employees with the logical need for such access. An inventory of the textbooks on hand should be performed before and after classes have started and periodically thereafter. The periodic inventory should be performed by a staff member who does not have custody of the textbooks and it should include comparison of textbook purchases, distributions, student signed requisition forms and the textbook inventory.

**Management's Response:** Management has developed and implemented internal controls to address the concerns and recommendations of the auditors. Duties related to the purchase, distribution, collection, disposition and inventory of textbooks are now being managed through segregations of duties and/or other compensating controls. All records are now maintained on College servers.



**Agenda Item:** Polk State Lakeland Collegiate High School - 2015 Audited Financial Statements - Mr. Peter Elliott

**Date:** April 25, 2016

**POLK STATE COLLEGE  
BOARD OF TRUSTEES  
AGENDA TRANSMITTAL SHEET**

**Issue:**

Section 1002.33(9)(j), Florida Statutes establishes that an annual financial audit be performed for each charter high school and that the school's governing body shall be responsible for reviewing and approving the audit report.

**Background/Analysis:**

Annual audits provide information to the Board members regarding the operation and accounting of the Polk State Lakeland Collegiate High School.

**Fiscal Impact:**

The audit confirms that the school is fiscally sound and that there are no concerns over the integrity of the information provided in the statements for fiscal year 2015.

*Peter S. Elliott, Vice President for Administration / CFO*

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**Initiating Official**

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**THIS RECOMMENDED ITEM MEETS THE FOLLOWING ELEMENT(S) OF POLK STATE COLLEGE'S MISSION STATEMENT, VISION STATEMENT, AND CORE VALUES:**

Commitment to Student Success through Innovation, Value, and Engagement, Commitment to Knowledge, Diversity, Integrity, Leadership, and Service

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**President's Recommendation:**

Recommend Approval

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**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Polk State Lakeland Collegiate High School Financial Report	Backup Material



POLK STATE  
Lakeland Collegiate  
High School

# Annual Financial Report

Fiscal Year Ending June 30, 2015

*We are Polk.*<sup>TM</sup>

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## **FINANCIAL SECTION**



**POLK STATE COLLEGE  
POLK STATE COLLEGE COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

The management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the Polk State Lakeland Collegiate High School (School) for the year ended June 30, 2015, and should be read in conjunction with the financial statements and the notes thereto. This overview is required by Governmental Accounting Standards (GASB) codification section Co5 – *Colleges and Universities*. The MD&A, and the financial statements and notes thereto, are the responsibility of School management.

**FINANCIAL HIGHLIGHTS**

Net position represents the residual interest in the School's assets and deferred inflows of resources after deducting liabilities and deferred inflows of resources. The School's net position at June 30, 2015 totaled \$955,022. The School's net position increased by \$337,036 as a result of operations during the fiscal year primarily due to an increase in revenue from the School Board and a reduction in payroll expenses.

Governmental units are required to depreciate capital assets including furniture and equipment. Florida State Colleges, of which the School is a division, have established guidelines for capitalizing assets and for depreciation. Furniture & equipment with a value less than \$5,000, all library books, and computer software will be expensed in the year of purchase. The School did not purchase furniture, machinery, and equipment that met the thresholds for capitalization during this fiscal year. Depreciation expense for this fiscal year totaled \$8,562.

Fiscal year ended June 30, 2015 was the eleventh year of existence for the School. Since prior period information is available for the 2013-2014 fiscal year, comparative analysis data is presented.

**USING THIS ANNUAL REPORT**

This 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 that provide information on the School as a whole and presents a long-term view of the School's finances. The following activities are included in the School's basic financial statements:

The School is a public charter school of the School Board of Polk County, open to Polk County public, private, or home school students who are at the 11<sup>th</sup> and 12<sup>th</sup> grade level. The purpose of the School is to provide academic and technical education for serious high school students who desire to undertake college-level study. The two year curriculum gives students the opportunity to complete a high school diploma and an associate degree, simultaneously, in either academic transfer or technical education options. The high school is distinguished by application of varied instructional delivery and learning styles: a technology-across-the-curriculum approach and incorporation of an integrated academic seminar series at each grade level. The curriculum includes academies of Information Technology, Allied Health, and Fine Arts.

The School is operated by Polk State College and is housed on the College's Lakeland Campus. Students attending the School enjoy full access to all college facilities, activities and services. Enrollment during this eleventh year of operation was 276 students. Enrollment for the fiscal year 2015-2016 is estimated to be 285 students. Due to this anticipated increase in enrollment in 2015-2016 fiscal year, the FTE revenues are expected to increase.

**POLK STATE COLLEGE  
POLK STATE COLLEGE COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**THE STATEMENT OF NET POSITION AND THE STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION**

One of the most important questions asked about the School's finances is, "Is the School as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information on the School as a whole and on its activities in a way that helps answer this question. When revenues and other support exceed expenses, the result is an increase in net position. When the reverse occurs, the result is a decrease in net position. The relationship between revenues and expenses may be thought of as the School's operating results.

These two statements report the School's net position and changes in them. One can think of the School's net position, the difference between assets and liabilities, as one way to measure the School's financial health, or financial position. Over time, increases or decreases in the School's net position are one indicator of whether its financial health is improving or deteriorating.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

A condensed statement of assets, liabilities and net position of the School for the fiscal years ended June 30, 2015 and June 30, 2014, is shown in the following table:

**Condensed Statement of Net Position at**

	<u>6-30-15</u>	<u>6-30-14 (1)</u>
<b>Assets</b>		
Current Assets	\$ 1,173,376	\$ 868,961
Capital Assets, Net	<u>3,188</u>	<u>11,750</u>
<b>Total Assets</b>	<u>1,176,564</u>	<u>880,711</u>
<b>Deferred Outflows of Resources</b>	<u>81,967</u>	<u>29,358</u>
<b>Liabilities</b>		
Current Liabilities	41,932	43,471
Noncurrent Liabilities:	<u>120,117</u>	<u>58,415</u>
<b>Total Liabilities</b>	<u>162,049</u>	<u>101,886</u>
<b>Deferred Inflows of Resources</b>	<u>141,480</u>	<u>190,217</u>
<b>Net Position</b>		
Net Investment in		
Capital Assets	3,188	11,750
Restricted for Capital Outlay	178,144	248,657
Unrestricted	<u>773,670</u>	<u>357,559</u>
<b>Total Net Position</b>	<u>\$ 955,002</u>	<u>\$ 617,966</u>
<b>Increase in Net Position</b>	<u>\$ 337,036</u>	\$ -

Note (1): The June 30, 2014 balances above have been restated to reflect the effects of the implementation of GASB Statement No. 68.

**POLK STATE COLLEGE  
POLK STATE COLLEGE COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

Revenues and expenses for the School for the 2014-2015 and 2013-2014 fiscal years are shown in the following table:

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

	<u>6-30-15</u>	<u>6-30-14</u>
<b>Operating Revenues</b>		
Federal Grants and Contracts	\$ -	\$ 2,000
State and Local Grants and Contracts	1,663,167	1,557,138
Other Operating Revenues	<u>3,408</u>	<u>1,122</u>
<b>Total Operating Revenues</b>	1,666,575	1,560,260
Less, Operating Expenses	<u>1,456,680</u>	<u>1,563,312</u>
<b>Net Operating Income (Loss)</b>	<u>209,895</u>	<u>(3,052)</u>
<b>Other Revenues</b>		
Capital Grants, Contracts, Gifts, and Fees	<u>127,141</u>	<u>164,850</u>
<b>Increase in Net Position</b>	<u>337,036</u>	<u>161,798</u>
Net Position, Beginning of Year	778,825	617,027
Adjustment related to implementation of GASB 68	<u>(160,859)</u>	<u>-</u>
<b>Net Position, Beginning of Year, as Restated</b>	617,966	617,027
<b>Net Position, End of Year</b>	<u><u>\$ 955,002</u></u>	<u><u>\$ 778,825</u></u>

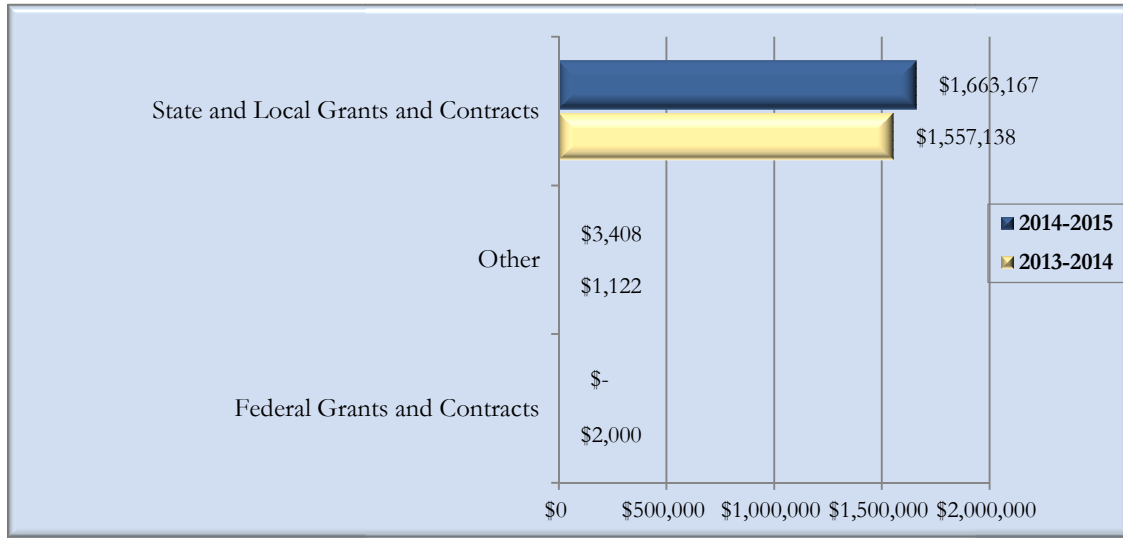
**Operating Revenue**

GASB Cod. Sec. Co5 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.

**POLK STATE COLLEGE  
POLK STATE COLLEGE COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

The following chart presents the School's operating revenues for the 2014-2015 and 2013-2014 fiscal years:

**Operating Revenues**



School operating revenues increased by \$106,315, or 6.8 percent, as compared to the prior fiscal year, primarily due to an increase in State and local grants and contracts of \$106,029 as a result of an increase in funding from the School Board.

**Operating Expenses**

Expenses are categorized as operating or non-operating. The majority of the School's expenses are operating expenses as defined by GASB Cod. Sec. Co5.

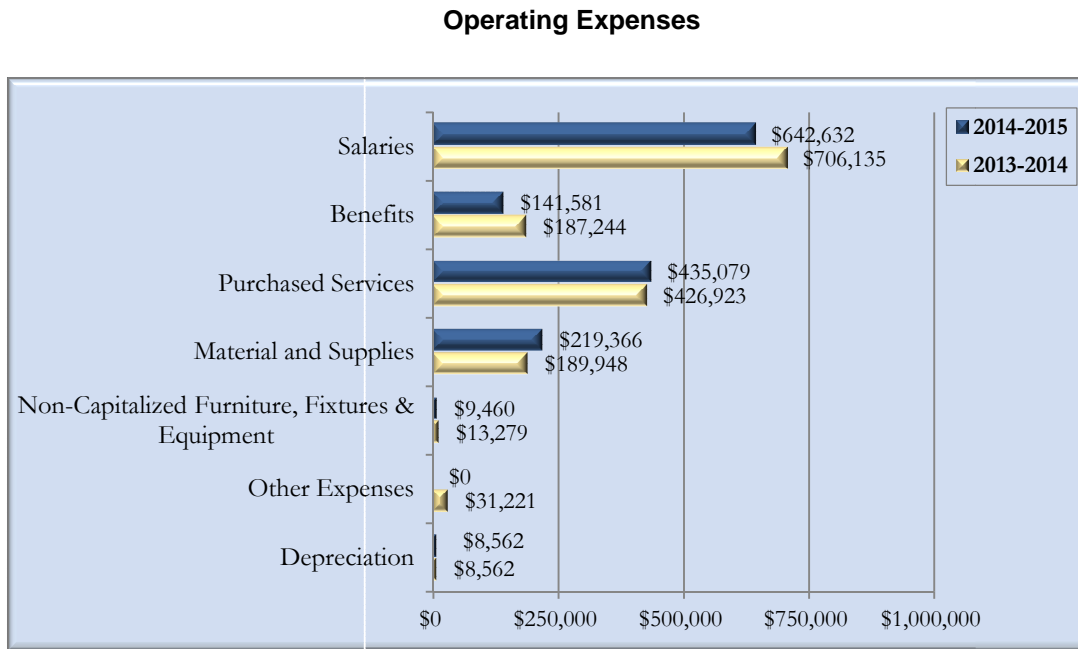
Operating expenses for the School for the 2014-2015 and 2013-2014 fiscal years are presented in the following table:

**Operating Expenses  
For the Fiscal Years Ended**

	6-30-15	6-30-14
<b>Operating Expenses</b>		
Salaries	\$ 642,632	\$ 706,135
Benefits	141,581	187,244
Purchased Services	435,079	426,923
Materials and Supplies	219,366	189,948
Non-Capital Furniture, Fixtures & Equipment	9,460	13,279
Other Expenses	-	31,221
Depreciation	8,562	8,562
<b>Total Operating Expenses</b>	<b>\$ 1,456,680</b>	<b>\$ 1,563,312</b>

**POLK STATE COLLEGE  
POLK STATE COLLEGE COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

The following chart presents the School's operating expenses for the 2014-2015 and 2013-2014 fiscal years:



School operating expenses decreased by \$106,632, or 6.8 percent, as compared to the prior fiscal year, primarily due to the following factors:

- Salaries costs decreased by \$63,503 or 9 percent. This change is due mainly to the allocation of teacher salaries between the School and the Polk State College Lakeland Gateway to College Charter High School.
- Materials and supplies costs increased by \$29,418 or 15 percent, primarily as a result of an increase in textbook costs.
- Purchased services costs decreased by \$8,156, or 2 percent. This change is due to lower travel expenses.

**POLK STATE COLLEGE  
POLK STATE COLLEGE COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**THE STATEMENT OF CASH FLOWS**

Another way to assess the financial health of the School is to look at the Statement of Cash Flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also helps users assess:

- An entity's ability to generate future net cash flows
- Its ability to meet its obligations as they come due
- Its need for external financing

A summary of the School's cash flows for the 2014-2015 and 2013-2014 fiscal years is presented in the following table:

**Condensed Statement of Cash Flows**

	<u>2014-2015</u>	<u>2013-2014</u>
Cash Provided (Used) by:		
Operating Activities	\$ 177,908	\$ 14,705
Noncapital Financing Activities	(306,619)	(160,841)
Capital and Related Financing Activities	<u>128,711</u>	<u>146,136</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	-	-
Cash and Cash Equivalents, Beginning of Year	<u>-</u>	<u>-</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Because the School does not have its own bank account, cash flows can actually be measured in terms of the increase or decrease in the Due from Polk State College.

**CAPITAL ASSETS**

At June 30, 2015, the School had \$30,700 in capital assets, less accumulated depreciation of \$27,512, for net capital assets of \$3,188. Depreciation charges for the current fiscal year totaled \$8,562. More information about the School's capital assets is presented in the notes to financial statements.

**POLK STATE COLLEGE  
POLK STATE COLLEGE COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**DEBT**

At June 30, 2015, the School had \$44,024 of noncurrent liabilities consisting of compensated absences payable and \$76,093 reflecting the School's proportionate share of the College's net pension liability. More information about the School's noncurrent liabilities is presented in the notes to financial statements.

**ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE**

Polk State College's and the School's economic condition is closely tied to that of the State of Florida. For the 2015-2016 fiscal year, the School will continue its on-going efforts to contain costs and to continue to serve the School in its commitment to the growth of educational programs, improved student access, and overall excellence in the service to its students and community. The conservative budgetary stance taken by the College and School provides a framework for a focused response in support of our educational mission and provides financial stability in the face of limited economic growth and increased demand for State and College resources.

The School plans to enroll approximately 285 students in the 2015 fall term and is seeking approval to increase enrollment to 300 students in the 2016 fall term.

**REQUEST FOR INFORMATION**

Questions concerning information provided in the MD&A, and financial statements and notes thereto, or requests for additional information should be addressed to the Vice President for Administration/CFO, Polk State College, 999 Avenue H, Northeast, Winter Haven, Florida 33881.



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
**Polk State College Lakeland Collegiate High School**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Polk State College Lakeland Collegiate High School, (the "School"), a charter school and division of Polk State College, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's 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 entity'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 entity'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 opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Polk State College Lakeland Collegiate High School, as of June 30, 2015, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matters***

As discussed in Note 9 to the financial statements, in 2015, the School adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

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INDEPENDENT AUDITOR'S REPORT  
(cont...)

***Emphasis of Matters (concluded)***

As discussed in Note 1, the financial statements of the School are intended to present the financial position, the changes in financial position and cash flows of only that portion of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Polk State College that is attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of Polk State College as of June 30, 2015, the changes in its financial position or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 7 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2016, on our consideration of Polk State College Lakeland Collegiate High School'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 Polk State College Lakeland Collegiate High School's internal control over financial reporting and compliance.

*Brynjulfson CPA, P.A.*

Brynjulfson CPA, P.A.  
Auburndale, Florida  
March 28, 2016

**POLK STATE COLLEGE  
LAKELAND COLLEGIATE CHARTER HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
STATEMENT OF NET POSITION  
As of June 30, 2015**

**ASSETS**

Current Assets:

Due from Polk State College	\$ 1,160,487
Due from Other Governmental Agencies	12,889
Total Current Assets	<u>1,173,376</u>

Noncurrent Assets:

Depreciable Capital Assets, Net	<u>3,188</u>
Total Noncurrent Assets	<u>3,188</u>

**TOTAL ASSETS**

1,176,564

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Amounts Related to Pensions	<u>81,967</u>
Total Deferred Outflows of Resources	<u>81,967</u>

**LIABILITIES**

Current Liabilities:

Accounts Payable	\$ 10,516
Salary and Payroll Taxes Payable	25,732
Current Net Pension Liability	<u>5,684</u>
Total Current Liabilities	<u>41,932</u>

Noncurrent Liabilities:

Compensated Absences Payable	44,024
Noncurrent Net Pension Liability	<u>76,093</u>
Total Noncurrent Liabilities	<u>120,117</u>

**TOTAL LIABILITIES**

162,049

**DEFERRED INFLOWS OF RESOURCES**

Deferred Amounts Related to Pensions	<u>141,480</u>
Total Deferred Inflows of Resources	<u>141,480</u>

**NET POSITION**

Net investment in Capital Assets	3,188
Restricted for Capital Outlay	178,144
Unrestricted	<u>773,670</u>

**TOTAL NET POSITION**

\$ 955,002

See Accompanying Notes to Financial Statements

**POLK STATE COLLEGE**  
**LAKELAND COLLEGIATE CHARTER HIGH SCHOOL**  
**A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**For the Fiscal Year Ended June 30, 2015**

**REVENUES**

Operating Revenues:	
State and Local Grants and Contracts	\$ 1,663,167
Other Operating Revenues	3,408
Total Operating Revenues	<u>1,666,575</u>

**EXPENSES**

Operating Expenses:	
Salaries	642,632
Benefits	141,581
Purchased Services	435,079
Materials and Supplies	219,366
Non-Capitalized Furniture, Fixtures and Equipment	9,460
Depreciation	8,562
Total Operating Expenses	<u>1,456,680</u>

<b>Operating Income</b>	<u>209,895</u>
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**NONOPERATING REVENUES**

Capital Grants, Contracts, Gifts, and Fees	127,141
Total Nonoperating Revenues	<u>127,141</u>

<b>Increase in Net Position</b>	<u>337,036</u>
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<b>Net Position, Beginning of Year</b>	778,825
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Adjustment related to the implementation of GASB 68	<u>(160,859)</u>
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<b>Net Postion, Beginning of Year, as Restated</b>	<u>617,966</u>
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<b>Net Position, End of Year</b>	<u><u>\$ 955,002</u></u>
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See Accompanying Notes to Financial Statements

**POLK STATE COLLEGE**  
**LAKELAND COLLEGIATE CHARTER HIGH SCHOOL**  
**A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE**  
**STATEMENT OF CASH FLOWS**  
**For the Fiscal Year Ended June 30, 2015**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Grants and Contracts	\$ 1,666,575
Payments to Suppliers	(662,730)
Payments to Employees	(665,421)
Payments for Employee Benefits	(161,150)
Other Receipts	634
<b>Net Cash Provided By Operating Activities</b>	<u>177,908</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Due from Polk State College	(306,619)
<b>Net Cash Used by Noncapital Financing Activities</b>	<u>(306,619)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital Grants and Gifts	128,711
<b>Net Cash Provided by Capital and Related Financing Activities</b>	<u>128,711</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	-
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>-</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ -</u></u>
<b>RECONCILIATION OF NET OPERATING INCOME</b>	
<b>TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 209,895
Adjustments to Reconcile Net Operating Income (Loss)	
to Net Cash Provided by Operating Activities:	
Depreciation Expense	8,562
(Increase) decrease in Accounts Receivable	634
(Decrease) increase in Accounts Payable	1,175
(Decrease) increase Salary and Payroll Taxes Payable	(8,398)
(Decrease) increase Compensated Absences Payable	(14,391)
Net change in pension related elements	(19,569)
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 177,908</u></u>

See Accompanying Notes to Financial Statements

**POLK STATE COLLEGE  
POLK STATE COLLEGE COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity.** Polk State College Collegiate High School (School) is a charter school and division of Polk State College (College). The School is organized pursuant to Section 1002.33, Florida Statutes and is governed by the Board of Trustees of the College who are appointed by the governor of the State of Florida.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, Polk County District School Board. The charter was renewed in June 2014 for a term of seven years ending June 30, 2021. The District may terminate the charter if good cause is shown.

**Basis of Presentation.** As a division of the College, the School's accounting policies conform with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for public colleges and universities through its statements (GASBS) and Interpretations (GASBI). The National Association of College and University Business Officers (NACUBO) also provided the College with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB. The College reports as an entity engaged in only business-type activities. The College has adopted 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

**Basis of Accounting.** Basis of accounting refers to when revenues, expenses, and related 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. As a division of the College, the School'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 School follows GASB standards of accounting and financial reporting.

**POLK STATE COLLEGE  
POLK STATE COLLEGE COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

The School'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, and depreciation of capital assets. Non-operating revenues include revenues for capital construction and equipment.

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 School'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.

The statement of cash flows is presented using the direct method in compliance with GASB Cod. Sec. 2450 – *Cash Flow Statements*.

**Capital Assets.** School capital assets include furniture, machinery, and equipment. These assets are capitalized and recorded at cost at the date of acquisition or at estimated fair value at the date received in the case of gifts and purchase of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other cost incurred for repairs and maintenance are expensed as incurred. The School 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 estimated useful life of 3 years for furniture, machinery, and equipment.

**Indirect Cost Allocation.** The College provides for facility rent, utilities, insurance, and finance, payroll and administrative services for the School at an indirect cost allocation rate of \$1,000 per full-time equivalent student enrolled at the School. The indirect cost allocation for the year ended June 30, 2015 was \$279,000 and reported as an operating expense (\$189,000 as facility rent, utilities, insurance, and finance and \$90,000 as administrative services) of the School.

**NOTE 2 – DUE FROM POLK STATE COLLEGE**

The School does not have its own bank accounts and, therefore, the amount of \$1,160,487 reported as "Due from Polk State College" represents the School's equity in the College's current resources. Because the College's current resources are invested in a variety of different types of assets, this balance is not reported as cash.

**POLK STATE COLLEGE  
POLK STATE COLLEGE COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 3 – CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2015 is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Depreciable Capital Assets:				
Furniture, Machinery, and Equipment	\$ 30,700	\$ -	\$ -	\$ 30,700
<b>Total Depreciable Capital Assets</b>	<b>30,700</b>	<b>-</b>	<b>-</b>	<b>30,700</b>
Less, Accumulated Depreciation				
Furniture, Machinery, and Equipment	18,950	8,562	-	27,512
<b>Total Accumulated Depreciation</b>	<b>18,950</b>	<b>8,562</b>	<b>-</b>	<b>27,512</b>
<b>Total Depreciable Capital Assets, Net</b>	<b>\$ 11,750</b>	<b>\$ (8,562)</b>	<b>\$ -</b>	<b>\$ 3,188</b>

**NOTE 4 – LONG-TERM LIABILITIES**

Long-term liabilities activity for the fiscal year ended June 30, 2015, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated Absences Payable	\$ 58,415	\$ -	\$ 14,391	\$ 44,024	\$ -
Net Pension Liability (1)	\$ 190,217	\$ -	\$ 108,440	\$ 81,777	\$ 5,684

(1) - The beginning balance resulted from the implementation of GASB Statement No. 68

School employees may accrue annual vacation and sick leave on length of service, subject to certain limitations regarding the amount that will be paid upon termination. The School reports a liability for the accrued leave; however, State appropriations fund only the portion of accrued leave that is paid in the current fiscal year. Although the School 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, 2015, the estimated liability for compensated absences, which includes the School's share of the Florida Retirement System, totaled \$44,024. Of this amount, none is considered a current liability as this is not expected to be paid in the coming fiscal year. The School calculates its current portion of compensated absences liability by applying the remaining percentage of time for those employees in the Deferred Retirement Option Program plus the total payouts of all employees who have notified the School that they are leaving employment during the fiscal year.

**NOTE 5 – STATE RETIREMENT PROGRAMS**

The School follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, for reporting the employers' proportionate share of the net pension liabilities for the FRS 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 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.



**POLK STATE COLLEGE  
POLK STATE COLLEGE COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance. 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 (SMSC) employed by the State and faculty and specified employees of State colleges.

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 pension expense totaled \$1,206,630 for the 2014-15 fiscal year.

**Florida Retirement System (FRS) Defined Benefit Pension Plan**

*Plan Description.* The FRS Pension Plan (Plan) is a cost-sharing multiple employer defined benefit pension plan, with a Deferred Retirement Option Program (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.

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.

**POLK STATE COLLEGE  
POLK STATE COLLEGE COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

*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.

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

*Contributions:* The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2014-15 fiscal year were:

Class	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	3.00	7.37
Deferred Retirement Option Program - Applicable to Members from all of the Above Classes	0.00	12.28

Notes: (A) Employer rates include 1.26 percent for the post-employment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.04 percent for administrative costs of the Public Employee Optional Retirement Program.

The School's contributions to the plan totaled \$26,577 for the fiscal year ended June 30, 2015.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* At June 30, 2015, the College reported a liability of \$3,601,859 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The College's proportionate share of the net pension liability was based on the College's 2014-15 fiscal year contributions relative to the total 2013-14 fiscal year contributions of all participating members. At June 30, 2014, the College's proportionate share was .059032633 percent, which was an increase of .010364314 from its proportionate share measured as of June 30, 2013. The School's proportionate share is calculated to be 2.2704 percent of the total College share and totaled \$81,777 at June 30, 2015.

**POLK STATE COLLEGE  
POLK STATE COLLEGE COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

For the fiscal year ended June 30, 2015, the College recognized pension expense of \$14,158. In addition, the School 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>
Differences between expected and actual experience	\$ -	\$ 5,061
Change of assumptions	14,163	
Net difference between projected and actual earnings on FRS pension plan investments	-	136,419
Changes in proportion and differences between College FRS contributions and proportionate share of contributions	34,079	-
College FRS contributions subsequent to the measurement date	33,725	-
<b>Total</b>	<u>\$ 81,967</u>	<u>\$ 141,480</u>

The deferred outflows of resources related to pensions totaling \$33,725 resulting from School contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. 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>
2016	\$ (25,958)
2017	(25,958)
2018	(25,958)
2019	(25,958)
2020	8,147
Thereafter	2,447
<b>Total</b>	<u>\$ (93,238)</u>

*Actuarial Assumptions.* The total pension liability in the July 1, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.65 percent, 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, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

**POLK STATE COLLEGE  
POLK STATE COLLEGE COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	3.11%	3.10%	1.65%
Intermediate-Term Bonds	18.00%	4.18%	4.05%	5.15%
High Yield Bonds	3.00%	6.79%	6.25%	10.95%
Broad US Equities	26.50%	8.51%	6.95%	18.90%
Developed Foreign Equities	21.20%	8.66%	6.85%	20.40%
Emerging Market Equities	5.30%	11.58%	7.60%	31.15%
Private Equity	6.00%	11.80%	8.11%	30.00%
Hedge Funds / Absolute Return	7.00%	5.81%	5.35%	10.00%
Real estate (Property)	12.00%	7.11%	6.35%	13.00%
<b>Total</b>	<u>100.00%</u>			
Assumed inflation - Mean		2.60%		2.00%

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

*Discount Rate:* The discount rate used to measure the total pension liability was 7.65 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

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

#### **NOTE 6 – RISK MANAGEMENT**

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 \$150 million to February 28, 2015, and up to \$200 million from March 1, 2015, 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 three fiscal years.

**POLK STATE COLLEGE  
POLK STATE COLLEGE COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 7 – LITIGATION**

The School has no pending or threatened legal actions.

**NOTE 8 – SCHEDULE OF DISTRICT SCHOOL BOARD REVENUE SOURCES**

Revenues for current operations are received primarily through the Polk County District School Board pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE and under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. Section 1002.33(20)(a)2, Florida Statutes provides for an administrative fee of 5 percent for enrollment for up to and including 250 students. For charter schools with a population of 251 or more students, the difference between the total administrative fee calculation and the amount of the administrative fee withheld may only be used for capital outlay purposes. The School Board withheld a 5 percent administrative fee totaling \$74,776 (for 276 students) for the 2014-2015 fiscal year from the School, which is reflected as purchased services expenditure in the accompanying statement of revenues, expenses and changes in net position.

**POLK STATE COLLEGE  
POLK STATE COLLEGE COLLEGIATE HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

The following is a schedule of Polk County District School Board revenue sources and amounts:

<u>Source</u>	<u>Amount</u>
Base Funding	\$ 1,176,220
Class Size Reduction	246,496
Instructional Materials Allocation	124,503
Discretionary Tax Equalization Allocation	54,679
Discretionary Millage	53,153
Other FEFP	5,151
Digital Classroom Allocation	2,923
Discretionary Lottery	914
13-14 Class Size Adjustment	59
Proration to Funds Available	(9,990)
Teacher Supply Allocation	2,860
Teacher Supply Pay Back	(780)
Student Transportation	14,905
Capital Outlay Portion of 5% Fee	(7,926)
<b>Subtotal</b>	<b>\$ 1,663,167</b>
Capital Outlay	127,141
<b>Total Revenue through Polk County District School Board</b>	<b>\$ 1,790,308</b>
Other Operating Revenues	3,408
<b>Total Revenue</b>	<b>\$ 1,793,716</b>

**NOTE 9 – REPORTING CHANGES**

The School participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by Florida Division of Retirement. As a participating employer, the College implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities of the defined benefit pension plans.

