

LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM

A COMPONENT UNIT OF THE
STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

**Financial Statement Audit for the
Year Ended June 30, 2023
Issued December 27, 2023**

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December 19, 2023

Independent Auditor's Report

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the Louisiana Community and Technical College System (System), a component unit of the state of Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the System as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the South Louisiana Facilities Corporation; the BRCC Facilities Corporation; Campus Facilities, Inc.; Delta Campus Facilities Corporation; or the LCTCS Facilities Corporation, which are nonprofit corporations included as blended component units in the basic financial statements which represent 45.59%, 38.00%, 7.72%, and 4.86%, respectively, of total assets, total liabilities, total revenues, and total expenses of the System. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the South Louisiana Facilities Corporation; the BRCC Facilities Corporation; Campus Facilities, Inc.; Delta Campus Facilities Corporation; and the LCTCS Facilities Corporation, is based solely on the reports of the other auditors.



Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 8 through 18, the Schedule of the System's Proportionate Share of the Net Pension Liability on page 80, the Schedule of the System's Contributions on page 80, and the Schedule of the System's Proportionate Share of the Total Collective OPEB Liability on page 82 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended June 30, 2023, was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The accompanying supplementary information Schedule of Per Diem Paid Board Members (Cash Basis) on page 84 and combining financial schedules on pages 85 through 96 for the year ended June 30, 2023, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2023, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information Schedule of Per Diem Paid Board Members (Cash Basis) and combining financial schedules for the fiscal year ended June 30, 2023 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2023.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the System as of and for the year ended June 30, 2022 (not presented herein), and have issued our report thereon dated December 14, 2022, which contained an unmodified opinion on the respective financial statements of the business-type activities. The combining financial schedules on pages 97 through 108 for the year ended June 30, 2022, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2022 financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules for the fiscal year ended June 30, 2022, are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2022.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2023, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial

reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Mike Waguespack", with a long horizontal flourish extending to the right.

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

KDN:CLL:JPT:BQD:ch

LCTCS 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of the Louisiana Community and Technical College System's (System) financial performance presents a narrative overview and analysis of the System's financial activities for the year ended June 30, 2023. This document focuses on the current-year's activities, resulting changes, and currently-known facts in comparison with the prior-year's information. Please read this document in conjunction with the System's financial statements. The System is comprised of the following entities:

- Board Office
- Baton Rouge Community College
- Bossier Parish Community College
- Central Louisiana Technical Community College
- Delgado Community College
- Elaine P. Nunez Community College
- L.E. Fletcher Technical Community College
- Louisiana Delta Community College
- Northshore Technical Community College
- Northwest Louisiana Technical Community College
- River Parishes Community College
- South Louisiana Community College
- SOWELA Technical Community College
- Facilities Corporations
 - BRCC Facilities Corporation
 - Campus Facilities, Inc.
 - Delta Campus Facilities Corporation
 - LCTCS Facilities Corporation
 - South Louisiana Facilities Corporation

FINANCIAL HIGHLIGHTS

The System's net position overall increased from \$36.8 million (restated) to \$129.9 million from July 1, 2022, to June 30, 2023. The overall reasons for this change included:

Facilities Corporations

- Current and other assets decreased by \$29.5 million, or 25.5%, primarily due to the reduction of cash and investments used for purchases of capital assets of \$38.1 million offset by an increase in cash from receipt of \$9.6 million in capital gifts during the current fiscal year.
- Capital assets, net increased \$19.7 million, or 4.6%, in comparison with the prior year. In the current fiscal year, the Facilities Corporations had \$15.9 million in current year depreciation expense and \$35.5 million in construction in progress. The Facilities Corporations reclassified construction-in-progress totaling \$19.3 million to buildings.
- Current liabilities decreased \$1.8 million, or 5.4%, mainly because of a \$2.1 million decrease in capital outlay payables at year-end in comparison with the prior year.
- Long-term liabilities decreased \$31.4 million, or 7.7%, mainly because of \$25.3 million in bond principal payments and amortization of bond premium of \$5.0 million.

Colleges

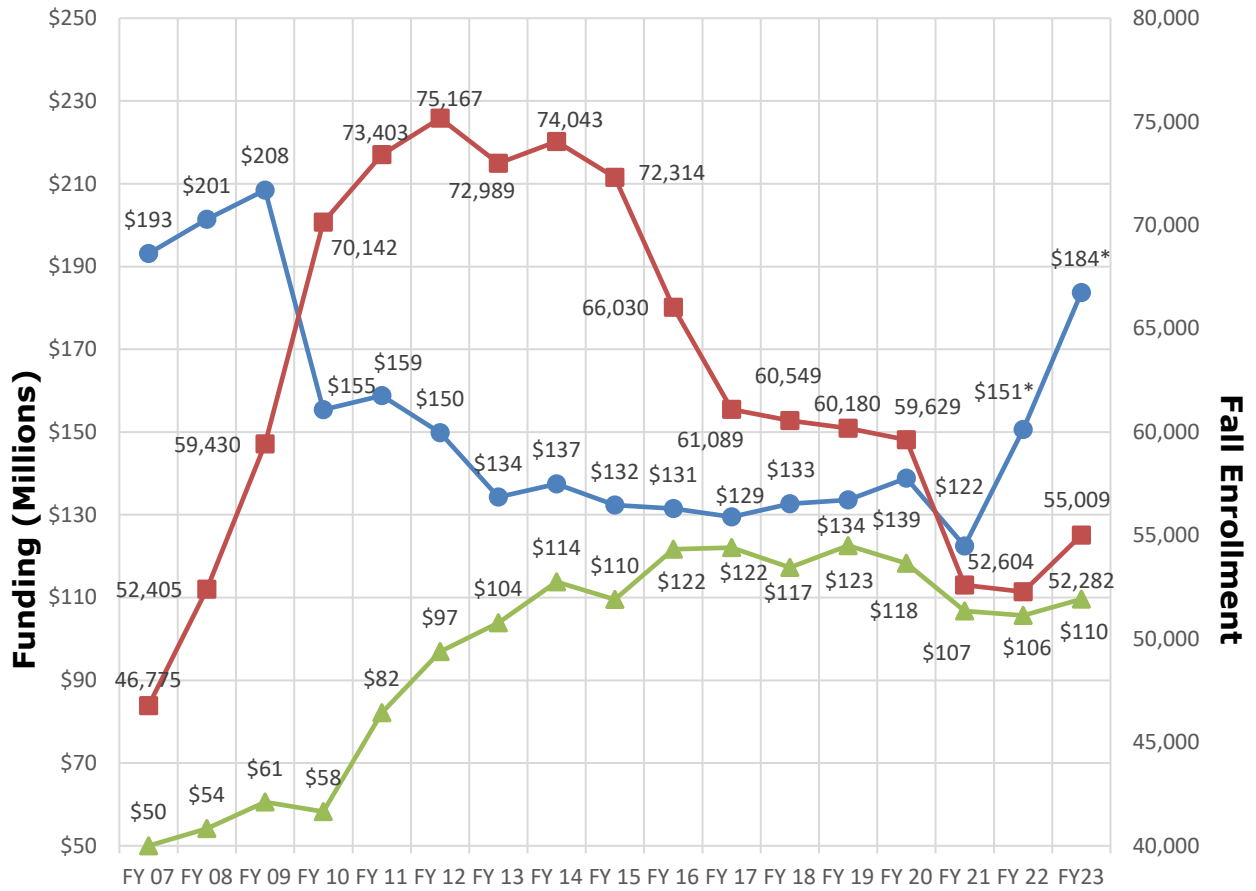
- Overall increase in student enrollment.
- State appropriations increased by \$33.1.
- Current cash and Cash Equivalents increased by \$33.6 million.
- Capital asset, net increased by \$9.1 million from construction projects, equipment, and land.
- Net investment income increased by \$8.4 million.
- COVID-19 federal funding decreased by \$71.1 million.
- Federal nonoperating revenues increased by \$15.9 million.
- Changes in the net pension liability increased by \$136.4 million, OPEB liability decreased by \$82.2 million, the related deferred outflows increased by \$14.8 million, and related deferred inflows decreased by \$70.1 million, based on actuarial valuations.