The reporting change caused the adjustment to beginning fund balance as depicted in the below chart as deferred outflows related to subsequent contributions decreasing the beginning liability.

	<u>Net Pension liability</u>	<u>Deferred Outflows</u>	<u>Beginning Balance Adjustment</u>
FRS Net Pension Liability	<u>\$ (190,217)</u>	<u>\$ 29,358</u>	<u>\$ (160,859)</u>



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## **REQUIRED SUPPLEMENTARY INFORMATION**



**Schedule of Polk State College Lakeland Collegiate Charter High School's Proportionate Share of Net Pension Liability  
Florida Retirement System  
Last 10 Fiscal Years**

	<u>2014</u>
College's proportion of the net pension liability (asset)	0.059032633%
College's proportionate share of the net pension liability (asset)	\$ 3,601,859
School's proportion of College net pension liability (asset)	2.2704%
School's proportionate share of the College net pension liability (asset)	\$ 81,777
School's covered-employee payroll	\$ 654,929
School's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	12.49%
FRS Plan fiduciary net position as a percentage of the total pension liability	96.09%

**Notes to the Schedule of Proportionate Share of Net Pension Liability**

---

Additional years will be added to this table until ten years' data is presented

The amounts presented for each fiscal year were determined as of the measurement date of the collective pension liability which is 6/30 of each year presented,

The School's share of the net pension liability is calculated using a measurement date as of the end of the prior fiscal year.

Covered-employee 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 II of Chapter 121, Florida Statutes.

*Changes of Assumptions.* As of June 30, 2014, the inflation rate assumption was decreased from 3 percent to 2.6 percent, the real payroll growth assumption was decreased from 1 percent to 0.65 percent, and the overall payroll growth rate assumption was decreased from 4 percent to 3.25 percent. The long-term expected rate of return decreased from 7.75 percent to 7.65 percent.

**Schedule of Polk State College Lakeland Collegiate Charter High School's Contributions**  
**Florida Retirement System**  
**Last 10 Fiscal Years**

	<b>2015</b>
School's contractually required contribution	\$ 26,577
School's contributions in relation to the contractually required contribution	\$ (26,577)
Contribution deficiency (excess)	\$ -
School's covered-employee payroll	\$ 654,929
Contributions as a percentage of covered-employee payroll	4.06%

**Notes to the Schedule of Contributions**

---

Additional years will be added to this table until ten years' data is presented

The amounts presented for each fiscal year were determined as of 6/30 of each year presented,

Covered-employee 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 II of Chapter 121, Florida Statutes.



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## **OTHER REPORTS**

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

To the Board of Trustees  
Polk State College Lakeland Collegiate High School

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 Polk State College Lakeland Collegiate High School (the "School") a charter school and division of Polk State College, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated March 28, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School'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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School'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*.

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

**Purpose of this Report**

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

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.  
Auburndale, Florida  
March 28, 2016

## MANAGEMENT LETTER

To the Board of Trustees  
Polk State College Lakeland Collegiate High School

### Report on the Financial Statements

We have audited the financial statements of Polk State College Lakeland Collegiate High School, (the "School"), a charter school and division of Polk State College, as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated March 28, 2016.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the *Comptroller General of the United States*.

### Other Reporting Required by Government Auditing Standards

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standard*. Disclosures in this report, which is dated March 28, 2016, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There are no prior audit findings.

### Financial Condition

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require that we apply appropriate procedures to determine whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, require that we apply financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

### Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we apply appropriate procedures to determine whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

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## MANAGEMENT LETTER

(cont...)

### Other Matters

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Polk State College Lakeland Collegiate High School

### Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Trustees, the School District of Polk County, Florida and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

*Brynjulfson CPA, P.A.*

Brynjulfson CPA, P.A.  
Auburndale, Florida  
March 28, 2016





**Agenda Item:** Polk State Lakeland Gateway to College Collegiate High School - 2015  
Audited Financial Statements - Mr. Peter Elliott

**Date:** April 25, 2016

**POLK STATE COLLEGE  
BOARD OF TRUSTEES  
AGENDA TRANSMITTAL SHEET**

**Issue:**

Section 1002.33(9)(j), Florida Statutes establishes that an annual financial audit be performed for each charter high school and that the school's governing body shall be responsible for reviewing and approving the audit report.

**Background/Analysis:**

Annual audits provide information to the Board members regarding the operation and accounting of the Polk State Lakeland Gateway to College Collegiate High School.

**Fiscal Impact:**

The audit confirms that the school is fiscally sound and that there are no concerns over the integrity of the information provided in the statements for fiscal year 2015.

*Peter S. Elliott, Vice President for Administration / CFO*

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**Initiating Official**

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**THIS RECOMMENDED ITEM MEETS THE FOLLOWING ELEMENT(S) OF POLK STATE COLLEGE'S MISSION STATEMENT, VISION STATEMENT, AND CORE VALUES:**

Commitment to Student Success through Innovation, Value, and Engagement, Commitment to Knowledge, Diversity, Integrity, Leadership, and Service

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**President's Recommendation:**

Recommend Approval

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**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Polk State Lakeland Gateway to College High School Financial Report Backup Material	



POLK STATE  
Lakeland Gateway to College  
Collegiate High School

# Annual Financial Report

Fiscal Year Ending June 30, 2015

*We are Polk.*<sup>TM</sup>

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## **FINANCIAL SECTION**

**POLK STATE COLLEGE  
LAKELAND GATEWAY TO COLLEGE CHARTER HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

The management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the Polk State College Lakeland Gateway to College Charter High School (School) for the year ended June 30, 2015, and should be read in conjunction with the financial statements and the notes thereto. This overview is required by Governmental Accounting Standards (GASB) codification section Co5 – *Colleges and Universities*. The MD&A, and the financial statements and notes thereto, are the responsibility of School management.

**FINANCIAL HIGHLIGHTS**

Net position represents the residual interest in the School's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. The School's net position at June 30, 2015 totaled \$263,795. The School's net position increased by \$106,715 as a result of operations during the fiscal year primarily due to increased funding.

Governmental units are required to depreciate capital assets including furniture and equipment. Florida State Colleges, of which the School is a division, have established guidelines for capitalizing assets and for depreciation. Furniture and equipment with a value less than \$5,000, all library books, and computer software will be expensed in the year of purchase. The School did not purchase any furniture, machinery, and equipment totaling that met the thresholds for capitalization during this fiscal year. There was no depreciation expense for this fiscal year.

Fiscal year ended June 30, 2015 was the second year of operation for the School. Since prior period information is available for the 2013-2014 fiscal year, comparative analysis data is presented.

**USING THIS ANNUAL REPORT**

This 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 that provide information on the School as a whole and presents a long-term view of the School's finances. The following activities are included in the School's basic financial statements:

The School is a public charter school of the School Board of Polk County, open to Polk County public, private, or home school students who are between the ages of 16 and 21 in grades eleven (11) through twelve (12) who have earned 45% of the credits required for high school graduation but who have disengaged from academic studies. The School will replicate a model established by the Gateway to College National Network. The educational program and curriculum are specifically designed to serve disengaged youth, introduce them to college coursework, and position them for college success when they graduate from high school. Students will take at least three college courses while in high school; and while graduates are expected to earn a minimum of nine college credits, many will earn more.

The School is operated by Polk State College and is housed on the College's Lakeland Campus. Students attending the School enjoy full access to all college facilities, activities and services. Enrollment during this second year of operation was 119 students. Enrollment for the fiscal year 2015-2016 is estimated to be 200 students. Due to this anticipated increase in enrollment in 2015-2016 fiscal year, the FTE revenues are expected to increase.

**POLK STATE COLLEGE  
LAKELAND GATEWAY TO COLLEGE CHARTER HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**THE STATEMENT OF NET POSITION AND THE STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION**

One of the most important questions asked about the School's finances is, "Is the School as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information on the School as a whole and on its activities in a way that helps answer this question. When revenues and other support exceed expenses, the result is an increase in net position. When the reverse occurs, the result is a decrease in net position. The relationship between revenues and expenses may be thought of as the School's operating results.

These two statements report the School's net position and changes in them. One can think of the School's net position, the difference between 1) assets and deferred outflows of resources, and 2) liabilities and deferred inflows of resources, as one way to measure the School's financial health, or financial position. Over time, increases or decreases in the School's net position are one indicator of whether its financial health is improving or deteriorating.

These statements include all asset, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

A condensed statement of assets, liabilities and net position of the School for the fiscal years ended June 30, 2015 and June 30, 2014, is shown in the following table:

**Condensed Statement of Net Position at**

	<u>6-30-15</u>	<u>6-30-14 (1)</u>
<b>Assets</b>		
Current Assets	\$ 346,817	\$ 247,951
<b>Total Assets</b>	<u>346,817</u>	<u>247,951</u>
<b>Deferred Outflows of Resources</b>	<u>33,831</u>	<u>12,117</u>
<b>Liabilities</b>		
Current Liabilities	10,971	11,287
Noncurrent Liabilities	<u>47,487</u>	<u>91,701</u>
<b>Total Liabilities</b>	<u>58,458</u>	<u>102,988</u>
<b>Deferred Inflows of Resources</b>	<u>58,395</u>	<u>-</u>
<b>Net Position</b>		
Unrestricted	<u>263,795</u>	<u>157,080</u>
<b>Total Net Position</b>	<u>\$ 263,795</u>	<u>\$ 157,080</u>
<b>Increase in Net Position</b>	<u>\$ 106,715</u>	

Note (1): The June 30, 2014 balance above has been restated to reflect the effects of the implementation of GASB Statement No. 68

**POLK STATE COLLEGE  
LAKELAND GATEWAY TO COLLEGE CHARTER HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

Revenues and expenses for the School for the 2014-2015 and 2013-2014 fiscal years are shown in the following table:

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

	<u><b>6-30-15</b></u>	<u><b>6-30-14</b></u>
<b>Operating Revenues</b>		
Federal Grants and Contracts	\$ 73,924	\$ 13,476
State and Local Grants and Contracts	<u>715,027</u>	<u>593,035</u>
<b>Total Operating Revenues</b>	788,951	606,511
Less, Operating Expenses	<u>682,236</u>	<u>475,365</u>
<b>Net Operating Income</b>	<u>106,715</u>	<u>131,146</u>
Net Position, Beginning of Year	223,473	92,327
Adjustment related to the implementation of GASB 68	(66,393)	-
<b>Net Position, Beginning of Year, as Restated</b>	157,080	-
<b>Net Position, End of Year</b>	<u><u>\$ 263,795</u></u>	<u><u>\$ 223,473</u></u>

**Operating Revenue**

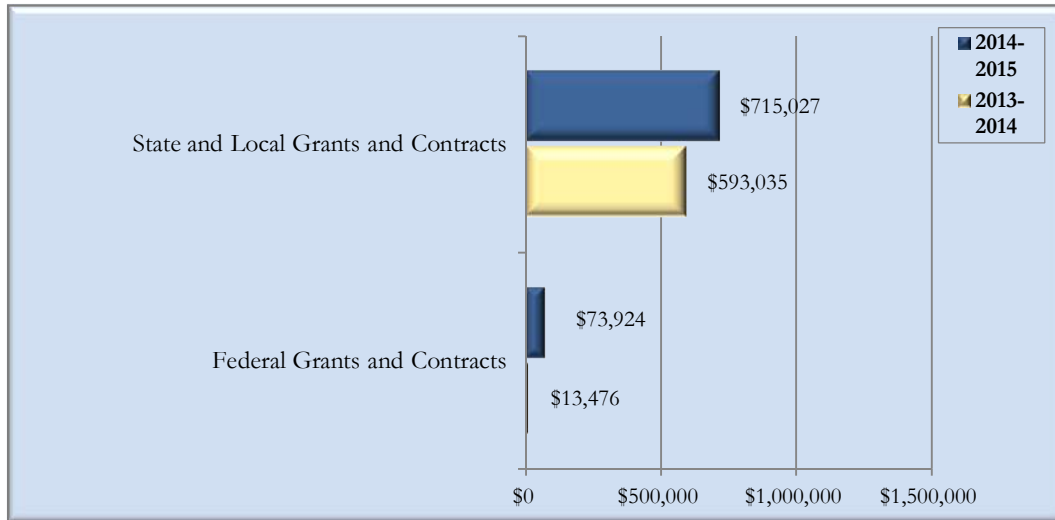
GASB Cod. Sec. Co5 categorizes revenues as either operating or non-operating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either gives or receives something of equal or similar value.



**POLK STATE COLLEGE  
LAKELAND GATEWAY TO COLLEGE CHARTER HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

The following chart presents the School's operating revenues for the 2014-2015 and 2013-2014 fiscal years:

**Operating Revenues**



School operating revenues increased by \$182,440, or 30.1 percent as compared to the prior fiscal year, primarily due to the following factors:

- Federal grants and contract increased by \$60,448, or 448.6 percent primarily as a result of an increase in the Start-Up grant.
- State and local grants and contracts increased by \$121,992, or 20.6 percent primarily as a result of increased enrollment and therefor increased FTE funding.

**Operating Expenses**

Expenses are categorized as operating or non-operating. The majority of the School's expenses are operating expenses as defined by GASB Cod. Sec. Co5.

**POLK STATE COLLEGE  
LAKELAND GATEWAY TO COLLEGE CHARTER HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

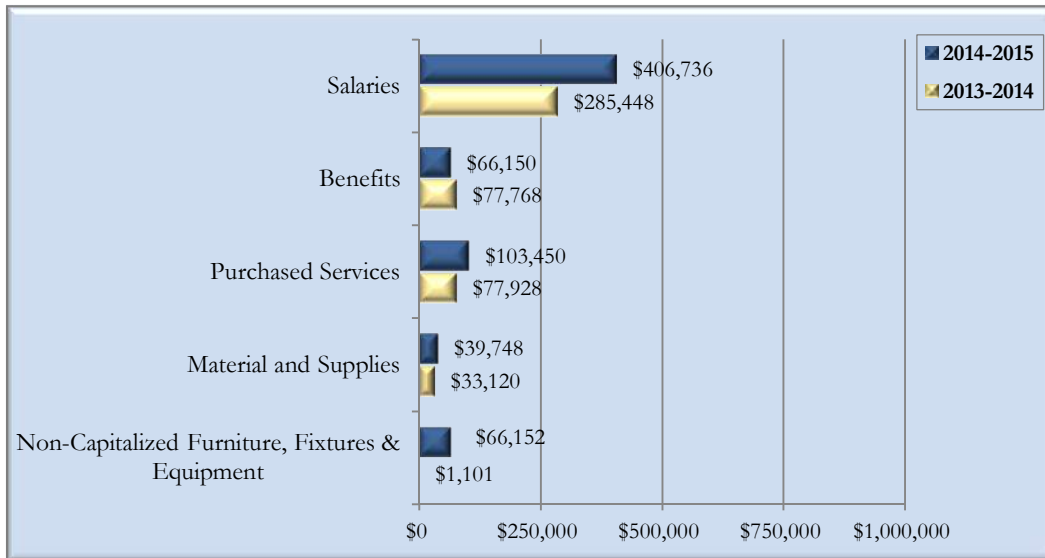
Operating expenses for the School for the 2014-2015 and 2013-2014 fiscal years are presented in the following table:

**Operating Expenses  
For the Fiscal Years Ended**

	06-30-15	6-30-14
<b>Operating Expenses</b>		
Salaries	\$ 406,736	\$ 285,448
Benefits	66,150	77,768
Purchased Services	103,450	77,928
Materials and Supplies	39,748	33,120
Non-Capital Furniture, Fixtures & Equipment	66,152	1,101
<b>Total Operating Expenses</b>	<b>\$ 682,236</b>	<b>\$ 475,365</b>

The following chart presents the School's operating expenses for the 2014-2015 and 2013-2014 fiscal years:

**Operating Expenses**



School operating expenses changes were the result of the following factors:

- Salary and benefit costs increased by \$109,670, or 30 percent. This increased cost of instruction resulted from increased student enrollment and an increased need for School faculty and staff to support this student load.