The System's operating revenues increased from \$174.6 million to \$182.5 million, or 4.6%, from July 1, 2022, to June 30, 2023. Operating expenses, however, increased by 1.6% to \$558.8 million for the year ended June 30, 2023.

Nonoperating revenues fluctuate depending upon levels of state appropriations, as well as federal funding. Nonoperating revenues for the System decreased from \$424.0 million to \$423.1 million, or 0.2%.

The chart on the following page shows the change in the System's level of state funding in relation to the net tuition and fees and student enrollment for fiscal year (FY) 2007 through FY 2023.

Comparison of LCTCS Funding and Fall Student Enrollment FY07 through FY23



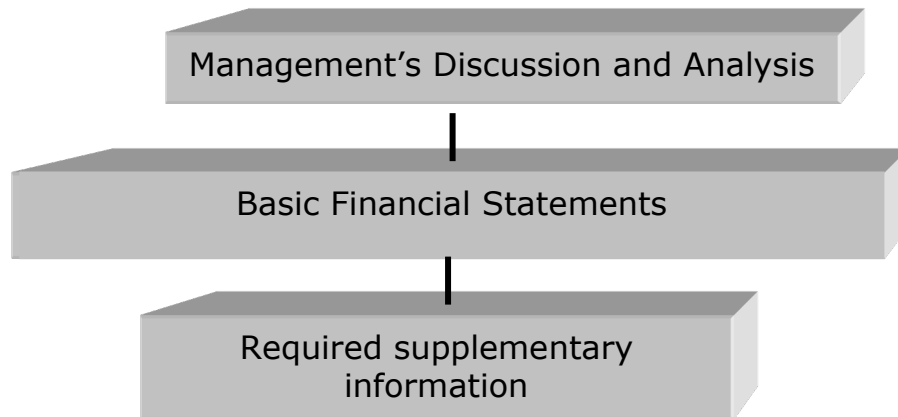
*Includes one-time funds totaling \$3.6 million in FY22 and \$20.6 million in FY23

● State Appropriations ▲ Tuition and Fees, net ■ Fall Enrollment

Source: LCTCS Fiscal Year 2023 Annual Financial Report, as adjusted

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for special-purpose governments engaged in business-type activities established by GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.



These financial statements consist of three sections – Management's Discussion and Analysis (this section), the basic financial statements (including the Notes to the Financial Statements), and Required Supplementary Information.

Basic Financial Statements

The basic financial statements present information for the System as a whole in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The Statement of Net Position (pages 19-20) presents assets, deferred outflows of resources, liabilities, and deferred inflows of resources separately. The difference between assets plus deferred outflows and liabilities plus deferred inflows is net position and may provide a useful indicator of whether the financial position of the System is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position (pages 21-22) presents information showing how the System's net position changed as a result of current-year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 23-24) presents information showing how the System's cash changed as a result of current-year operations. The Statement of Cash Flows is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB Statement No. 34.

The financial statements provide both long-term and short-term information about the System's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements.

The System's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned; expenses are recognized in the period in which they are incurred; and depreciation of assets is recognized in the Statement of Revenues, Expenses, and Changes in Net Position. All assets, liabilities, and deferred inflows/outflows associated with the operation of the System are included in the Statement of Net Position.

FINANCIAL ANALYSIS

Table A-1
Louisiana Community and Technical College System
Comparative Statement of Net Position
(in thousands of dollars)
For the Fiscal Years Ended June 30, 2023, and 2022

	2023	2022 (restated)	Variance	Percentage Change
Assets:				
Current and other assets	\$414,118	\$413,673	\$445	0.1%
Capital assets	752,173	723,379	28,794	4.0%
Total assets	<u>1,166,291</u>	<u>1,137,052</u>	<u>29,239</u>	2.6%
Total deferred outflow of resources	161,198	146,418	14,780	10.1%
Total assets and deferred outflow of resources	<u>\$1,327,489</u>	<u>\$1,283,470</u>	<u>\$44,019</u>	3.4%
Liabilities:				
Current liabilities	\$97,594	\$98,895	(\$1,301)	(1.3%)
Long-term liabilities	980,794	958,405	22,389	2.3%
Total liabilities	<u>1,078,388</u>	<u>1,057,300</u>	<u>21,088</u>	2.0%
Total deferred inflow of resources	119,153	189,335	(70,182)	(37.1%)
Total liabilities and deferred inflow of resources	<u>\$1,197,541</u>	<u>\$1,246,635</u>	<u>(\$49,094)</u>	(3.9%)
Net Position:				
Net investment in capital assets	\$351,688	\$290,901	\$60,787	20.9%
Restricted	204,252	228,805	(24,553)	(10.7%)
Unrestricted	<u>(425,992)</u>	<u>(482,871)</u>	<u>56,879</u>	11.8%
Total net position	<u>\$129,948</u>	<u>\$36,835</u>	<u>\$93,113</u>	252.8%

This schedule is prepared from the System's Statement of Net Position as shown on pages 19-20, which is presented on an accrual basis of accounting.

The System's net position overall increased from \$36.8 million (restated) to \$129.9 million, or 252.8%, from July 1, 2022, to June 30, 2023.

Net investment in capital assets consists of capital, leased, and subscription-based information technology assets, net of accumulated depreciation/amortization, reduced by the amount of outstanding indebtedness attributable to the acquisition, construction, or improvement of those assets. Restricted net position represents those assets that are only available for spending on certain activities as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net position is those that do not have any limitations on how the amounts may be spent.

Table A-2
Louisiana Community and Technical College System
Comparative Statement of Revenues,
Expenses, and Changes in Net Position
(in thousands of dollars)
For the Fiscal Years Ended June 30, 2023, and 2022

	2023	2022 (restated)	Variance	Percentage Change
Operating revenues:				
Student tuition and fees, net	\$109,614	\$105,765	\$3,849	3.6%
Grants and contracts	71,193	67,147	4,046	6.0%
Sales and services of education departments	154	131	23	17.6%
Auxiliary	744	894	(150)	(16.8%)
Other	813	624	189	30.3%
Total operating revenues	<u>182,518</u>	<u>174,561</u>	<u>7,957</u>	4.6%
Nonoperating revenues:				
State appropriations	183,669	150,593	33,076	22.0%
Gifts	2,917	2,232	685	30.7%
Investment income	8,077	0	8,077	100.0%
Federal nonoperating revenues	210,431	265,658	(55,227)	(20.8%)
Other nonoperating revenues	18,052	5,555	12,497	225.0%
Total nonoperating revenues	<u>423,146</u>	<u>424,038</u>	<u>(892)</u>	(0.2%)
Total revenues	<u>605,664</u>	<u>598,599</u>	<u>7,065</u>	1.2%
Operating expenses:				
Educational and general:				
Instruction	173,617	149,506	24,111	16.1%
Public service	904	1,195	(291)	(24.4%)
Academic support	58,590	62,735	(4,145)	(6.6%)
Student services	38,466	33,270	5,196	15.6%
Institutional support	99,631	91,975	7,656	8.3%
Operations and maintenance of plant	59,051	51,826	7,225	13.9%
Depreciation and amortization	36,004	33,913	2,091	6.2%
Scholarships and fellowships	91,229	124,665	(33,436)	(26.8%)
Auxiliary enterprises	1,343	896	447	49.9%
Total operating expenses	<u>558,835</u>	<u>549,981</u>	<u>8,854</u>	1.6%
Nonoperating expenses:				
Interest expense	9,959	12,632	(2,673)	(21.2%)
Investment loss	0	950	(950)	(100.0%)
Total nonoperating expenses	<u>9,959</u>	<u>13,582</u>	<u>(3,623)</u>	(26.7%)
Total expenses	<u>568,794</u>	<u>563,563</u>	<u>5,231</u>	0.9%
Income before other revenues	<u>36,870</u>	<u>35,036</u>	<u>1,834</u>	5.2%
Capital appropriations	46,568	46,797	(229)	(0.5%)
Capital grants and gifts	8,518	16,527	(8,009)	(48.5%)
Additions to permanent endowment	1,157	1,343	(186)	(13.8%)
Other revenues	<u>56,243</u>	<u>64,667</u>	<u>(8,424)</u>	(13.0%)
Change in net position	<u>93,113</u>	<u>99,703</u>	<u>(6,590)</u>	(6.6%)
Net position at beginning of year, restated	<u>36,835</u>	<u>(62,868)</u>	<u>99,703</u>	158.6%
Net position at end of year	<u>\$129,948</u>	<u>\$36,835</u>	<u>\$93,113</u>	252.8%