**POLK STATE COLLEGE  
LAKELAND GATEWAY TO COLLEGE CHARTER HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

- Purchased services increased by \$25,522 or 33 percent. This increase is mainly due to increased travel expenses and increased administrative fee withheld by the Polk County School Board caused by increased enrollment.
- Non-capitalized furniture, fixtures and equipment costs increased by \$65,051. This increase is a result of technology purchased for the high school with CSP grant funds.

**THE STATEMENT OF CASH FLOWS**

Another way to assess the financial health of the School is to look at the Statement of Cash Flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also helps users assess:

- An entity's ability to generate future net cash flows
- Its ability to meet its obligations as they come due
- Its need for external financing

A summary of the School's cash flows for the 2014-2015 and 2013-2014 fiscal years is presented in the following table:

**Condensed Statement of Cash Flows**

	<u>2014-2015</u>	<u>2013-2014</u>
Cash Provided (Used) by:		
Operating Activities	\$ 96,334	\$ 85,677
Noncapital Financing Activities	<u>(96,334)</u>	<u>(85,677)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	-	-
Cash and Cash Equivalents, Beginning of Year	<u>-</u>	<u>-</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Because the School does not have its own bank account, cash flows can actually be measured in terms of the increase or decrease in the Due from Polk State College.

**DEBT**

At June 30, 2015, the School had \$16,080 of noncurrent liabilities consisting of compensated absences payable and \$33,751 representing the School's proportionate share of the College's net pension liability related to the Florida Retirement System defined benefit pension plan. More information about the School's noncurrent liabilities is presented in the notes to financial statements.

**POLK STATE COLLEGE  
LAKELAND GATEWAY TO COLLEGE CHARTER HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE**

Polk State College's and the School's economic condition is closely tied to that of the State of Florida. For the 2015-2016 fiscal year, the School will continue its on-going efforts to contain costs and to continue to serve the School in its commitment to the growth of educational programs, improved student access, and overall excellence in the service to its students and community. The conservative budgetary stance taken by the College and School provides a framework for a focused response in support of our educational mission and provides financial stability in the face of limited economic growth and increased demand for State and College resources.

The School plans to enroll approximately 200 students in the 2015 fall term and is not seeking approval to increase enrollment in the 2016 fall term.

**REQUEST FOR INFORMATION**

Questions concerning information provided in the MD&A, and financial statements and notes thereto, or requests for additional information should be addressed to the Vice President for Administration/CFO, Polk State College, 999 Avenue H, Northeast, Winter Haven, Florida 33881.



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees

**Polk State College Lakeland Gateway to College Charter High School**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Polk State College Lakeland Gateway to College Charter High School, (the "School"), a charter school and division of Polk State College, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's 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 entity'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 entity'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 opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Polk State College Lakeland Gateway to College Charter High School, as of June 30, 2015, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matters***

As discussed in Note 9 to the financial statements, in 2015, the School adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

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INDEPENDENT AUDITOR'S REPORT  
(cont...)

***Emphasis of Matters (concluded)***

As discussed in Note 1, the financial statements of the School are intended to present the financial position, the changes in financial position and cash flows of only that portion of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Polk State College that is attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of Polk State College as of June 30, 2015, the changes in its financial position or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 7 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2016, on our consideration of Polk State College Lakeland Gateway to College Charter High School'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 Polk State College Lakeland Gateway to College Charter High School's internal control over financial reporting and compliance.

*Brynjulfson CPA, P.A.*

Brynjulfson CPA, P.A.  
Auburndale, Florida  
March 28, 2016

**POLK STATE COLLEGE**  
**LAKELAND GATEWAY TO COLLEGE COLLEGIATE CHARTER HIGH SCHOOL**  
**A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE**  
**STATEMENT OF NET POSITION**  
**As of June 30, 2015**

**ASSETS**

Current Assets:

Due from Polk State College	\$ 269,928
Due from Other Governmental Agencies	76,889
Total Current Assets	<u>346,817</u>

**TOTAL ASSETS**

346,817

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Amounts Related to Pensions	33,831
Total Deferred Outflows of Resources	<u>33,831</u>

**LIABILITIES**

Current Liabilities:

Accounts Payable	1,357
Salary and Payroll Taxes Payable	7,268
Current net pension liability	2,346
Total Current Liabilities	<u>10,971</u>

Noncurrent Liabilities:

Compensated Absences Payable	16,080
Noncurrent net pension liability	31,407
Total Noncurrent Liabilities	<u>47,487</u>

**TOTAL LIABILITIES**

58,458

**DEFERRED INFLOWS OF RESOURCES**

Deferred Amounts Related to Pensions	58,395
Total Deferred Inflows of Resources	<u>58,395</u>

**NET POSITION**

Unrestricted	<u>263,795</u>
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**TOTAL NET POSITION**

263,795

See Accompanying Notes to Financial Statements



**POLK STATE COLLEGE**  
**LAKELAND GATEWAY TO COLLEGE COLLEGIATE CHARTER HIGH SCHOOL**  
**A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**For the Fiscal Year Ended June 30, 2015**

**REVENUES**

Operating Revenues:

Federal Grants & Contracts	\$ 73,924
State and Local Grants and Contracts	715,027
Total Operating Revenues	<u>788,951</u>

**EXPENSES**

Operating Expenses:

Salaries	406,736
Benefits	66,150
Purchased Services	103,450
Materials and Supplies	39,748
Non-Capitalized Furniture, Fixtures and Equipment	66,152
Total Operating Expenses	<u>682,236</u>

<b>Operating Income</b>	<u>106,715</u>
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<b>Increase in Net Position</b>	<u>106,715</u>
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Net Position, Beginning of Year	223,473
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Adjustment related to the implementation of GASB 68	<u>(66,393)</u>
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<b>Net Postion, Beginning of Year, as Restated</b>	<u>157,080</u>
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<b>Net Position, End of Year</b>	<u><u>\$ 263,795</u></u>
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See Accompanying Notes to Financial Statements

**POLK STATE COLLEGE**  
**LAKELAND GATEWAY TO COLLEGE COLLEGIATE CHARTER HIGH SCHOOL**  
**A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE**  
**STATEMENT OF CASH FLOWS**  
**For the Fiscal Year Ended June 30, 2015**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Grants and Contracts	\$ 786,419
Payments to Suppliers	(208,089)
Payments to Employees	(407,770)
Payments for Employee Benefits	(74,226)
<b>Net Cash Provided By Operating Activities</b>	<u>96,334</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Due from Polk State College	(96,334)
<b>Net Cash Used by Noncapital Financing Activities</b>	<u>(96,334)</u>

<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	-
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<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>-</u>
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<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ -</u></u>
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**RECONCILIATION OF NET OPERATING INCOME  
TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Income	\$ 106,715
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operating Activities:	
(Increase) decrease in Accounts Receivable	(2,532.00)
(Decrease) increase in Accounts Payable	1,261.00
(Decrease) increase Salary and Payroll Taxes Payable	(3,923.00)
(Decrease) increase Compensated Absences Payable	2,889.00
Net change in pension related elements	(8,076.00)
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 96,334</u></u>

See Accompanying Notes to Financial Statements

**POLK STATE COLLEGE  
LAKELAND GATEWAY TO COLLEGE CHARTER HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity.** Polk State College Lakeland Gateway to College Charter High School (School) is a charter school and division of Polk State College (College). The School is organized pursuant to Section 1002.33, Florida Statutes and is governed by the Board of Trustees of the College who are appointed by the governor of the State of Florida.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, Polk County District School Board. The charter was entered into in June 2013 for a term of three years ending June 30, 2016. The District may terminate the charter if good cause is shown.

**Basis of Presentation.** As a division of the College, the School's accounting policies conform with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is responsible for establishing GAAP for public colleges and universities through its statements (GASBS) and Interpretations (GASBI). The National Association of College and University Business Officers (NACUBO) also provided the College with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB. The College reports as an entity engaged in only business-type activities. The College has adopted 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

**Basis of Accounting.** Basis of accounting refers to when revenues, expenses, and related 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. As a division of the College, the School'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 School follows GASB statements of accounting and financial reporting.

**POLK STATE COLLEGE  
LAKELAND GATEWAY TO COLLEGE CHARTER HIGH SCHOOL  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

The School'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, and depreciation of capital assets.

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 School'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.

The statement of cash flows is presented using the direct method in compliance with GASB Cod. Sec. 2450 – *Cash Flow Statements*.

**Capital Assets.** School capital assets include furniture, machinery, and equipment. These assets are capitalized and recorded at cost at the date of acquisition or at estimated fair value at the date received in the case of gifts and purchase of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other cost incurred for repairs and maintenance are expensed as incurred. The School 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 estimated useful live of 3 years for furniture, machinery, and equipment. As of June 30, 2015, the School had not purchased any capital assets that met the above definition.

**NOTE 2 – DUE FROM POLK STATE COLLEGE**

The School does not have its own bank accounts and, therefore, the amount of \$269,928 reported as "Due from Polk State College" represents the School's equity in the College's current resources. Because the College's current resources are invested in a variety of different types of assets, this balance is not reported as cash.

**POLK STATE COLLEGE  
LAKELAND GATEWAY TO COLLEGE CHARTER HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 3 – LONG-TERM LIABILITIES**

Long-term liabilities activity for the fiscal year ended June 30, 2015, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated Absences Payable	\$ 13,191	\$ 2,889	\$ -	\$ 16,080	\$ -
Net pension liability (1)	78,511	-	44,757	33,753	2,346
	<u>91,702</u>	<u>2,889</u>	<u>44,757</u>	<u>49,833</u>	<u>2,346</u>
Less amount due in one year				(2,346)	
Net due after one year				<u>47,487</u>	

(1) - The beginning balance resulted from the implementation of GASB Statement No. 68

School employees may accrue annual vacation and sick leave on length of service, subject to certain limitations regarding the amount that will be paid upon termination. The School reports a liability for the accrued leave; however, State appropriations fund only the portion of accrued leave that is paid in the current fiscal year. Although the School 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, 2015, the estimated liability for compensated absences, which includes the School's share of the Florida Retirement System, totaled \$16,080. None of this amount is considered a current liability to be paid in the coming fiscal year. The School calculates its current portion of compensated absences liability by applying the remaining percentage of time for those employees in the Deferred Retirement Option Program plus the total payouts of all employees who have notified the School that they are leaving employment during the fiscal year.

**NOTE 4 – STATE RETIREMENT PROGRAMS**

The School follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, for reporting the employers' proportionate share of the net pension liabilities for the FRS 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 under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan.

Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance. 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 (SMSC) employed by the State and faculty and specified employees of State colleges. The College does not allocate HIS costs to the School.

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.

**POLK STATE COLLEGE  
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JUNE 30, 2015**

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 pension expense totaled \$1,206,630 for the 2014-15 fiscal year.

**Florida Retirement System (FRS) Defined Benefit Pension Plan**

*Plan Description.* The FRS Pension Plan (Plan) is a cost-sharing multiple employer defined benefit pension plan, with a Deferred Retirement Option Program (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.

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.

**POLK STATE COLLEGE  
LAKELAND GATEWAY TO COLLEGE CHARTER HIGH SCHOOL  
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JUNE 30, 2015**

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

**Contributions:** The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2014-15 fiscal year were:

Class	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	3.00	7.37
Deferred Retirement Option Program - Applicable to Members from all of the Above Classes	0.00	12.28

Notes: (A) Employer rates include 1.26 percent for the post-employment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.04 percent for administrative costs of the Public Employee Optional Retirement Program.

The School's contributions to the plan totaled \$13,920 for the fiscal year ended June 30, 2015.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** At June 30, 2015, the College reported a liability of \$3,601,859 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The College's proportionate share of the net pension liability was based on the College's 2014-15 fiscal year contributions relative to the total 2013-14 fiscal year contributions of all participating members. At June 30, 2014, the College's proportionate share was .059032633 percent, which was an increase of .010364314 from its proportionate share measured as of June 30, 2013. The School's proportionate share is calculated to be 0.9371 percent of the total College share and totaled \$33,753 at June 30, 2015.

**POLK STATE COLLEGE  
LAKELAND GATEWAY TO COLLEGE CHARTER HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

For the fiscal year ended June 30, 2015, the School recognized pension expense of \$8,076. In addition, the School 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>
Differences between expected and actual experience	\$ -	\$ 2,089
Change of assumptions	5,845	
Net difference between projected and actual earnings on FRS pension plan investments	-	56,306
Changes in proportion and differences between College FRS contributions and proportionate share of contributions	14,066	-
College FRS contributions subsequent to the measurement date	13,920	-
<b>Total</b>	<u><u>\$ 33,831</u></u>	<u><u>\$ 58,395</u></u>

The deferred outflows of resources related to pensions totaling \$13,920 resulting from School contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. 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>
2016	\$ (10,714)
2017	(10,714)
2018	(10,714)
2019	(10,714)
2020	3,363
Thereafter	1,009
<b>Total</b>	<u><u>\$ (38,484)</u></u>

*Actuarial Assumptions.* The total pension liability in the July 1, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.65 percent, 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, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.



**POLK STATE COLLEGE  
LAKELAND GATEWAY TO COLLEGE CHARTER HIGH SCHOOL  
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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:

<b>Asset Class</b>	<b>Target Allocation (1)</b>	<b>Annual Arithmetic Return</b>	<b>Compound Annual (Geometric) Return</b>	<b>Standard Deviation</b>
Cash	1.00%	3.11%	3.10%	1.65%
Intermediate-Term Bonds	18.00%	4.18%	4.05%	5.15%
High Yield Bonds	3.00%	6.79%	6.25%	10.95%
Broad US Equities	26.50%	8.51%	6.95%	18.90%
Developed Foreign Equities	21.20%	8.66%	6.85%	20.40%
Emerging Market Equities	5.30%	11.58%	7.60%	31.15%
Private Equity	6.00%	11.80%	8.11%	30.00%
Hedge Funds / Absolute Return	7.00%	5.81%	5.35%	10.00%
Real estate (Property)	12.00%	7.11%	6.35%	13.00%
<b>Total</b>	<b>100.00%</b>			
Assumed inflation - Mean		2.60%		2.00%

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

**Discount Rate:** The discount rate used to measure the total pension liability was 7.65 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

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

**POLK STATE COLLEGE  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 5 – RISK MANAGEMENT**

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 \$150 million to February 28, 2015, and up to \$200 million from March 1, 2015, 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 three fiscal years.

**NOTE 6 – LITIGATION**

The School has no pending or threatened legal actions.

**NOTE 7 – SCHEDULE OF DISTRICT SCHOOL BOARD REVENUE SOURCES**

Revenues for current operations are received primarily through the Polk County District School Board pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE and under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. Section 1002.33(20)(a)2, Florida Statutes provides for an administrative fee of 5 percent for enrollment for up to and including 250 students. For charter schools with a population of 251 or more students, the difference between the total administrative fee calculation and the amount of the administrative fee withheld may only be used for capital outlay purposes. The School Board withheld a 5 percent administrative fee totaling \$34,424 (for 119 students) for the 2014-2015 fiscal year from the School, which is reflected as purchased services expenditure in the accompanying statement of revenues, expenses and changes in net position.