The System's operating revenues increased from \$174.6 million to \$182.5 million, or 4.6%, from July 1, 2022, to June 30, 2023. Operating expenses increased by 1.6% to \$558.8 million for the year ended June 30, 2023.

Nonoperating revenues fluctuate depending upon levels of state appropriations, as well as federal funding. Nonoperating revenues for the System decreased from \$424.0 million to \$423.1 million, or 0.2%. The decrease is due primarily to an increase in onetime state funding offset by a decrease in COVID-19 federal funding.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2023, the System had invested approximately \$752.2 million in capital assets, net of accumulated depreciation. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$28.8 million, or 4.0%, from the previous fiscal year, primarily due to:

- A net increase of \$19.7 million for the Facilities Corporations due to current year depreciation expense of \$15.9 million and construction in progress of \$35.5 million. The Facilities Corporations reclassified construction-in-progress totaling \$19.3 million to buildings.
- A net increase of \$9.1 million for the colleges due to current year depreciation expense and amortization of \$ 20.1 million and additions of \$29.4 million. Right-to-use SBITA, net increased by \$1.0 million due to the implementation of GASB Statement No. 96, *Subscription-based Information Technology Arrangements*.

Table A-3
Louisiana Community and Technical College System
Capital Assets, Net of depreciation and amortization
(in thousands of dollars)
As of June 30, 2023, and 2022

	2023	2022 (restated)	Variance	Percentage Change
Land and improvements	\$65,737	\$62,809	\$2,928	4.7%
Construction-in-progress	48,339	33,190	15,149	45.6%
Buildings	588,749	581,273	7,476	1.3%
Equipment	42,152	40,273	1,879	4.7%
Software	1,613	1,130	483	42.7%
Right-to-use buildings	293	377	(84)	(22.3%)
Right-to-use equipment	203	247	(44)	(17.8%)
Right-to-use SBITA	5,087	4,080	1,007	24.7%
Total Capital Assets	<u>\$752,173</u>	<u>\$723,379</u>	<u>\$28,794</u>	4.0%

Debt

The System had \$404.9 million in bonds outstanding at year-end, compared to \$435.1 million last year, a decrease of 6.9%. The net decrease is primarily due to the following:

- Current-year principal payments of \$25.3 million.
- Reduction of bond premiums and discounts of \$5.0 million.

See Note 14 for details relating to changes in and the composition of long-term liabilities.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The following currently-known facts, decisions, or conditions are expected to have a significant effect on financial position or result of operations:

- Continued low state funding on a per student basis as compared to peers in southern states.
- At June 30, 2023, there are two ongoing construction projects and one remaining to be started under Act 360. Given the supply chain issues and other factors, construction costs are approximately 52% higher than when Act 360 project budgets were established, requiring value engineering and smaller than anticipated projects in order to stay within budget.
- The loss of Higher Education Emergency Relief funds at the end of FY 2023 may leave some System colleges with a budget deficit. These funds were used to fund self-generated revenue losses as a result of student enrollment declines from the COVID-19 pandemic. If student enrollment does not rise to pre COVID-19 pandemic levels, this may leave a budget deficit.
- Uncertainty in the state revenue forecast as the half-cent sales tax, previously approved by the legislature, sunsets June 30, 2025, resulting in an estimated annualized decrease of \$662 million in the state general fund.
- Changes in federal grant programs (A significant amount of revenue flows from the federal government through the System. A change in policy at the federal level can have dramatic effects on the operations.)
- Tuition affordability for students given income levels of prospective students and the tuition rate of the System colleges as compared to other southern states.

CONTACTING THE LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM'S MANAGEMENT

This financial report is designed to provide our residents, taxpayers, customers, investors, and creditors with a general overview of the System's finances and show the System's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Finance Officer at (225) 308-4377.

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**

**Statement of Net Position
June 30, 2023**

ASSETS

Current assets:	
Cash and cash equivalents (note 2)	\$250,903,097
Receivables, net (note 4)	34,558,640
Leases receivable (note 5)	52,294
Due from State Treasury	2,204,911
Due from federal government	21,760,736
Inventories	14,439
Prepaid expenses and advances	2,096,434
Other current assets	71,153
Total current assets	<u>311,661,704</u>
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents (note 2)	54,778,326
Investments (note 3)	37,981,239
Receivables, net (note 4)	5,145,346
Other	27,188
Leases receivable (note 5)	156,270
Capital assets, net (note 6)	752,173,119
Other noncurrent assets	4,368,031
Total noncurrent assets	<u>854,629,519</u>
Total assets	<u>1,166,291,223</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions (note 7)	118,222,227
Deferred outflows related to other postemployment benefits (OPEB) (note 9)	42,975,877
Total deferred outflows of resources	<u>161,198,104</u>

LIABILITIES

Current liabilities:	
Accounts payable and accruals (note 10)	39,114,482
Due to federal government	102,922
Unearned revenues (note 11)	13,172,464
Amounts held in custody for others	155,234
Compensated absences payable (notes 12 and 14)	1,810,151
Lease liability (notes 13 and 14)	229,296
SBITA liability (notes 13 and 14)	2,095,936
Notes payable (note 14)	217,500
OPEB liability (note 9)	9,567,060
Bonds payable, net (note 14)	26,475,000
Other current liabilities	4,654,237
Total current liabilities	<u>97,594,282</u>

(Continued)

The accompanying notes are an integral part of this statement.

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Statement of Net Position
June 30, 2023**

LIABILITIES (CONT.)

Noncurrent liabilities:

Compensated absences payable (notes 12 and 14)	\$21,588,835
Lease liability (notes 13 and 14)	253,338
SBITA liability (notes 13 and 14)	2,084,598
Notes payable (note 14)	1,365,000
Net pension liability (note 7)	354,329,364
OPEB liability (note 9)	222,758,464
Bonds payable, net (note 14)	378,414,104
Total noncurrent liabilities	<u>980,793,703</u>
Total liabilities	<u><u>1,078,387,985</u></u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions (note 7)	28,022,430
Deferred inflows related to OPEB (note 9)	90,922,544
Deferred inflows related to leases (note 5)	208,082
Total deferred inflows of resources	<u><u>119,153,056</u></u>

NET POSITION

Net investment in capital assets	351,688,005
Restricted:	
Nonexpendable (note 15)	12,284,900
Expendable (note 15)	191,967,106
Unrestricted	<u>(425,991,725)</u>
Total net position	<u><u>\$129,948,286</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**

**Statement of Revenues, Expenses,
and Changes in Net Position
For the Fiscal Year Ended June 30, 2023**

OPERATING REVENUES

Student tuition and fees	\$208,625,323
Less scholarship allowances	(99,011,121)
Net student tuition and fees	<u>109,614,202</u>
Federal grants and contracts	51,046,449
State and local grants and contracts	16,759,331
Nongovernmental grants and contracts	3,387,002
Sales and services of educational departments	153,946
Auxiliary enterprise revenues	744,401
Other operating revenues	<u>812,744</u>
Total operating revenues	<u>182,518,075</u>

OPERATING EXPENSES

Educational and general:	
Instruction	173,616,805
Public service	903,693
Academic support	58,590,255
Student services	38,466,559
Institutional support	99,631,572
Operations and maintenance of plant	59,051,251
Depreciation and amortization	36,003,949
Scholarships and fellowships	91,228,574
Auxiliary enterprises	<u>1,342,827</u>
Total operating expenses	<u>558,835,485</u>

OPERATING LOSS

(376,317,410)

(Continued)

The accompanying notes are an integral part of this statement.