**POLK STATE COLLEGE  
LAKELAND GATEWAY TO COLLEGE CHARTER HIGH SCHOOL  
A CHARTER SCHOOL AND DIVISION OF POLK STATE COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

The following is a schedule of revenue sources and amounts received from Polk District School Board and the Gateway to College National Network grant:

<u>Source</u>	<u>Amount</u>
Base Funding	\$ 515,796
Class Size Reduction	107,126
Start Up Grant - Implementation I	73,924
Discretionary Tax Equalization Allocation	23,680
Discretionary Millage	23,110
Instructional Materials Allocation	22,719
Title II Funds	2,965
Teacher Supply Allocation	780
Discretionary Lottery	397
13-14 Class Size Adjustment	10
Proration to Funds Available	<u>(4,344)</u>
<b>Total Revenue through Polk County District School Board</b>	<b>\$ 766,163</b>
Gateway to College National Network Grant	<u>22,788</u>
<b>Total Revenue</b>	<b><u>\$ 788,951</u></b>



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## **REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of Polk State College Lakeland Gateway to College Collegiate Charter High School's Proportionate Share of Net Pension Liability  
Florida Retirement System  
Last 10 Fiscal Years**

	<u><b>2014</b></u>
College's proportion of the net pension liability (asset)	0.059032633%
College's proportionate share of the net pension liability (asset)	\$ 3,601,859
School's proportion of College net pension liability (asset)	0.9371%
School's proportionate share of the College net pension liability (asset)	\$ 33,753
School's covered-employee payroll	\$ 410,340
School's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	8.23%
FRS Plan fiduciary net position as a percentage of the total pension liability	96.09%

**Notes to the Schedule of Proportionate Share of Net Pension Liability**

Additional years will be added to this table until ten years' data is presented

The amounts presented for each fiscal year were determined as of the measurement date of the collective pension liability which is 6/30 of each year presented,

The School's share of the net pension liability is calculated using a measurement date as of the end of the prior fiscal year.

Covered-employee 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 II of Chapter 121, Florida Statutes.

*Changes of Assumptions.* As of June 30, 2014, the inflation rate assumption was decreased from 3 percent to 2.6 percent, the real payroll growth assumption was decreased from 1 percent to 0.65 percent, and the overall payroll growth rate assumption was decreased from 4 percent to 3.25 percent. The long-term expected rate of return decreased from 7.75 percent to 7.65 percent.

**Schedule of Polk State College Lakeland Gateway to Collegiate Charter High School's Contributions**  
**Florida Retirement System**  
**Last 10 Fiscal Years**

	<b>2015</b>
School's contractually required contribution	\$ 13,920
School's contributions in relation to the contractually required contribution	\$ (13,920)
Contribution deficiency (excess)	\$ -
School's covered-employee payroll	\$ 410,340
Contributions as a percentage of covered-employee payroll	3.39%

**Notes to the Schedule of Contributions**

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Additional years will be added to this table until ten years' data is presented

The amounts presented for each fiscal year were determined as of 6/30 of each year presented,

Covered-employee 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 II of Chapter 121, Florida Statutes.



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## **OTHER REPORTS**

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

To the Board of Trustees  
Polk State College Lakeland Gateway to College Charter High School

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 Polk State College Lakeland Gateway to College Charter High School (the "School") a charter school and division of Polk State College, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated March 28, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School'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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School'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*.

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

**Purpose of this Report**

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

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.  
Auburndale, Florida  
March 28, 2016

## MANAGEMENT LETTER

To the Board of Trustees  
Polk State College Lakeland Gateway to College Charter High School

### Report on the Financial Statements

We have audited the financial statements of Polk State College Lakeland Gateway to College Charter High School, (the "School"), a charter school and division of Polk State College, as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated March 28, 2016.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the *Comptroller General of the United States*.

### Other Reporting Required by Government Auditing Standards

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standard*. Disclosures in this report, which is dated March 28, 2016, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There are no prior audit findings.

### Financial Condition

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require that we apply appropriate procedures to determine whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, require that we apply financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

### Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we apply appropriate procedures to determine whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

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MANAGEMENT LETTER

(cont...)

**Other Matters**

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Polk State College Lakeland Gateway to College Charter High School

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Trustees, the School District of Polk County, Florida and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

*Brynjulfson CPA, P.A.*

Brynjulfson CPA, P.A.  
Auburndale, Florida  
March 28, 2016



**Agenda Item:** Investment Interest Comparison - Mr. Peter Elliott

**Date:** April 25, 2016

**POLK STATE COLLEGE  
BOARD OF TRUSTEES  
AGENDA TRANSMITTAL SHEET**

**Issue:**

Pursuant to Section 1001.64, Florida Statutes and District Board of Trustees Rule 5.06, the College has the authority to invest funds not required for immediate needs. Such investments must provide first for safety of principal and sufficient liquidity.

**Background/Analysis:**

Polk State College continues to keep available funds invested in Money Market accounts in order to provide stability and liquidity.

**Fiscal Impact:**

Interest earned through March 2016 was \$40,183.

*Peter S. Elliott, Vice President for Administration / CFO*

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**Initiating Official**

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**THIS RECOMMENDED ITEM MEETS THE FOLLOWING ELEMENT(S) OF POLK STATE COLLEGE'S MISSION STATEMENT, VISION STATEMENT, AND CORE VALUES:**

Commitment to Student Success through Innovation, Value, and Engagement, Commitment to Knowledge, Diversity, Integrity, Leadership, and Service

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**President's Recommendation:**

For Information Only

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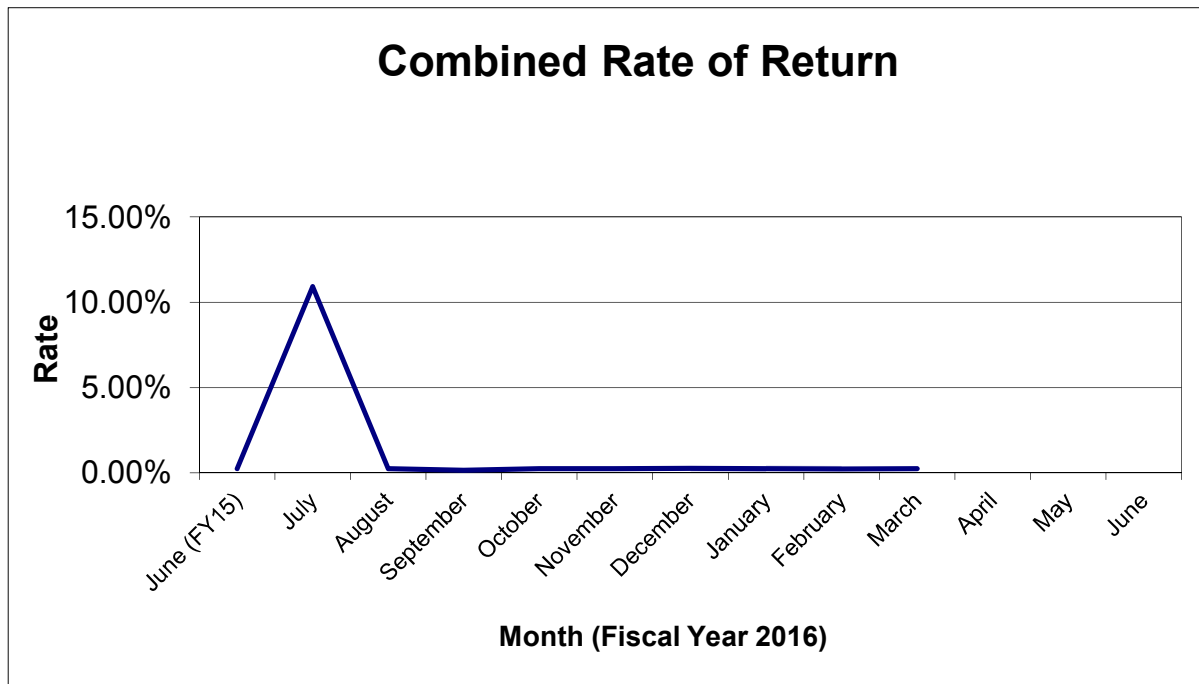
**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Investment Interest Comparison	Backup Material

Polk State College  
Investment Interest Comparison  
Prepared for District Board of Trustees  
Fiscal Year 2016

Month	Rate of Return	Interest	Balance
	Combined	Total	Total
June (FY15)	0.25%	\$ 1,321	\$ 6,428,809
July	10.92%	\$ 31,479	\$ 3,460,273
August	0.25%	\$ 735	\$ 3,461,008
September	0.16%	\$ 910	\$ 6,661,888
October	0.25%	\$ 1,415	\$ 6,663,303
November	0.25%	\$ 1,370	\$ 6,664,673
December	0.26%	\$ 581	\$ 2,665,254
January	0.26%	\$ 570	\$ 2,665,824
February	0.23%	\$ 1,491	\$ 7,667,300
March	0.26%	\$ 1,632	\$ 7,668,932
April			
May			
June			

Average Annual Returns	
FY 2007	5.37%
FY 2008	3.58%
FY 2009	1.17%
FY 2010	0.56%
FY 2011	0.58%
FY 2012	0.38%
FY 2013	0.13%
FY 2014	0.13%
FY 2015	0.12%





**Agenda Item:** Budget Amendment Summary - Mr. Peter Elliott

**Date:** April 25, 2016

**POLK STATE COLLEGE  
BOARD OF TRUSTEES  
AGENDA TRANSMITTAL SHEET**

**Issue:**

Amendments to the original budget are approved at appropriate levels within the College as prescribed by Polk State College Procedure 6004, Section 1011.84(3)(e), Florida Statutes and State Board of Education Rule 6A-14.0716, Florida Administrative Code.

**Background/Analysis:**

Polk State College Procedure 6004 states that a monthly summary will be provided to the District Board of Trustees. This summary will allow for an overview of the amendments posted to the general ledger and provide a snapshot of the budgetary impact of these amendments.

**Fiscal Impact:**

During the month of March, there was one amendment that had an impact on Fund Balance. Budget amendment 19 increased the CAAM program expense budget by \$50,000 for contracted services. All amendments were reallocations necessary for College operations.

*Peter S. Elliott, Vice President for Administration / CFO*

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**Initiating Official**

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**THIS RECOMMENDED ITEM MEETS THE FOLLOWING ELEMENT(S) OF POLK STATE COLLEGE'S MISSION STATEMENT, VISION STATEMENT, AND CORE VALUES:**

Commitment to Student Success through Innovation, Value, and Engagement, Commitment to Knowledge, Diversity, Integrity, Leadership, and Service

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**President's Recommendation:**

For Information Only

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**ATTACHMENTS:**

Description	Type
☐ Summary of Budget Amendments	Backup Material



Polk State College  
Summary of Budget Amendments  
All Funds  
March 2016 (Period 201603)

Journal Number/Description	Revenue		Expenses				Fund Balance	
	Increase	Decrease	Personnel Expense Increase	Decrease	Current Expense Increase	Decrease	Capital Outlay Increase	Decrease Change
1 Reallocation of budget for nursing students taking NCLEX review					\$ 20,000	\$ (20,000)		\$ -
8 Reallocation of SPD budget to cover employee tuition reimbursement				\$ (6,861)	\$ 9,849	\$ (2,988)		\$ -
10 Reallocation of budget for equipment for Lakeland TLCC						\$ (2,800)	\$ 2,800	\$ -
13 Reallocation of budget for equipment for the Theatre					\$ 229	\$ (229)		\$ -
15 Reallocation of budget for equipment for audio visual department						\$ (1,496)	\$ 1,496	\$ -
16 Reallocation of budget for SPD expenditures					\$ 48,000	\$ (48,000)		\$ -
19 Increasing budget to meet Caam program operational needs					\$ 50,000			\$ 50,000
23 Reallocation of budget for tree trimming expenses on Lakeland campus					\$ 1,800	\$ (1,800)		\$ -
25 Reallocation of budget for training and technical support					\$ 15,000	\$ (15,000)		\$ -
26 Increasing budget to meet manufacturing program operational needs	\$ (160,000)				\$ 160,000			\$ -
28 Reallocation of budget to cover financial aid call center expenses					\$ 51,000	\$ (51,000)		\$ -
29 Reallocation of budget for technology expenses for computer information systems program						\$ (1,197)	\$ 1,197	\$ -
30 Reallocation of budget to cover maintenance expenses on Winter Haven campus					\$ 725	\$ (725)		\$ -
31 Reallocation of budget for Scantron equipment purchase for CPS building						\$ (2,545)	\$ 2,545	\$ -
36 Reallocation of budget to cover maintenance expenses on Winter Haven campus					\$ 2,207	\$ (2,207)		\$ -
37 Reallocation of budget to increase SPD funds for Presidents budget					\$ 1,500	\$ (1,500)		\$ -

Polk State College  
Summary of Budget Amendments  
All Funds  
March 2016 (Period 201603)

Journal Number/Description	Revenue		Expenses				Fund Balance	
	Increase	Decrease	Personnel Expense		Current Expense		Capital Outlay	
			Increase	Decrease	Increase	Decrease	Increase	Decrease
38 Reallocation of salary to fund interim director of Lake Wales Art Center				\$ (28,800)	\$ 28,800			\$ -
39 Reallocation of budget for technology expenses for CPS building					\$ (379)	\$ 379		\$ -
40 Reallocation to cover equipment expenses for student services					\$ (15,598)	\$ 15,598		\$ -
<b>Fund 1 Totals</b>	<b>\$ (160,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (35,661)</b>	<b>\$ 389,110</b>	<b>\$ (167,463)</b>	<b>\$ 24,015</b>	<b>\$ -</b>
								<b>\$ 50,000</b>

Polk State College  
Summary of Budget Amendments  
All Funds  
March 2016 (Period 201603)

Journal Number/Description	Revenue		Personnel Expense		Current Expense		Capital Outlay		Fund Balance
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Change
2									
Establish budget for EDC Vendor Consultant Agreement	\$	(5,500)	\$	4,000	\$	1,500			\$ -
4									
Create budget for Polk State Lakeland Gateway to College High School Implementation II grant	\$	(156,674)			\$	94,250	\$	62,424	\$ -
5									
Reallocation of budget for capital expenses for Perkins grant							\$	479 \$ (479)	\$ -
6									
Reallocation of budget for travel and printing expenses for Tramco grant					\$	2,050 \$ (2,050)			\$ -
7									
Reallocation to cover expenses for early childhood online program					\$	5,000 \$ (5,000)			\$ -
9									
Reallocation of budget for travel and uniform expenses for music program					3964 \$ (3,964)				\$ -
11									
Establish budget for Caito Food Services Florida Flex grant	\$	(141,750)			\$	141,750			\$ -
12									
Establish original budget for DS Customer Care Florida Flex grant	\$	(174,825)			\$	174,825			\$ -
14									
Reallocation of budget to cover technology expenses for Polk State Chain of Lakes Collegiate High School						\$ (987)	987		\$ -
17									
Reallocation of budget for payroll expenses for Polk State Lakeland Gateway to College High School			\$	233 \$ (233)					\$ -
18									
Reallocation of budget to close out Polk State Lakeland Gateway to College High School Implementation I grant					\$	653	\$ (653)		\$ -
20									
Reallocation of budget to cover payroll expenses to close out NSF Advanced Manufacturing grant			\$	39,953 \$ (3,004)	\$	(36,294)	\$ (655)		\$ -
21									
Reallocation of budget for capital expenses for Polk State Chain of Lakes Collegiate High School					\$	(2,453)	\$ 2,453		\$ -
24									
Reallocation of budget to cover capital expenses for Polk State Lakeland Gateway to College High School Implementation II grant					\$	(5,400)	\$ 5,400		\$ -
27									
Reallocation of budget to cover textbook expenses for Polk State Lakeland Gateway to College High School Implementation II grant					\$	10,201	\$ (10,201)		\$ -

Polk State College  
Summary of Budget Amendments  
All Funds  
March 2016 (Period 201603)

Journal Number/Description	Revenue		Expenses				Fund Balance	
	Increase	Decrease	Personnel Expense Increase	Decrease	Current Expense Increase	Decrease	Capital Outlay Increase	Decrease Change
32 Reallocation of budget to cover expenses for Polk State Lakeland Gateway to College High School Implementation II grant					\$ 8,556	\$ (11,545)	\$ 9,401	\$ (6,412) \$ -
33 Reallocation of budget for furniture expenses for Polk State Lakeland Gateway to College High School					\$ 1,142	\$ (1,142)		\$ -
<b>Fund 2 Totals</b>	\$ (478,749)	\$ -	\$ 44,186	\$ (3,237)	\$ 443,891	\$ (68,835)	\$ 81,144	\$ (18,400) \$ -
34 Reallocation of budget to cover scholarships					\$ 6,020	\$ (6,020)		\$ -
<b>Fund 5 Totals</b>	\$ -	\$ -	\$ -	\$ -	\$ 6,020	\$ (6,020)	\$ -	\$ -
<b>Grand Total All Funds</b>	\$ (638,749)	\$ -	\$ 44,186	\$ (38,898)	\$ 839,020	\$ (242,318)	\$ 105,159	\$ (18,400) \$ 50,000



**Agenda Item:** Financial Statements - Mr. Peter Elliott

**Date:** April 25, 2016

**POLK STATE COLLEGE  
BOARD OF TRUSTEES  
AGENDA TRANSMITTAL SHEET**

**Issue:**

Section 1001.64, Florida Statutes, establishes the Board's responsibility for the financial health of the College. The presentation of the monthly financial statements gives the Board of Trustees a summary of the College's year-to-date financial position.

**Background/Analysis:**

The financial statements report the College's financial position as of March 31, 2016 and include comparative information from the prior fiscal year as well as summary statements for the restricted and auxiliary funds.

**Fiscal Impact:**

Total revenue recorded through March 31, 2016 was 72% of budget. Total expenditures through March 31, 2016 were 71% of budget. The College continues to monitor revenues and expenditures. Adjustments will be made to the budget if necessary.

*Peter S. Elliott, Vice President for Administration / CFO*

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**Initiating Official**

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**THIS RECOMMENDED ITEM MEETS THE FOLLOWING ELEMENT(S) OF POLK STATE COLLEGE'S MISSION STATEMENT, VISION STATEMENT, AND CORE VALUES:**

Commitment to Student Success through Innovation, Value, and Engagement, Commitment to Knowledge, Diversity, Integrity, Leadership, and Service

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**President's Recommendation:**

For Information Only

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**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Financial Statements	Backup Material

**POLK STATE COLLEGE  
FINANCIAL SUMMARY  
FISCAL YEAR 2015-16  
As of March 31, 2016**

	Budgeted Annual Revenue	Recorded Year To Date	% Recorded of Annual	Recorded Prior Year To Date	% Recorded Prior Year
Student Fees	\$ 22,136,629	\$ 17,472,055	79%	\$ 18,099,948	75%
State Funding	28,942,814	19,594,546	68%	18,350,982	67%
Other Revenue	1,625,374	991,936	61%	1,077,855	66%
Total Revenue	\$ 52,704,817	\$ 38,058,538	72%	\$ 37,528,785	71%

	Budgeted Annual Expenditures	Expenditures Year To Date	% Expended of Annual	Expenditures Prior Year To Date	% Expended Prior Year
Salaries	\$ 35,223,659	\$ 26,006,489	74%	\$ 26,187,842	73%
Current Expense	17,184,153	11,041,928	64%	11,196,309	64%
Capital Outlay	130,614	65,112	50%	222,426	71%
Total Expenditures	\$ 52,538,425	\$ 37,113,529	71%	\$ 37,606,577	70%

Polk State College Fund Balance Summary Projection 2015-2016 Fiscal Year		
Fund Balance Carryforward from Fiscal Year 2014-15		
Actual Unallocated Fund Balance		\$ 3,445,048
Reserve for Encumbrances		31,935
Reserve for Other Purposes		1,000,000
Total Actual Fund Balance Available for FY 2015-16		\$ 4,476,983
Plus		
Actual Revenue to Date	\$ 38,058,538	
Projected Additional Revenue	\$ 14,646,279	
Total Revenue		\$ 52,704,817
Total Projected Funds Available		\$ 57,181,800
Minus		
Actual Expenditures to Date	\$ 37,113,529	
Projected Additional Expenditures	\$ 15,424,896	
Total Projected Expenditures		\$ 52,538,425
Total Projected Fund Balance Available for FY 2015-16		\$ 4,643,375
Less: Encumbrances and Board Designations		
Total Projected Fund Balance Unallocated for FY 2015-16		\$ 4,643,375
Projected Unallocated Fund Balance Percentage:		8.12%

**POLK STATE COLLEGE**  
**Budget to Actual**  
**Fiscal Year 2015-16 and Fiscal Year 2014-15**  
**As of March 31, 2016**

	Budget FY 15-16	Recorded 03/31/16	% Recorded	Budget FY 14-15	Recorded 03/31/15	% Recorded
<b>Revenue:</b>						
Tuition	\$ 16,396,820	\$ 13,057,590	80%	\$ 18,435,833	\$ 13,813,202	75%
Student Fees	5,739,809	4,414,465	77%	5,684,288	4,286,746	75%
State Support - FCSPP	23,032,322	17,230,350	75%	21,172,522	15,883,282	75%
State Support - Lottery	5,910,492	2,364,196	40%	6,152,365	2,467,700	40%
Other Revenue	1,625,374	991,936	61%	1,642,990	1,077,855	66%
<b>Total Revenue</b>	<b>\$ 52,704,817</b>	<b>\$ 38,058,538</b>	<b>72%</b>	<b>\$ 53,087,998</b>	<b>\$ 37,528,785</b>	<b>71%</b>

	Budget FY 15-16	Expended 03/31/16	% Expend	Budget FY 14-15	Expended 03/31/15	% Expend
<b>Expenses:</b>						
<b>Personnel Expenses:</b>						
Salary Expense	\$ 27,877,263	\$ 20,513,993	74%	\$ 28,791,548	\$ 20,915,921	73%
Fringe Benefits	7,346,396	5,492,496	75%	7,104,406	5,271,921	74%
<b>Sub Total</b>	<b>\$ 35,223,659</b>	<b>\$ 26,006,489</b>	<b>74%</b>	<b>\$ 35,895,954</b>	<b>\$ 26,187,842</b>	<b>73%</b>
<b>Other Expenses:</b>						
Travel	\$ 607,178	\$ 362,648	60%	\$ 846,754	\$ 418,105	49%
Postage & Telephone	456,969	335,234	73%	389,757	299,879	77%
Printing	377,842	303,404	80%	396,163	226,720	57%
Repairs & Maintenance	750,649	277,268	37%	854,290	356,853	42%
Rental & Insurance	1,326,822	1,197,470	90%	1,260,347	1,128,408	90%
Utilities	2,487,211	1,609,767	65%	2,325,303	1,679,300	72%
Services	8,014,193	5,230,925	65%	7,975,861	5,300,235	66%
Supplies & Subscriptions	2,842,886	1,620,213	57%	2,980,732	1,613,768	54%
Other Expenses	320,403	104,999	33%	437,001	173,041	40%
<b>Sub Total:</b>	<b>\$ 17,184,153</b>	<b>\$ 11,041,928</b>	<b>64%</b>	<b>\$ 17,466,208</b>	<b>\$ 11,196,309</b>	<b>64%</b>
<b>Capital Outlay:</b>	<b>\$ 130,614</b>	<b>\$ 65,112</b>	<b>50%</b>	<b>\$ 313,138</b>	<b>\$ 222,426</b>	<b>71%</b>
<b>Total Expenses</b>	<b>\$ 52,538,425</b>	<b>\$ 37,113,529</b>	<b>71%</b>	<b>\$ 53,675,300</b>	<b>\$ 37,606,577</b>	<b>70%</b>
<b>Revenue Over (Under) Expenses</b>	<b>\$ 166,392</b>	<b>\$ 945,009</b>		<b>\$ (587,302)</b>	<b>\$ (77,792)</b>	

<b>Reconciliation of Original Operating Budget to Current Budget</b>		
FY 2015 Encumbrances carried forward to FY 2016	\$	(131,661)
	\$	(131,661)

**Additional Information:**

1. Tuition and fee revenues are generally collected in the following manner: 43% Fall (Aug. - Oct.), 42% Spring (Nov. - Jan.), 15% Summer (April - May).
2. State Support (CCPF) is distributed evenly over 12 months. Lottery funds are distributed equally from February to June.
3. Other Revenues vary throughout the year.
4. Salaries: Full-time regular employees are paid equally over 12 months. Part-time instructors are paid based on class load.
5. Current expenses remain constant from month-to-month.
6. Capital expenses vary throughout the year but do not have a significant impact on total expenses.

**POLK STATE COLLEGE**  
**RESTRICTED, AUXILIARY AND PLANT FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES**  
**As of March 31, 2016**

	Current Fund Restricted	Auxiliary Fund	Loan Fund	Scholarships	Unexpended Plant	Debt Service
<b><u>REVENUE</u></b>						
Student Fees	\$ 1,292,716	\$ 32,102	\$ -	\$ 647,178	\$ 1,827,511	\$ -
Local Support	3,562,853					
State Support	250,997			859,335	3,480,375	
Federal Support	1,478,977			15,405,789		
Gifts & Contracts	50,000	29,478			21,396	
Sales		596,448				
Bond Proceeds						
Other Revenue	7,105	(2,831)		62,947	150,899	228,802
Transfers from Other Funds						
<b>TOTAL REVENUE</b>	<b>\$ 6,642,647</b>	<b>\$ 655,197</b>	<b>\$ -</b>	<b>\$ 16,975,249</b>	<b>\$ 5,480,181</b>	<b>\$ 228,802</b>
<b><u>EXPENDITURES</u></b>						
<b><u>Personnel Expenditures</u></b>						
Full Time	\$ 2,597,648	\$ 37,313	\$ -	\$ -	\$ 35,902	\$ -
Part Time	333,571	109,781			4,308	
Fringe Benefits	831,781	11,948			13,568	
<b>Subtotal</b>	<b>\$ 3,763,001</b>	<b>\$ 159,042</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 53,778</b>	<b>\$ -</b>
<b><u>Other Expenses</u></b>						
Travel	\$ 290,289	\$ 5,319	\$ -	\$ -	\$ -	\$ -
Postage & Telephone	7,069	35			4,771	
Printing	17,767	1,181				
Repairs & Maintenance	1,274	9,627				
Rental & Insurance	342,762	45,729			641,276	
Utilities	55	2,897				
Services	631,936	222,187			53,571	
Materials & Supplies	645,841	47,463			66,595	
Cost of Goods Sold						
Scholarships & Waivers				18,060,273		
Transfers to Other Funds					228,802	
Other Expenses	327,651	138,797		61,816		457,299
<b>Subtotal</b>	<b>\$ 2,264,644</b>	<b>\$ 473,235</b>	<b>\$ -</b>	<b>\$ 18,122,089</b>	<b>\$ 995,015</b>	<b>\$ 457,299</b>
<b><u>Capital Outlay</u></b>						
Furniture & Equipment	\$ 170,484	\$ 6,185	\$ -	\$ -	\$ 3,090,511	\$ -
Architect & Engineering Services					9,475,860	
Capitalized Software					319,322	
General Construction						
Renovating & Remodeling						
Land						
Structures & Improvements	88,279				2,024,230	
<b>Subtotal</b>	<b>\$ 258,763</b>	<b>\$ 6,185</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,909,923</b>	<b>\$ -</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 6,286,407</b>	<b>\$ 638,462</b>	<b>\$ -</b>	<b>\$ 18,122,089</b>	<b>\$ 15,958,716</b>	<b>\$ 457,299</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	<b>\$ 356,240</b>	<b>\$ 16,735</b>	<b>\$ -</b>	<b>\$ (1,146,840)</b>	<b>\$ (10,478,535)</b>	<b>\$ (228,497)</b>



**POLK STATE COLLEGE**  
**BALANCE SHEET - ALL FUNDS**  
**As of March 31, 2016**

	Current Fund Restricted	Auxiliary Fund	Loan Fund	Scholarships	Unexpended Plant	Debt Service	Invested in Plant	Totals
<b><u>ASSETS</u></b>								
Cash/Cash Equivalents	\$ 3,041,083	\$ 469,267	\$ 280,929	\$ (719,166)	\$ 3,951,087	\$ (228,497)	\$ -	\$ 6,794,703
Accounts Receivable, Net	139,718	2,173	(4,964)	133,127	3,430,565			\$ 3,700,620
Investments						9,029		\$ 9,029
Capital Lease, Net							296,378	\$ 296,378
Land							6,557,602	\$ 6,557,602
Buildings, Net							57,816,527	\$ 57,816,527
Other, Structures & Improvements, Net								\$ -
Furniture & Equipment, Net							1,125,931	\$ 1,125,931
Artwork							11,700	\$ 11,700
Construction in Progress							19,919,121	\$ 19,919,121
Other								\$ -
<b>TOTAL ASSETS</b>	<b>\$ 3,180,801</b>	<b>\$ 471,440</b>	<b>\$ 275,965</b>	<b>\$ (586,038)</b>	<b>\$ 7,381,652</b>	<b>\$ (219,468)</b>	<b>\$ 85,727,259</b>	<b>\$ 96,231,611</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>								
<b><u>Liabilities</u></b>								
Accounts Payable	\$ 8,863	\$ 53,609	\$ -	\$ 10,200	\$ 20,276	\$ -	\$ -	\$ 92,949
Compensated Leave Payable								-
Retainage Payable					837,764			837,764
Unearned Revenue	5,000							5,000
Salaries & Benefits Payable	106,579							106,579
Bonds Payable							230,000	230,000
Loan Payable		183,333					2,797,370	2,980,703
<b>Total Liabilities</b>	<b>\$ 120,442</b>	<b>\$ 236,943</b>	<b>\$ -</b>	<b>\$ 10,200</b>	<b>\$ 858,040</b>	<b>\$ -</b>	<b>\$ 3,027,370</b>	<b>\$ 4,252,995</b>
<b><u>Fund Balance:</u></b>								
Fund Balance	\$ 2,704,119	\$ 217,762	\$ 275,965	\$ 348,520	\$ 17,002,147	\$ 9,029	\$ 502,219	\$ 21,059,761
Investment in Plant							82,197,670	82,197,670
Change in Fund Balance (YTD)	(356,240)	(16,735)	-	1,146,840	10,478,535	228,497		11,480,897
<b>Total Fund Balance</b>	<b>\$ 2,347,879</b>	<b>\$ 201,026</b>	<b>\$ 275,965</b>	<b>\$ 1,495,360</b>	<b>\$ 27,480,683</b>	<b>\$ 237,526</b>	<b>\$ 82,699,889</b>	<b>\$ 114,738,329</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 2,468,321</b>	<b>\$ 437,969</b>	<b>\$ 275,965</b>	<b>\$ 1,505,560</b>	<b>\$ 28,338,723</b>	<b>\$ 237,526</b>	<b>\$ 85,727,259</b>	<b>\$ 118,991,323</b>



**Agenda Item:** Project Status, College-Wide - Mr. Peter Elliott

**Date:** April 25, 2016

**POLK STATE COLLEGE  
BOARD OF TRUSTEES  
AGENDA TRANSMITTAL SHEET**

**Issue:**

Section 1001.64, Florida Statutes establishes the Board's responsibility for the financial health of the College. The presentation of this Project Status Report provides an update of the current facilities projects underway and those currently scheduled.