Statement B**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Statement of Revenues, Expenses,
and Changes in Net Position
For the Fiscal Year Ended June 30, 2023****NONOPERATING REVENUES (Expenses)**

State appropriations	\$183,668,709
Gifts	2,917,550
Federal nonoperating revenues	136,100,317
COVID-19 federal funding	74,331,043
Net investment income	8,077,594
Interest expense	(9,959,105)
Other nonoperating revenues, net	18,051,621
Net nonoperating revenues	<u>413,187,729</u>
INCOME BEFORE OTHER REVENUES AND ADDITIONS	36,870,319
Capital appropriations	46,568,300
Capital grants and gifts	8,518,035
Additions to permanent endowments	<u>1,156,787</u>
INCREASE IN NET POSITION	93,113,441
NET POSITION - BEGINNING OF YEAR (restated) (note 16)	<u>36,834,845</u>
NET POSITION - END OF YEAR	<u><u>\$129,948,286</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**

**Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES:

Tuition and fees	\$108,902,747
Grants and contracts	69,128,724
Sales and services of educational departments	153,946
Auxiliary enterprise receipts	823,890
Payments for employee compensation	(214,591,094)
Payments for benefits	(85,671,054)
Payments for utilities	(15,487,646)
Payments for supplies and services	(146,286,186)
Payments for scholarships and fellowships	(91,108,128)
Other receipts, net	2,940,382
Net cash used by operating activities	<u>(371,194,419)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

State appropriations	182,427,543
Gifts and grants for other than capital purposes	150,785,575
Private gifts for endowment purposes	1,124,900
COVID-19 federal funding receipts	83,394,027
Taylor Opportunity Program for Students (TOPS) receipts	10,532,676
TOPS disbursements	(10,532,676)
M.J. Foster Promise Program receipts	1,170,907
M.J. Foster Promise Program disbursements	(1,162,316)
Direct lending receipts	140,475,123
Direct lending disbursements	(140,475,123)
Other receipts	3,584,506
Net cash provided by noncapital financing activities	<u>421,325,142</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Capital appropriations received	42,391,219
Capital grants and gifts received	9,641,665
Proceeds from sale of capital assets	50,044
Receipts from lessor leases	52,650
Purchases of capital assets	(57,582,623)
Principal paid on capital debt and leases	(25,562,083)
Interest paid on capital debt and leases	(15,433,719)
Payments for intangible right-to-use assets	(3,120,038)
Other uses	(693,289)
Net cash used by capital and related financing activities	<u>(50,256,174)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	41,400,917
Interest received on investments	7,466,773
Purchase of investments	(9,044,453)
Net cash provided by investing activities	<u>39,823,237</u>

(Continued)

The accompanying notes are an integral part of this statement.

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023**

NET INCREASE IN CASH AND CASH EQUIVALENTS	\$39,697,786
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Restated)	<u>265,983,637</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$305,681,423</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	(\$376,317,410)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation/amortization expense (note 6)	36,003,949
Nonemployer contributing entity revenue	1,342,902
Noncash capital expense	1,385,773
Noncash insurance recoveries	770,393
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
(Increase) in accounts receivables, net	(6,671,941)
(Increase) in due from other funds	(2,104,911)
(Increase) in inventories	(7,217)
(Increase) in prepaid expenses and advances	(989,818)
(Increase) in other assets	(56,864)
(Increase) in deferred outflows related to pensions	(19,632,883)
Decrease in deferred outflows related to OPEB	4,852,601
Increase in accounts payable and accrued liabilities	3,774,258
Increase in unearned revenue	1,813,999
(Decrease) in amounts held in custody for others	(360,498)
Increase in due to other funds	83,848
Increase in compensated absences	359,119
Increase in net pension liability	136,401,331
(Decrease) in OPEB liability	(82,198,207)
Increase in other liability	487,166
(Decrease) in deferred inflows related to pensions	(132,200,051)
Increase in deferred inflows related to OPEB	62,143,249
(Decrease) in other deferred inflows	<u>(73,207)</u>
Net cash used by operating activities	<u><u>(\$371,194,419)</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:	
Cash and cash equivalents classified as current assets	\$250,903,097
Cash and cash equivalents classified as noncurrent assets	<u>54,778,326</u>
Cash and cash equivalents at end of year	<u><u>\$305,681,423</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:	
Noncash capital appropriation, grant, and/or gift of capital assets	\$4,158,764
Noncash grants and gifts	\$438,750
Noncash insurance recoveries used for construction in progress	\$1,787,565
Net (Loss) on disposal of capital assets	(\$198,544)
Unrealized gain on investments	\$381,916
Amortization of bond premium	\$4,973,265
Amortization of bond issuance costs	\$464,428
Federal nonoperating receivables	\$2,340,449
COVID-19 federal funding receivables	\$4,985,223
Retainage payable	\$449,402
Other nonoperating accounts and contracts payable	\$62,829
Other current liabilities - interest payable	\$3,238,862
Noncash insurance recoveries	\$1,356,823

(Concluded)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

The Louisiana Community and Technical College System (System) is a publicly-supported institution of higher education. The System is a component unit of the state of Louisiana within the executive branch of government. The System is under the management and supervision of the Board of Supervisors of the System; however, the annual budget of the System and changes in the degree programs and departments of instruction of the individual institutions require the approval of the Louisiana Board of Regents of Higher Education. The Board of Supervisors is composed of 15 members appointed for six-year terms by the Governor, with the consent of the Senate, and two student members appointed for one-year terms. One student member is selected by and from a council composed of the student body presidents of the System's community colleges, and one student member is selected by and from a council composed of the student body presidents of the System's technical college campuses. As a state institution, operations of the System's instructional programs are funded through annual lapsing appropriations made by the Louisiana Legislature. The chief executive officer of the System is the President.

The System comprises seven community colleges: Baton Rouge Community College, Bossier Parish Community College, Delgado Community College, Elaine P. Nunez Community College, Louisiana Delta Community College, River Parishes Community College, and South Louisiana Community College; and five technical community colleges: Central Louisiana Technical Community College; L.E. Fletcher Technical Community College, Northshore Technical Community College, Northwest Louisiana Technical Community College, and SOWELA Technical Community College.

The System colleges award associate degrees, technical diplomas, and industry-based certificates in programs that are aligned with business and industry and local economies, which lead students to good paying middle-class jobs. The System is committed to the principle of providing each student access to quality educational programs and lifelong learning. This commitment includes eliminating geographic, financial, and scholastic barriers to postsecondary educational programs. As the most geographically diverse system of higher education in the state, the System has locations in rural and urban areas across the state. The System colleges are as diverse as the communities in which they serve. Students receive a world-class education, at affordable prices, in nurturing and rigorous environments that prepare them for rewarding careers.

The System's legacy is to provide thousands of students each year with knowledge, skills, and abilities to improve their lives, careers, families, and communities through the skills needed for employment in Louisiana's workforce while also providing a venue for students to transfer to Louisiana's outstanding four-year colleges and universities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and reporting standards. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by GASB. The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. However, there are five nongovernmental blended component units (the BRCC Facilities Corporation; the South Louisiana Facilities Corporation; the Campus Facilities, Inc.; the Delta Campus Facilities Corporation; and the LCTCS Facilities Corporation), which are presented under the *Not-for-Profit Entities* topic of the FASB Accounting Standards Codification (ASC), FASB ASC Topic 958. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Except for necessary presentation adjustments, no modifications have been made to their financial information in the System's financial statements for these differences.

B. REPORTING ENTITY

Using the criteria in GASB Statement 61, the Division of Administration, Office of Statewide Reporting and Accounting Policy, has defined the governmental reporting entity to be the state of Louisiana. The System is considered a component unit blended as an enterprise fund of the state of Louisiana because the state exercises oversight responsibility and has accountability for fiscal matters as follows: (1) a majority of the members of the governing board are appointed by the Governor; (2) the state has control and exercises authority over budget matters; and (3) the state has agreed, through cooperative endeavor agreements, to fund lease/debt service payments on all outstanding bonds. The accompanying financial statements present information only as to the transactions of the programs of the System.

Annually, the state of Louisiana issues an Annual Comprehensive Financial Report, which includes the activity contained in the accompanying basic financial statements. Those basic financial statements are audited by the Louisiana Legislative Auditor.

Criteria described in GASB 2100 were used to evaluate whether potential component units should be blended with the System, discretely reported, disclosed in the Notes to the Financial Statements, or excluded from the reporting entity. This evaluation was made to identify those component units for which the System is financially accountable and other organizations for

which the nature and significance of their relationships with the System are such that exclusion would cause the financial statements of the System to be misleading or incomplete.

- The South Louisiana Facilities Corporation is a nonprofit corporation formed in December 2001 to provide funds and oversee construction of the campus for the South Louisiana Community College (SLCC). The corporation has been blended into the System financial statements and, as such, has been appropriately included in the accompanying financial statements. The South Louisiana Facilities Corporation has a June 30 year-end, and audited financial statements for the corporation may be obtained at 301 Main Street, 23rd Floor, Baton Rouge, Louisiana 70825.
- Campus Facilities, Inc., is a nonprofit organization formed in May 2001 to provide funds for and oversee construction of the campus for Bossier Parish Community College (BPCC). The corporation has been blended into the System financial statements and, as such, has been appropriately included in the accompanying financial statements. Campus Facilities, Inc., has a December 31 year-end, and audited financial statements for Campus Facilities, Inc., may be obtained at 4442 Viking Drive, Suite 100, Bossier City, Louisiana 71111.
- BRCC Facilities Corporation is a nonprofit corporation formed in February 2002 to provide funds and oversee construction of the campus for Baton Rouge Community College (BRCC). The corporation has been blended into the System financial statements and, as such, has been appropriately included in the accompanying financial statements. BRCC Facilities Corporation has a June 30 year-end, and audited financial statements for the corporation may be obtained at 201 Community College Drive, Baton Rouge, Louisiana 70806.
- Delta Campus Facilities Corporation is a nonprofit corporation formed in March 2005 to provide funds and oversee construction of the campus for Louisiana Delta Community College (LDCC). The corporation has been blended into the System financial statements and, as such, has been appropriately included in the accompanying financial statements. Delta Campus Facilities Corporation has a December 31 year-end, and audited financial statements for the corporation may be obtained at 1811 Tower Drive, Suite D, Monroe, Louisiana 71201.
- LCTCS Facilities Corporation is a nonprofit corporation formed in August 2007 and began operations October 1, 2009, to provide funds and oversee the purchase, acquisition, construction,

design, development, renovation, and equipping of land and facilities for the benefit of 12 community and technical college campuses and a statewide computer information system for the System. The corporation has been blended into the System financial statements and, as such, has been appropriately included in the accompanying financial statements. LCTCS Facilities Corporation has a December 31 year-end, and audited financial statements for the corporation may be obtained at 201 St. Charles Avenue, Suite 4240, New Orleans, Louisiana 70170.

These component units are included in the reporting entity because they are fiscally dependent on the System. Although these facility corporations are legally separate, they are reported as a part of the System because:

- The majority of their revenue comes from the leasing of facilities to the System, and
- In accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and 34*, if a component unit's total outstanding debt, including leases, is expected to be repaid entirely or almost entirely with the resources of its primary government, then that component unit shall be blended with its primary government.

C. BASIS OF ACCOUNTING

For financial reporting purposes, the System is considered a special-purpose government engaged only in business-type activities and is reported within a single proprietary (enterprise) fund in the state's annual comprehensive financial report. Accordingly, the System's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-system transactions have been eliminated.

D. CASH AND CASH EQUIVALENTS

Cash includes cash on hand, demand deposits, and interest-bearing demand deposits. Cash equivalents include certificates of deposit and all highly-liquid investments with a maturity of three months or less when purchased. Under state law, the System may deposit funds within a fiscal agent bank organized under the laws of the state of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the System may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In accordance with R.S. 49:327, the System is authorized to invest funds in direct U.S. Treasury obligations, U.S. government agency obligations, direct repurchase agreements, and money market funds. In addition, funds derived from gifts

and grants, endowments, and reserve funds established in accordance with bond issues may be invested as stipulated by the conditions of the gift instrument or bond indenture.

E. INVENTORIES

Inventories are valued at the lower of cost or market on the weighted-average basis. The System accounts for its inventories using the consumption method.

F. NONCURRENT RESTRICTED ASSETS

Restricted cash equivalents consist of assets that are externally restricted to make debt service payments, to maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets. These funds are invested in U.S. Treasury money market funds, which are considered to be cash equivalents because of their liquidity. They are maintained in trust accounts created pursuant to trust indentures of the related bonds. These trust accounts, which are administered by a trustee bank, provide for the custody of the assets, debt service payments and bond redemption requirements, and payment of administrative expenses. The bonds were issued in fiscal years 2012, 2013, 2018, and 2020 to finance the costs of development, design, and construction of additions and renovations, or to refund bonds previously issued for the same purposes to SLCC, BPCC, BRCC, and LDCC. Also, bonds were issued in fiscal years 2018, 2019, 2020, and 2022 to provide funds and oversee the purchase, acquisition, construction, design, development, renovation, and equipping of land and facilities, or to refund bonds previously issued for the same purposes for the benefit of 12 community and technical college campuses and a statewide computer information system for LCTCS.

The requirements of state law are not applicable to the cash and cash equivalents held by the facilities corporations. However, the official statements for the corporations' bonds authorize the trustee to invest in direct obligations of the United States of America or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America; bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by the federal agencies; bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by the non-full faith and credit U.S. government agencies; money market funds; certificates of deposit, savings accounts, deposit accounts, or money market deposits; investment agreements; commercial paper; bonds or notes issued by any state or municipality; federal funds or bankers acceptances; repurchase agreements; pre-funded municipal bonds; and any other investment acceptable to the corporation, the trustee, and the bond issuer.

Restricted investments consist of assets maintained in an external investment pool administered by external foundations under agreements with the colleges within the System. These funds are invested in accordance with policies and

procedures established by the Board of Regents, Endowed Professorship Program, and are reported at fair value in accordance with GASB Statement No. 31. Restricted investments also consist of endowments and similar-type accounts for which donors or other outside sources have stipulated that, as a condition of the gift instrument, the principal is to be maintained inviolate and in perpetuity. Changes in the carrying value of investments, resulting from unrealized gains and losses, are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position, except for the investments of the facilities corporations where gains and losses are reported as a component of the amount capitalized to capital assets, as required by FASB 62. For purposes of the Statement of Cash Flows, the System considers all highly-liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Restricted receivables and other assets consist of assets that are externally restricted to purchase or construct capital assets.