**Background/Analysis:**

This report is updated monthly and presented to the District Board of Trustees as information regarding college-wide construction projects.

**Fiscal Impact:**

The funding sources for the projects noted in the report are College capital outlay funds (PECO, Capital Improvement Fees, etc.) as well as funds from private and public partnerships.

*Peter S. Elliott, Vice President for Administration / CFO*

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**Initiating Official**

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**THIS RECOMMENDED ITEM MEETS THE FOLLOWING ELEMENT(S) OF POLK STATE COLLEGE'S MISSION STATEMENT, VISION STATEMENT, AND CORE VALUES:**

Commitment to Student Success through Innovation, Value, and Engagement, Commitment to Knowledge, Diversity, Integrity, Leadership, and Service

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**President's Recommendation:**

For Information Only

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**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Project Status Report	Backup Material

**Polk State College**  
**Project Status Report April 2016**

PM-Project Managers	RM-Robbie Manikis GU-George Urbano	JS-John Sheffield LB-Lyndon Belfon						
Project Task	PM	Status	Total Project Budget	Construction Budget/GMP	Resources	Start (NTP)	Estimated Finish (CO)	Notes
<b><u>Winter Haven Campus</u></b>								
WLR 3rd floor remodel Library only	RM	Planning	\$2,315,973.70	TBD	Staff	9/15	1/17	Library relocation; complete Spring break move; complete CD; complete Sub-contractor bid process; in-progress Construction budget; in development Mobilize CM team; April 30.
WLR 3rd floor remodel classroom & lab	RM		TBD			TBD		Await release of funds
WLR 2nd floor remodel classroom & lab	RM		TBD			TBD		Await release of funds
WFA corridor remodel	RM	HOLD	\$245,000	TBD	TBD	TBD	TBD	Awaiting funding source
WSC science laboratories remodel	RM	HOLD	\$950,000	TBD	TBD	TBD	TBD	Awaiting funding source
WFA 117 classroom remodel	RM	HOLD	\$135,000	TBD	TBD	TBD	TBD	Awaiting funding source
Baseball field bleacher & deck canopies remodel	RM	HOLD	\$75,000	TBD	TBD	TBD	TBD	Awaiting funding source
WFA re-roof & hi-bay brick repair	RM	HOLD	\$288,082	\$255,482	Staff	TBD	TBD	Awaiting funding source
WAD-Registrar space remodel WAD117 to office WAD105 to office	RM	HOLD	\$64,769	\$40,000	Staff	12/16	TBD	
WHC-ADD wheelchair ramp	RM	Planning	\$155,277	na	CR Staff	1/16	12/16	Coordinating construction timeline
WFA-Theatre increase H/C seating	RM	Planning	embedded with WHC work	na	CR Staff	1/16	12/16	Coordinating construction timeline
WLR 106 increase H/C seating	RM	Planning	embedded with WLR work	na	AD Morgan Staff		TBD	
<b><u>Center for Public Safety</u></b>								
CPS building	RM	Construction complete	\$30,786,909	\$23,996,446	FW ADM Staff	8/14	1/16 construction	540 signage lettering adjustment; in-progress ADD lighting physical training course; in-progress Additional A/V for classrooms, auditorium and student lounge; complete Addressing punchlist items; complete Assembling close-out documents; complete 540 traffic signal assessment; report completed FDOT reviewing assessment report Cell phone signal booster evaluation; in-progress Public Safety radio signal evaluation; in-progress
<b><u>Lake Wales-JDA</u></b>								
Land acquisition	GU	HOLD	TBD	TBD	Staff	10/13	TBD	
Student center modular	RM	HOLD	\$110,840	TBD	TBD	TBD	TBD	Awaiting site availability and funding source
Faculty office modular	RM	HOLD	\$162,831	TBD	TBD	TBD	TBD	Awaiting site availability and funding source
Outdoor seating area	RM	HOLD	\$6,500	na	TBD	TBD	TBD	Awaiting funding source
All classrooms replace flooring	LB	HOLD	\$25,000	na	TBD	TBD	TBD	Awaiting funding source

**Polk State College**  
**Project Status Report April 2016**

PM-Project Managers	RM-Robbie Manikis GU-George Urbano	JS-John Sheffield LB-Lyndon Belfon						
Project Task	PM	Status	Total Project Budget	Construction Budget/GMP	Resources	Start (NTP)	Estimated Finish (CO)	Notes
<b>Lake Wales Art Center</b>								
Crews Center-2nd floor Replace AHU & condenser	RM	Planning	TBD	TBD	Carastro Staff	8/15	TBD	CD document completed; out for bid
Parking lot ADD new lighting	RM	Planning	TBD	TBD	Carastro Staff	8/15	TBD	Developing construction budget; in-progress
Gallery/lobby floor replacement	RM	Planning	\$75,000	\$75,000	NDC Staff	5/16	8/16	Material selection; in-progress
<b>Lakeland Campus</b>								
Campus secondary electric feeder infrastructure	GU	HOLD	\$75,000	na	Staff LECO	TBD	TBD	
LAC 1170A & 1170B Gateway HS	GU/JS	Planning	\$123,957 Grant funds	na	Staff	10/15	5/16	Grant approved PO issued Coordination meeting to follow
LTB 1st floor Remodel to accommodate Financial Aid and VA	GU/JS	Completed	embedded with bldg. C	embedded with bldg. C	Staff	9/14	1/16	Add data & power for copier; completed
LAC & LLC building façade brick and concrete	GU	HOLD	TBD	TBD	Staff	2/15	TBD	
New maintenance, shipping receiving pad & bldg.	GU/JS	HOLD	\$45,000 planning	TBD	LPF Nujak	9/14	6/15 planning	
US 98 & SR 540 monument sign	JS	Planning	TBD	na	Staff	9/14	TBD	Full size mock-up in place Developing estimates with vendors
LLC 2188 ADD wheelchair ramp & renovate stage	RM	Planning	\$76,396	na	CR Staff	1/16	12/16	Coordinating construction timeline
LAC 1173 remodel to GHS Administration	GU	Planning	TBD	TBD	Staff	2/16	4/16 planning	Floor Plan, exterior and interior rendering approved Developing construction budget
<b>Clear Springs</b>								
ADD access control to (4) doors	GU/JS	Planning	\$15,200	\$15,200	APG Staff	12/15	6/16	

**Polk State College  
Project Status Report April 2016**

PM-Project Managers	RM-Robbie Manikis GU-George Urbano		JS-John Sheffield LB-Lyndon Belfon					
Project Task	PM	Status	Total Project Budget	Construction Budget/GMP	Resources	Start (NTP)	Estimated Finish (CO)	Notes
<b>Airside Lakeland</b>								

**District Initiatives**

Energy Performance Contracting Feasibility	GU	HOLD	No-Cost	TBD	Siemens Staff	2/14	6/15	
(2) District Office locations: Winter Haven, Florida *								*(Leased facilities only, similar to Airside Lakeland Operating Cost for New Facilities (OCNF) will provide support following occupancy.
New construction	GU	HOLD						
Renovate existing building 200 Ave B	RM	HOLD						
District Office personnel exit planning	RM	Planning	TBD	TBD	Staff	TBD	TBD	Reviewing space availability in CPS
(7) Modular buildings exit planning	RM	Planning	TBD	TBD	Staff	TBD	TBD	Reviewing location/space options with Provost
Security upgrade ADD thumblock-single action hardware Phase 1	GU & Lt. Neil	Construction	\$100,000	\$100,000	Locksmith Staff	11/15	3/16 Install	
Tier 1A & 1B Doors							WH, JDA LWAC	Tier 1A & 1B door conversion; in-progress Door/thumblock hardware conversion; completed Panic Bar/thumblock conversion; material ordered Test material application on door WST120
							LAC, LLC, LTB, ASE ATC	Tier 1A & 1B door conversion; in-progress Door/ thumblock conversion; completed, addressing punchlist items Panic bar/thumblock conversion material ordered Test material application on door LAC1208

**Polk State College  
Project Status Report  
Definition of Abbreviations**

ADM	AD Morgan	MEP	Mechanical, electrical, plumbing trades
A/E	Architect/Engineer	MI	Moddus Inc, Engineers; Bartow
AGI	Anston-Greenlees Engineers; Tampa	MMP	MM Parrish Construction, Inc: Lakeland
APG	Specialty Electrical Contractor; Tampa	MP	Mark Parlier Architects; Lake Wales
ASAP	As Soon As Possible	N/A	Not Applicable
ASC	ASC Geosciences, Lakeland	NDC	Nujak Development and Construction; Lakeland
BGA	Tampa area engineering firm	NTP	Notice to Proceed
BLDG	Building	PECO	Public Education Capital Outlay
CD	Construction Document(s)	PO	Purchase Order (by PSC)
CHS	Collegiate High School	RFQ	Request for Qualifications
CM	Construction Manager-at-Risk	SB	Southern Business (A/V equip. supplier); Orlando
CO	Certificate of Occupancy	SD	Schematic Design document (s)
COL	Chain of Lakes High School	SE	Stafford Engineers; Ormond Beach
CR	Crossroads Construction, Inc; Lakeland	SOW	Scope of Work
CS	Clear Springs Land Development; Bartow	STA	Straughn Trout Architects; Lakeland
DBOT	District Board of Trustees	STAFF	PSC personnel, various departments
DD	Design Development Document(s)	SWFWMD	South West Fl. Water Mgt District
DWM	Driveway Maintenance; Lakeland	TBA	To Be Announced
FW	Furr-Wegman Architects; Lakeland	TBD	To Be Determined
GMP	Guaranteed Maximum Price	TEC	Tucker Engineering and Construction; Winter Haven
HCI	Henkelman Construction, Inc; Lakeland	TLCC	Teacher Learning Computer Center
IPS	Institute for Public Safety	U/G	Underground
ITAC	Instructional Technology Advisory Board	UNO	Unless Notified Otherwise
JDA	JD Alexander Center	WAD	Winter Haven Administration building
LAC	Lakeland Academic Center	WCJ	Winter Haven Criminal Justice
LC	Lane Construction	WFA	Winter Haven Fine Arts building
LECO	Lakeland Electric Company	WH	Winter Haven Campus
LkInd	Lakeland Campus	WHC	Winter Haven Health Center
LLC	Lakeland Learning Center	WLR	Winter Haven Learning Resource building
LMB	Lakeland Maintenance building	WMS	Winter Haven Multi-Service building
LPF	Lunz Prebor Fowler Architects; Lakeland	WSC	Winter Haven Science building
LSB	Lakeland Storage building	WST	Winter Haven Student Center
LTB	Lakeland Technology Building		

**Polk State College  
Project Status Report  
Definitions of Terms**

<b>PLANNING</b>	Process wherein the project team and stakeholders define and/or refine the needs and discuss alternatives. Narratives, tables, drawings or lists maybe the outcome of this phase
<b>RFQ- Request for Qualifications</b>	Process wherein scope of work is defined, solicitation document prepared and issued, qualifications from competing firms are evaluated and ranked, culminating in a recommendation to the District Board of Trustees
<b>Programming</b>	Process wherein the project team and stakeholders compare and contrast the project scope and planning document, update the documentation (drawings, tables, lists, etc) in preparation for preliminary drawings
<b>SD Schematic Design</b>	Process wherein the project architect converts and/or translates the information generated during the programming phase of work into preliminary floors plans, sketches and illustrations. During this phase the project team and stakeholders evaluate the drawings to assure the intent has been accurately conveyed by the drawings SD Drawing approval required before proceeding to the next phase
<b>DD Design Documents</b>	Drawings generated during the SD phase are revised to included greater detail and information Specifications for construction and material purchase begin development DD Drawing approval required before proceeding to the next phase
<b>CD Construction Documents</b>	Drawings approved during the SD and DD phases are refined to include all construction details All construction and material specifications are finalized. At the conclusion of this phase all documents required for construction and the construction manager are completed and signed off & stamped by the Architect and Engineer of Record
<b>Under Construction</b>	Process wherein the Guaranteed Maximum Price has been approved, CM is under contract to PSC and construction work has begun



**Agenda Item:** Florida College System 2015-2016 College Annual Equity Update Report - Ms. Val Baker

**Date:** April 25, 2016

**POLK STATE COLLEGE  
BOARD OF TRUSTEES  
AGENDA TRANSMITTAL SHEET**

**Issue:**

Section 1005.05, Florida Statutes, requires the President to submit the Polk State College 2015-2016 Annual Equity Update Report to the Florida Department of Education, Division of Florida Colleges (DFC) by April 30, 2016.

**Background/Analysis:**

The College's Annual Equity Update Report requires that the College provide a status report of its Educational Equity Plan, which documents efforts to comply with state and federal civil rights laws related to nondiscrimination and equal access to postsecondary education and employment. The required components of the plan are based on Florida Statute Sections 1000.05 and 1012.86.

**Fiscal Impact:**

Polk State College annually evaluates its recruitment and retention budget relative to both the enrollment and retention of students, and the recruitment and retention of employees who reflect the demographics of the student body.

*Valparisa Baker, Director of Equity and Diversity*

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**Initiating Official**

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**THIS RECOMMENDED ITEM MEETS THE FOLLOWING ELEMENT(S) OF POLK STATE COLLEGE'S MISSION STATEMENT, VISION STATEMENT, AND CORE VALUES:**

Commitment to Knowledge, Diversity, Integrity, Leadership, and Service

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**President's Recommendation:**

For Information Only

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**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Equity Report Summary 2015-2016	Backup Material
<input type="checkbox"/> Equity Report Employment Summary 2015-2016	Backup Material
<input type="checkbox"/> Equity Report Employment Spreadsheet 2015-2016	Backup Material





Summary  
2015-2016 Equity Report Update

Polk State College is proud of its tradition of attracting underrepresented populations and helping those students succeed. Polk State continues to be the college of choice for minority students in its region, and in most cases is seeing improvements in key access and success metrics. In cases where diversity gaps remain most pronounced, the College is identifying causal factors and marshaling its resources to ensure continued progress.

The Annual Equity Update Report requires that the College provide a status update of its Educational Equity Plan, which documents efforts to comply with both state and federal civil rights laws related to nondiscrimination and equal access to postsecondary education and employment. The required components of the plan are based on Sections 1000.05 and 1012.86 of Florida Statutes.

The 2015/2016 report requires colleges to provide an update of the information provided in 2014/2015.

This summary addresses the three key components of the College's 2015/2016 Equity Report, which spans academic years 2012/13, 2013/14, and 2014/15. The three components are enrollment, degree completion (i.e., AA, AS, and Certificate), and student success in targeted programs.

## 1. Student Enrollment

### Student Enrollment – FTIC

Academic Year 2015	2014/2015 Goal	Actual	Total Number Students	Goal Met	Academic Year 2016	Goal
Black	24%	20.8%	310	N	Black	18%
Hispanic	24%	24.9%	371	Y	Hispanic	25%

Note: Data is for report period of Summer 2014 to Spring 2015.