G. CAPITAL ASSETS

Capital Assets: The System follows the capitalization policies established by the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy. Capital assets are reported at cost at the date of acquisition. In accordance with the GASB 72, *Fair Value Measurement and Application*, donated capital assets are valued at acquisition value at the time of donation. For movable property, the System's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life greater than one year. Renovations to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized if they exceed \$100,000. Any infrastructure exceeding \$3 million is required to be capitalized. Computer software purchased for internal use with depreciable costs of \$1 million or more is capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 40 years for buildings and infrastructure, 20 years for depreciable land improvements, and three to 10 years for most movable property. Library collections regardless of age with a total acquisition cost of \$5 million or more will be capitalized and depreciated.

Leased Assets: The System follows the threshold established by the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy for GASB 87, *Leases*. A threshold of \$100,000 is applied against the total contract value in the identification and reporting of leases under GASB 87. The threshold is applicable to lessee and lessor leases of all types including, but not limited to, leases of land, buildings, office space, vehicles, printers, computers, and other equipment. Amortization is calculated using the straight-line method over the shorter of the lease term or the useful life of the leased assets and is computed using the state's implemented lease software, LeaseController.

Subscription-based Information Technology Arrangements Assets (SBITAs): The System follows the threshold established by the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy for GASB 96, *Subscription-based Information Technology Arrangements*. A threshold of \$100,000 is applied against the total contract value in the identification and reporting of SBITAs under GASB 96. The threshold is applicable to SBITAs including contracts providing a right-to-use information technology asset component and an information technology support service. Amortization is calculated using the straight-line method over the shorter of the subscription term or the useful life of the underlying information technology assets and is computed using the state's implemented SBITAs software, LeaseController.

H. UNEARNED REVENUES

Unearned revenues include amounts received for tuition and fees and certain auxiliary activities before the end of the fiscal year but are related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

I. COMPENSATED ABSENCES

Employees accrue and accumulate annual and sick leave in accordance with state law and administrative regulations. The leave is accumulated without limitation; however, nine-month faculty members do not accrue annual leave but are granted faculty leave during holiday periods when students are not in class. Employees who are considered having nonexempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned.

Upon separation of employment, both classified and non-classified personnel or their heirs are compensated for accumulated annual leave not to exceed 300 hours. In addition, academic and non-classified personnel or their heirs are compensated for accumulated sick leave not to exceed 25 days upon retirement or death. Act 343 of 1993 allows members of the Louisiana State Employees' Retirement System (LASERS), upon application for retirement, the option of receiving an actuarially-determined lump-sum payment for annual and sick leave that would otherwise have been used to compute years of service for retirement. Unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits for the Teachers' Retirement System of Louisiana (TRSL) and LASERS, but not for the Optional Retirement System.

Upon termination or transfer, a classified employee will be paid for any time and one-half hour compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the classified employee's hourly rate of pay at termination or transfer.

J. NONCURRENT LIABILITIES

Noncurrent liabilities include principal amounts of revenue bonds payable, notes payable, lease, and SBITA liability with maturities greater than one year; estimated amounts for accrued compensated absences; the pension liability; the actuarially accrued liability for Other Postemployment Benefits; and other liabilities that will not be paid within the next fiscal year.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of LASERS and TRSL, and additions to/deductions from each retirement system's fiduciary net position have been determined on the same basis as they are reported by the retirement system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Synthetic guaranteed investment contracts are reported at contract value. All other investments are reported at fair value.

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources represent a consumption of net assets that applies to a future period and are not recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The System has the following items that are reported as deferred inflows or outflows of resources: deferred inflows/outflows of resources related to pensions, deferred inflows/outflows of resources related to postemployment benefits and deferred inflows of resources related to leases.

L. NET POSITION

Net position comprises the various net earnings from operations, nonoperating revenues, expenses, and contributions of capital. Net position is classified in the following components:

- *Net investment in capital assets* consists of the System's total investment in capital assets, net of accumulated depreciation/amortization, and reduced by the outstanding balances of any bonds or other borrowings attributable to the acquisition, construction, or improvement of those assets.
- *Restricted net position - nonexpendable* consists of endowments and similar-type funds for which donors or other outside sources have stipulated that, as a condition of the gift instrument, the principal is to be maintained inviolate and in perpetuity, and

invested for the purpose of producing present and future income, which may either be expended or added to principal.

- *Restricted net position - expendable* consists of resources that the System is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.
- *Unrestricted net position* consists of resources derived from student tuition and fees, state appropriations, sales and services of educational departments, and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the System and may be used at the discretion of the governing board to meet current expenses and for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the System's policy is to first apply the expense toward unrestricted resources, then toward restricted resources.

M. CLASSIFICATION OF REVENUES AND EXPENSES

The System has classified its revenues and expenses as either operating or nonoperating according to the following criteria:

- *Operating revenue* includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of educational departments, and (3) most federal, state, and local grants and contracts.
- *Nonoperating revenue* includes activities that have the characteristics of nonexchange transactions, such as state appropriations, certain federal revenues (Pell and COVID-19 federal funding), gifts and contributions, investment income, and grants that do not have the characteristics of exchange transactions.
- *Operating expenses* generally include transactions resulting from providing goods or services, such as (1) payments to vendors for goods or services, (2) payments to employees for services, and (3) payments for employee benefits.
- *Nonoperating expenses* include transactions resulting from financing activities, capital acquisitions, and investing activities.

N. SCHOLARSHIP DISCOUNTS AND ALLOWANCES

Student tuition and fee revenues from students are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and

Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for services (tuition and fees) provided by the System and the amount that is paid by students and/or third parties making payments on the students' behalf.

O. ADOPTION OF NEW ACCOUNTING PRINCIPLES

The System implemented Statement No.91 – *Conduit Debt Obligations*, issued by the Government Accounting Standards Board. This statement provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The adoption of this standard had no impact on the System's financial statements or notes to the financial statements.

The System implemented Statement No.94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued by the Government Accounting Standards Board. This statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The adoption of this standard had no impact on the System's financial statements or notes to the financial statements.

The System implemented Statement No. 96 – *Subscription-Based Information Technology Arrangements*, issued by the Government Accounting Standards Board. This statement provides guidance on the accounting and reporting for subscription-based information technology arrangements (SBITAs). Under this statement, a government is required to recognize an intangible right-to-use subscription asset and a corresponding subscription liability. The impact of this change is presented in Notes 6 (Capital assets), 13 (Lease and SBITA liabilities), 14 (Long-term liabilities), and 16 (Restatement of beginning net position).

The System implemented Statement No. 99 – *Omnibus 2022*, issued by the Government Accounting Standards Board. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (a) practice issues that have been identified during the implementation and application of certain GASB Statements and (b) accounting and financial reporting for financial guarantees. This statement addresses a variety of topics, and the requirements related to leases, public-private and public-public partnerships (PPPs), and subscription-based information technology arrangements (SBITAs) are effective for fiscal years beginning after June 15, 2022 (state fiscal year 2023). The impact of requirements related to leases and SBITAs are presented in Notes 5 (Lease receivable), 6 (Capital assets), 13 (Lease and SBITA liabilities), 14 (Long-term liabilities), and 16 (Restatement of beginning net position).

The Facilities Corporations adopted Accounting Standards Update 2016-02, *Leases* (Topic 842) issued by the Financial Accounting Standards Board. This standard increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing transactions. The adoption of this standard had no material impact on the System's financial statements.

The Facilities Corporations adopted Accounting Standards Update 2020-07, *Not-for-Profit Entities* (Topic 958), *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* issued by the Financial Accounting Standards Board. The update is to improve generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in an NFP's programs and other activities. The adoption of this standard had no material impact on the System's financial statements.

P. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

2. CASH AND CASH EQUIVALENTS

At June 30, 2023, the System has cash and cash equivalents (book balances) of \$305,681,423 as follows:

Demand deposits	\$122,118,368
Money Market Demand Accounts	7,040,108
Cash equivalents - money market funds	47,908,636
Short-term investment - Louisiana Asset Management Pool	128,322,916
Cash held in foundation	273,845
Petty cash	<u>17,550</u>
Total	<u><u>\$305,681,423</u></u>

These cash and cash equivalents are reported as follows on the Statement of Net Position:

Current assets	\$250,903,097
Noncurrent assets	<u>54,778,326</u>
Total	<u><u>\$305,681,423</u></u>

Custodial credit risk is the risk that, in the event of a bank failure, the System's deposits may not be returned to it. The System does not have a formally-adopted policy that addresses custodial credit risk of deposits. Under state law, the System's deposits (or the resulting bank balances) must be secured by Federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. As of June 30, 2023, \$297,436 of the System's bank balance of \$126,637,206 was exposed to custodial credit risk, as these balances were uninsured and uncollateralized. As of June 30, 2023, demand deposits totaling \$5,618,826 were reported in the financial statements for the BRCC Facilities Corporation; Campus Facilities, Inc.; Delta Campus Facilities Corporation; LCTCS Facilities Corporation; and South Louisiana Facilities Corporation, which were prepared in accordance with the pronouncements of FASB ASC Topic 958. Generally accepted accounting principles allow for the inclusion, in the same consolidated report, of financial statements prepared in accordance with FASB with those prepared under the standards of GASB. As such, the Notes to the Financial Statements of the corporations do not reflect the requirements of GASB Statement No. 3, as revised by Statement No. 40.

Louisiana Asset Management Pool, Inc. (LAMP):

At June 30, 2023, the System has short-term investments reported on the Statement of Net Position as cash equivalents totaling \$128,322,916.

The System participates in LAMP, which is administered by LAMP, Inc., a non-profit corporation organized under the laws of the state of Louisiana. LAMP issues financial reports which may be obtained at www.lamppool.com. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. LAMP's permissible investments are set forth in R.S. 33:2955 and are further limited in accordance with investment guidelines promulgated by the Board of Directors.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

LAMP is rated AAAM by Standard & Poor's and is designed to be highly liquid to give its participants immediate access to their account balances. The Weighted Average Maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to the

regulatory oversight of the State Treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Disclosures required for the investments reported as cash equivalents are included in note 3.

3. INVESTMENTS

At June 30, 2023, the System has restricted investments totaling \$37,981,239 as follows:

<u>Type of Investment</u>	<u>Percentage of Investments</u>	<u>Credit Quality Rating</u>	<u>Fair Value</u>
Corporate bonds - DCC	1.687%	BBB	\$640,902
Corporate bonds - DCC	1.295%	BBB	491,936
Corporate bonds - DCC	1.010%	BBB	383,430
Equity Securities - DCC ¹	1.108%		420,834
Open-end mutual funds - LDCC ²	0.241%		91,669
Open-end mutual funds - LDCC ²	0.368%		139,864
Open-end mutual funds - LDCC	0.025%	AA	9,370
Open-end mutual funds - DCC ²	5.213%		1,980,079
Open-end mutual funds - LDCC ²	1.273%		483,442
Open-end mutual funds - NCC ²	0.162%		61,510
U.S. agency obligations - DCC ²	2.192%		832,479
U.S. government obligation - DCC ¹	0.719%		273,208
Non-negotiable certificates of deposit - CLTCC	0.766%		290,736
Investments held by private foundation -			
Corporate bonds - FTCC	0.420%	BBB-	159,473
Corporate bonds - NCC	0.064%	A-	24,238
Corporate bonds - NCC	0.111%	BBB+	42,290
Corporate bonds - NCC	0.115%	BBB	43,488
Equity Securities - NCC ¹	0.372%		141,305
Equity Securities - SLCC ¹	3.449%		1,309,815
External investment pools - BRCC	1.484%	AAA	563,664
Open-end mutual funds - BPCC	1.632%	AAA	619,807
Open-end mutual funds - RPCC ²	0.210%		79,878
Open-end mutual funds - SLCC	3.058%	A	1,161,535
Open-end mutual funds - STCC	0.290%	BBB+	110,052
Open-end mutual funds - BPCC ²	2.686%		1,020,193
Open-end mutual funds - FTCC ²	0.883%		335,564
Open-end mutual funds - NCC ²	0.510%		193,655
Open-end mutual funds - NTCC ²	2.276%		864,581
Open-end mutual funds - RPCC ²	0.713%		270,841
Open-end mutual funds - STCC ²	4.138%		1,571,564
U.S. agency obligations - FTCC	0.326%	AAA	123,847
U.S. government obligation - NCC ¹	0.251%		95,521
Facilities Corporations:			
U.S. government and agency obligations - LCTCS Facilities Corporation	59.645%		22,653,764
Municipal Bonds - LCTCS Facilities Corporation	1.308%		496,705
Total	<u>100.00%</u>		<u>\$37,981,239</u>

¹Credit quality ratings not required for these investments.

²Not rated

Type of Investment	Investment Maturities in Years				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Corporate bonds - DCC	\$1,516,268		\$640,902	\$491,936	\$383,430
Open-end mutual funds - LDCC	240,903			91,669	149,234
U.S. agency obligations - DCC	832,479				832,479
U.S. government obligations - DCC	273,208				273,208
Investments held by private foundation -					
Corporate bonds - FTCC	159,473			159,473	
Corporate bonds - NCC	110,016	\$43,488	42,290	24,238	
External investment pools - BRCC	563,664	563,664			
Open-end mutual funds - BPCC	619,807		619,807		
Open-end mutual funds - RPCC	79,878			79,878	
Open-end mutual funds - SLCC	1,161,535		1,161,535		
Open-end mutual funds - STCC	110,052				110,052
U.S. agency obligations - FTCC	123,847			123,847	
U.S. government obligations - NCC	95,521		95,521		
Total	<u>\$5,886,651</u>	<u>\$607,152</u>	<u>\$2,560,055</u>	<u>\$971,041</u>	<u>\$1,748,403</u>

These investments are reported at fair market value. They are reported on the Statement of Net Position as noncurrent assets - investments. Investments held by private foundations are in an external investment pool. They are managed in accordance with program requirements specified by the Louisiana Board of Regents that are included in management agreements executed between the System's colleges and their respective foundations. The System's colleges are voluntary participants.

The mutual funds of \$2,765,934 and investments held by the private foundations of \$8,731,311 are held pursuant to the Board of Regents Endowed Chair, Endowed Professorships, and Endowed Scholarship Program. In accordance with Article VII, Section 14(B) of the Constitution of Louisiana, no more than 74% of the Program Assets may be invested in equity. For the purpose of this limitation, publicly traded equity and alternative investments shall be considered equity. A minimum of 26% of program assets will be invested in fixed income investments. No more than 50% of publicly-traded equity may be foreign equity, and no more than 50% of publicly-traded debt may be foreign debt. Publicly-traded debt must maintain an average credit quality of at least "A" as determined by Moody's, S&P, or Fitch. No more than 5% of publicly-traded debt may be invested in any single issuer with the exception of securities issued by the U.S. Government or its agencies. No more than 25% of program assets may be invested in alternative investments which is limited to no more than 10% of program assets in Real Estate Investment Trusts, no more than 15% in Hedge Funds, and no more than 10% in private equity and private debt combined based on committed capital. Leverage and the speculative use of derivatives are prohibited at the participant level, yet are permissible for external alternative investment managers.