Enrollment of Blacks in the Polk County Public Schools (PCPS) is now on the decline, and as such, the College did not meet its enrollment goal for this population. To ensure its goal for this population is attainable, the College has set its 2016 goal to mirror the PCPS student graduation rate for Blacks. The PCPS student graduation rate for Hispanics is on the rise. The College has met its goals for this population. In 2016, the College's goals for Hispanics will mirror the PCPS graduation rate.

The College will continue to implement its current strategies and new strategies to enhance and maintain enrollment. Some of these strategies are as follows:

## Continuous Strategies to Enhance Enrollment

- Participating in community-organized programs that are held in local minority communities
- Hosting information sessions in community centers and other local minority community sites
- Designing informational pieces that feature and attract minority students
- Improving program attraction to the first-year success of minority students
- Creating marketing materials in other languages
- Advertising in Hispanic and other minority media
- Hosting Financial Aid Workshops in Spanish and Creole

## New Methods and Strategies

- Ensuring the goals for Blacks reflect the trends for Black enrollment in the PCPS
- Developing a “badge” system to identify speakers of other languages on campus
- Expanding elements of Open Houses and other on-campus events to include Spanish and Creole language sessions
- Developing recruitment and retention programs specifically targeting student populations where the overall decline in enrollment of students was disproportionately greater than that of the College as a whole
- Enhancing existing relationships with the Athletics Department during the admission/enrollment process to better serve Limited English-language Proficiency (LEP) students
- Streamlining access to and location of disability services on both campuses to enhance services available
- Creating Spanish- and Creole-language versions of portions of the [polk.edu](http://polk.edu) website that are most critical to the student on-boarding process

## **2. Student Completion**

### **Student Completion – AA Degree**

<b>Academic Year 2015</b>	<b>2014/2015 Goal</b>	<b>Actual</b>	<b>Total Number Students</b>	<b>Goal Met</b>	<b>Academic Year 2016</b>	<b>Goal</b>
Black	16%	14.97%	156	N	Black	16.0 %
Hispanic	16%	16.51%	172	Y	Hispanic	17.0%

Note: Data is for report period of Summer 2014 to Spring 2015 for 150% completion.

There was a slight decrease in AA completions for the Black student population. However, the Hispanic student population has met the established goals. The College will be enhancing existing strategies and exploring opportunities for new, innovative programming to address the slight decrease. The Student Support Services (TRiO) program and the Mentors & Mentees (M&Ms) program will be enhanced to ensure that they are consistently reaching the intended audiences in order to realize their full potential in bolstering AA completions among these populations. Additionally, beginning in Fall 2016, the College will make advising and the First-Year Experience (FYE) course mandatory for all first-time-in-college (FTIC) students in AA degree programs. This move should provide a positive impact across all student populations, but will most affect those populations with a decline in completions, such as the Black student population.

**Student Completion – AS Degree**

<b>Academic Year 2015</b>	<b>2014/2015 Goal</b>	<b>Actual</b>	<b>Total Number Students</b>	<b>Goal Met</b>	<b>Academic Year 2016</b>	<b>Goal</b>
Black	13.5%	14.08%	50	Y	Black	15.0%
Hispanic	17.0%	15.77%	56	N	Hispanic	17.0%

Note: Data is for report period of Summer 2014 to Spring 2015 for 150% completion.

Overall, AS degree completions remained stagnant. The College's goals for the Black population have been met. For this population, the College will continue with the implementation of the current methods and strategies. The goal for the Hispanic student population was not met. The College will continue to take a more aggressive role in the retention (and later completion) of all students enrolled in AS degree programs. Further, the College will develop a mentor program through existing resources and staff for minority students in the AS degree programs. Finally, part of the underperformance of Hispanic students in the AS degree programs was due to the relatively small sample size. As the College works to make student enrollment in these programs more diverse, the already robust completion rate in the AS degree programs should also be reflected in the minority completion of these programs.

**Student Completion – Certificate**

<b>Academic Year 2015</b>	<b>2014/2015 Goal</b>	<b>Actual</b>	<b>Total Number Students</b>	<b>Goal Met</b>	<b>Academic Year 2016</b>	<b>Goal</b>
Black	18.9%	18.07%	71	N	Black	20.0%
Hispanic	12.0%	14.50%	57	Y	Hispanic	16.0%

Note: Data is for report period of Summer 2014 to Spring 2015 for 150% completion.

There was a slight decrease in the certificate completion for the Black student population. However, the Hispanic student population has met the established goals. The College will continue to implement its current strategies and new strategies to enhance completion for certificate programs. The College is confident that strategies identified above for AA/AS degree completions will also have a positive impact on the certificate program completion.

Some of these strategies are as follows:

Continuous Strategies to Enhance Completion

- Developing a communication process to identify students who do not apply to graduate but meet qualifications of degrees and certificates, thereby automatically graduating those students
- Enhancing educational plans by providing real-time connections to degree audits for the transfer major and institution of the student's choice
- Implementing Finish Your Flight, an initiative to recruit Black students who have completed 75% or more of the requirements for a degree, but who have stopped attending classes

### New Methods and Strategies

- Implementing mandatory pre-advising for all new FTIC students, effective Fall 2016
- Implementing a new First-Year Experience course as a graduation requirement for all new AA students, effective Fall 2016
- Expanding the roles of several staff to provide population-specific advising services to veterans and student-athletes, among others

### **3. Student Success Targeted Programs (2014-2015)**

The College's efforts regarding targeted programs have been overwhelmingly positive. Continued efforts to maintain and enhance these methods and strategies should aid in the prolonged success of its targeted programs.

### Strategies to Enhance Student Success Targeted Programs

- Enhancing New Student Orientation program for FTIC students
- Expanding Student Convocation to other campuses
- Strengthening mentoring program
- Implementing mandatory First-Year Experience course
- Increasing faculty participation in the Early Alert System
- Enhancing our student life
- Implementing new advising plan
- Continuing to develop and promote multicultural programs and student organizations
- Expanding "SOA " (Student Orientation for Academic eadiness) to other campuses
- Facilitating student success workshops that focus on topics that will assist with retention
- Conducting additional outreach to students who have opted out
- Increasing the participation of minority students in the Student African-American Brotherhood (SAAB), with a focus on increasing the number of African-American and Latino men who graduate from college by creating a positive peer community based on a spirit of caring

### New Methods and Strategies

- Changing the date of convocation to the end of the first week of classes to maximize attendance and promotion opportunities for FTIC students
- Creating a new model of success coaching to engage faculty in the coaching roles to provide additional insight and advising regarding discipline-specific questions
- Expanding SOAR (Student Orientation for Academic Readiness) to include soft-skills sessions facilitated by Student Services on topics such as test-taking anxiety, group dynamics, and choosing a transfer major/institution
- Transitioning the Early Alert System to the new Jenzabar retention module, branded as STARS (Student Tracking, Advising, and Retention System)

#### **4. Athletics**

- The College maintained its compliance with Title IX of the Educational Amendments Act of 1972.
- Polk State College also adheres to all policies of the Florida College System Activities Association and the National Junior College Athletic Association. Polk State College is a member in good standing of both organizations.

Overall, Polk State College continues its vision of being a college promoting student success. The College is committed to making strides toward closing the attainment gap among underrepresented groups as it continues to cultivate learner-centered practices and an environment of academic success for students.



## **Summary**

### **EMPLOYMENT EQUITY**

#### **2015-2016 Equity Report**

Each college is required to include in its Employment Equity Accountability report an annual equity plan for increasing the representation of women and minorities in senior-level positions, as well as full-time faculty and faculty who have attained continuing-contract status.

For the purposes of this report, the College uses national Census statistical data for graduate degree and higher as a benchmark to gauge success when comparing and analyzing the data for the employment of Full-time Instructional Staff and Full-time Continuing Contract Instructional Staff. We utilized the Bachelor's degree as the benchmark for the (EAM) Executive/Administrative/Managerial Staff data comparison.

Polk State College is pleased to report that for the 2015-2016 year, we are above targeted goals in the employment of Blacks and Hispanics for College Administrators. However, our data reflects that this year we are slightly below diversity goals in the Instructional categories, except black males, where we meet our benchmark. We continue to strive to increase recruiting in the "Other" minorities' category in all classifications as this is an underrepresented demographic at the college.

Attracting qualified and diverse job candidates presents challenges for higher-education institutions of all sizes and types, and Polk State College is no exception. There is a limited number of such candidates, yet numerous institutions vying to hire them. In Polk County alone, Polk State must compete with several private institutions and a state university for prospective employees. Many times, Polk State is simply not able to match the offers these candidates receive elsewhere.

Despite the challenges and competition, Polk State remains committed to optimizing diversity both in its applicant pools and in the employees who are ultimately hired. To that end, the College fosters an inclusive culture, as evidenced by numerous on-campus events that celebrate the diversity in its faculty, staff and student populations. The College also utilizes diversity-based job boards, attends diversity job fairs, identifies and addresses recruiting barriers as they arise, and incorporates diversity recruitment goals into the training of screening committees. Additionally, the College continuously evaluates best recruitment practices, ensuring it is keeping pace with its competitors.

*We are Polk.*

**Polk State College**  
**College Employment Equity Accountability Plan**  
**2015-2016 Annual Report**

	Instructional All Faculty			Instructional Continuing Contract Only			Administrators		
RACE	GOAL 2015-16 **	Actual Data		GOAL 2015-16**	Actual Data		GOAL 2015-16**	Actual Data	
	%	%	#	%	%	#	%	%	#
<b>BLACK</b>	<b>7.7</b>	<b>7.7</b>	<b>12</b>	<b>7.7</b>	<b>7.6</b>	<b>9</b>	<b>8.3</b>	<b>29.0</b>	<b>9</b>
Female	4.6	3.9	6	4.6	4.2	5	4.9	22.6	7
Male	3.1	3.9	6	3.1	3.4	4	3.4	6.5	2
<b>HISPANIC</b>	<b>5.5</b>	<b>4.5</b>	<b>7</b>	<b>5.5</b>	<b>4.2</b>	<b>5</b>	<b>6.7</b>	<b>9.7</b>	<b>3</b>
Female	2.9	2.6	4	2.9	2.5	3	3.6	6.5	2
Male	2.6	1.9	3	2.6	1.7	2	3.1	3.2	1
<b>OTHER*</b>	<b>11.0</b>	<b>3.2</b>	<b>5</b>	<b>11.0</b>	<b>3.4</b>	<b>4</b>	<b>10.4</b>	<b>3.2</b>	<b>1</b>
Female	5.1	1.9	3	5.1	1.7	2	5.4	3.2	1
Male	5.9	1.3	2	5.9	1.7	2	5.0	0.0	0
<b>WHITE</b>	<b>n/a</b>	<b>84.5</b>	<b>131</b>	<b>75.0</b>	<b>84.7</b>	<b>100</b>	<b>n/a</b>	<b>58.1</b>	<b>18</b>
Female	38.0	44.5	69	38.0	47.5	56	38.1	32.3	10
Male	n/a	40.0	62	37.0	37.3	44	n/a	25.8	8
<b>GENDER</b>			<b>157</b>			<b>120</b>			<b>31</b>
Female	51.3	52.3	82	51.3	55.9	66	52.1	64.5	20
Male	48.7	47.7	75	48.7	44.9	54	47.9	35.5	11

\*Other includes:

- Asian or Pacific Islander
- American Indian/Alaskan Native
- Non-resident Alien

Note:

- Black = reached goal
- Red = below goal

Data:

\*\*2014 Census Table Estimate modified for degree attainment.

(Bachelors - Administrators, Graduate - Faculty)

Source: U.S. Census Bureau, Current Population Survey



**Agenda Item:** Polk State Chain of Lakes Collegiate High School Report

**Date:** April 25, 2016

**POLK STATE COLLEGE  
BOARD OF TRUSTEES  
AGENDA TRANSMITTAL SHEET**

**Issue:**

A Polk State Chain of Lakes Collegiate High School professor has collaborated with two Polk State science professors on a semester-long underwater/robotic project that has combined robot building, water sampling, and talks on a number of related topics. Three students will briefly share their experiences. Three professors will also be present.

**Background/Analysis:**

Additional opportunities for collaboration and continuing this project are being pursued.

**Fiscal Impact:**

None

*Martha Santiago, Provost, Winter Haven Campus*

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**Initiating Official**

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**THIS RECOMMENDED ITEM MEETS THE FOLLOWING ELEMENT(S) OF POLK STATE COLLEGE'S MISSION STATEMENT, VISION STATEMENT, AND CORE VALUES:**

Commitment to Student Success through Innovation, Value, and Engagement, Commitment to Knowledge, Diversity, Integrity, Leadership, and Service

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**President's Recommendation:**

For Information Only

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**Agenda Item:** DBOT Rule 1.05 - Goals of the Board - Ms. Val Baker

**Date:** April 25, 2016

**POLK STATE COLLEGE  
BOARD OF TRUSTEES  
AGENDA TRANSMITTAL SHEET**

**Issue:**

Rule 1.05 - Goals of the Board was reviewed and updated to reflect the added protected category of "pregnancy" and minor changes for punctuation and consistency.

**Background/Analysis:**

An amendment from the Florida Civil Rights Act (FCRA) became effective July 1, 2015 prohibiting pregnancy-based discrimination in employment practices; therefore, requiring the inclusion of "pregnancy" as a protected class.

**Fiscal Impact:**

None

*Dr. Eileen Holden, President*

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**Initiating Official**

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**THIS RECOMMENDED ITEM MEETS THE FOLLOWING ELEMENT(S) OF POLK STATE COLLEGE'S MISSION STATEMENT, VISION STATEMENT, AND CORE VALUES:**

Commitment to Knowledge, Diversity, Integrity, Leadership, and Service

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**President's Recommendation:**

Recommend Approval

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**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Rule 1.05 Goals of the Board	Cover Memo

## Polk State College District Board of Trustees Rule

Rule Number	Subject	Rule Making Authority	Statutory Reference	SBE Rule Reference	Effective Date
6Hx21 1.05	Goals of the Board	FS 1001.61-65	FS 1004.70		TBA VB1  2/23/13

The Polk State College District Board of Trustees has established the following goals:-

1. Foster a spirit of partnership and cooperation between the District Board of Trustees and the sState, its various officials, and agencies.
2. Foster a spirit of partnership and cooperation between the District Board of Trustees and the Polk County School Board and, its superintendent and staff, as well as other county and local officials and agencies.
3. Foster a spirit of partnership and cooperation between the District Board of Trustees, the Florida Board of -Governors, and ~~the~~ uUniversity presidents and staff s.
4. Promote cooperation with individuals and organizations within the community served by the College.
5. Establish effective and efficient plans for short- and long-range development of the College in the areas of student achievement, academic excellence, faculty and staff professional development, physical and fiscal considerations, and all supportive activities.
6. Seek maximum utilization and efficiency of all resources of the College: physical, fiscal, and human resources.
7. Provide equal opportunity for employment at the College and not deny admittance to any student on the basis of race, color, national origin, ethnicity, sex, age, religion, sexual orientation, marital status, veteran status, genetic information, disability, or pregnancy.  
~~age, race, color, ethnicity, sex, religion, disability, veteran status, or marital status.~~
8. Commit firmly to the philosophy of achieving and maintaining cultural diversity among employees and students.

**History:** — Adopted: -December 23, 1974

— Revised: — July 28, 1976<sub>17</sub>; June 23, 1986<sub>17</sub>; April 24, 1989<sub>17</sub>; April 27, 1992<sub>17</sub>;  
— April 25, 1994<sub>17</sub>; January 22, 2007<sub>17</sub>; and February 23, 2013<sub>17</sub>; and TBA<sub>VB2</sub>.

**Distribution:** ~~All Holders of DBOT Rules Manual~~