For the remaining investments, there is no formally-adopted investment policy regarding the acceptable credit quality ratings of investments or that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Facilities Corporations' investments totaling \$23,150,469 and money market funds totaling \$47,816,600 were reported in the financial statements and Notes to the Financial Statements for the BRCC Facilities Corporation; Campus Facilities, Inc.; Delta Campus Facilities Corporation; LCTCS Facilities Corporation; and South Louisiana Facilities Corporation, which were prepared in accordance with the pronouncements of FASB ASC Topic 958. Generally accepted accounting principles allow for the inclusion, in the same consolidated report, of financial statements prepared in accordance with FASB, with those prepared under the standards of GASB. As such, the Notes to the Financial Statements of the corporations do not reflect the requirements of GASB Statement No. 3, as revised by Statement No. 40. These investments and money market funds are uninsured and are collateralized by securities held by the financial institution's trust department, but not in the corporation's name.

Included in investments are nonnegotiable certificates of deposit, irrespective of maturities.

INVESTMENTS - FAIR VALUE MEASUREMENT

GASB Statement No. 72, *Fair Value Measurement and Application*, requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels.

- Level 1 inputs – the valuation is based on quoted market prices for identical assets or liabilities traded in active markets,
- Level 2 inputs – the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability, and
- Level 3 inputs – the valuation is determined by using the best information available under the circumstances and might include the government's own data. In developing unobservable inputs, a government may begin with its own data but should adjust those data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants.

Fair values of assets and liabilities measured on a recurring basis at June 30, 2023, are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets Level 1	Other Observable Inputs Level 2
Corporate bonds - DCC	\$1,516,268		\$1,516,268
Equity securities - DCC	420,834	\$420,834	
Open-end mutual funds - LDCC	724,345	724,345	
Open-end mutual funds - DCC	1,980,079	1,980,079	
Open-end mutual funds - NCC	61,510	61,510	
U.S. agency obligations - DCC	832,479		832,479
U.S. government obligations - DCC	273,208		273,208
Money market funds - DCC*	92,036	92,036	
Investments held by private foundation -			
Corporate bonds - FTCC	159,473	159,473	
Corporate bonds - NCC	110,016	110,016	
Equity securities - NCC	141,305	141,305	
Equity securities - SLCC	1,309,815	1,309,815	
External investment pools - BRCC	563,664	563,664	
Open-end mutual funds - BPCC	1,640,000	1,640,000	
Open-end mutual funds - RPCC	350,719	350,719	
Open-end mutual funds - SLCC	1,161,535	1,161,535	
Open-end mutual funds - STCC	1,681,616	1,681,616	
Open-end mutual funds - FTCC	335,564	335,564	
Open-end mutual funds - NCC	193,655	193,655	
Open-end mutual funds - NTCC	864,581	864,581	
U.S. agency obligations - FTCC	123,847	123,847	
U.S. government obligations - NCC	95,521	95,521	
Facilities Corporations			
Money market funds - Delta Campus Facilities Corporation*	2,324,631	2,324,631	
Municipal bonds - LCTCS Facilities Corporation	496,705		496,705
U.S. government and agency obligations - LCTCS Facilities Corporation	22,653,764	17,917,630	4,736,134
Total	<u>\$40,107,170</u>	<u>\$32,252,376</u>	<u>\$7,854,794</u>

*This is reported on the Statement of Net Position as noncurrent assets - cash and cash equivalents.

4. RECEIVABLES

Receivables are shown on the Statement of Net Position, net of an allowance for doubtful accounts, at June 30, 2023. These receivables are composed of the following:

	Receivables	Allowance for Doubtful Accounts	Receivables, Net	Restricted Noncurrent Portion
Student tuition and fees	\$28,708,143	(\$9,357,801)	\$19,350,342	
Auxiliary enterprise	203,231		203,231	
Contributions and gifts	5,496,704		5,496,704	\$5,145,346
State and private grants and contracts	8,361,796		8,361,796	
Due from state - insurance recoveries	2,965,444		2,965,444	
Other	3,326,469		3,326,469	
Total	<u>\$49,061,787</u>	<u>(\$9,357,801)</u>	<u>\$39,703,986</u>	<u>\$5,145,346</u>

5. LEASE RECEIVABLE

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No.87, Leases (GASB 87). This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset (lease asset), and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Lease Receivable (Lessor):

The System is a lessor in numerous lease agreements for land and buildings/office space. The System recognizes a lease receivable and a deferred inflow of resources for those contracts deemed in-scope for recognition as a lease under GASB 87 guidance. At the commencement of the lease term, the System initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable adjusted for lease payments received at or before the commencement of the lease term (including incentives paid). Subsequently, the deferred inflow of resources is recognized as an inflow of resources (for example, revenue) over the term of the lease. The System uses the interest rate it charges the lessee to discount the future lease payments to present value.

The lease term includes the noncancellable period of the lease plus periods covered by renewal options that are reasonably certain to be exercised. Lease payments included in the measurement of the lease receivable comprise fixed and fixed in-substance payments from the lessee (including residual value guarantees) and incentives payable. The System monitors contract modifications and changes in circumstances that would require a remeasurement of lease balances and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The terms of the various lease agreements range from 4 to 15 years. The System recognized \$52,560 in aggregate lease revenue and \$478 in interest revenue during the current fiscal year. As of June 30, 2023, the System's aggregate lease receivable

balance for lease payments was \$208,564. The System has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$208,082. Information about lease revenues and interest revenues recognized during fiscal year 2023, as well as receivable and deferred inflows of resources amounts recognized as of June 30, 2023 are presented per asset class in the table below:

Asset Classes	Lease Revenue	Interest Revenue	Leases Receivable June 30, 2023	Deferred Inflows of Resources June 30, 2023
Buildings/Office Space	\$45,000	\$385	\$112,079	\$111,783
Land	7,560	93	96,485	96,299
Total	<u>\$52,560</u>	<u>\$478</u>	<u>\$208,564</u>	<u>\$208,082</u>

6. CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2023, follows:

	Balance June 30, 2022	Prior Period Adjustment	Restated Balance June 30, 2022	Additions	Reclassification of Construction-in-progress	Retirements	Balance June 30, 2023
Capital assets not being depreciated:							
Land	\$51,475,052	\$1,270,420	\$52,745,472	\$2,507,379		(\$14,500)	\$55,238,351
Land improvements	3,012,419		3,012,419				3,012,419
Construction-in-progress	33,041,752	148,001	33,189,753	43,084,500	(\$27,935,548)		48,338,705
Total assets not being depreciated	<u>87,529,223</u>	<u>1,418,421</u>	<u>88,947,644</u>	<u>45,591,879</u>	<u>(27,935,548)</u>	<u>(14,500)</u>	<u>106,589,475</u>
Capital assets being depreciated/amortized:							
Land improvements	16,089,050		16,089,050	842,078	335,347		17,266,475
Buildings	847,864,390	1,256,311	849,120,701	384,189	27,584,060	(559,104)	876,529,846
Equipment (including library books)	161,356,059	636,755	161,992,814	14,179,134	16,141	(2,860,223)	173,327,866
Software (internally generated and purchased)	22,855,249		22,855,249	662,714			23,517,963
Right-to-use buildings	470,167		470,167	109,122			579,289
Right-to-use equipment	266,223		266,223				266,223
Right-to-use SBITA		4,079,627	4,079,627	3,227,571			7,307,198
Total assets being depreciated	<u>1,048,901,138</u>	<u>5,972,693</u>	<u>1,054,873,831</u>	<u>19,404,808</u>	<u>27,935,548</u>	<u>(3,419,327)</u>	<u>1,098,794,860</u>
Less accumulated depreciation:							
Land improvements	(9,037,564)		(9,037,564)	(742,677)			(9,780,241)
Buildings	(267,697,250)	(150,301)	(267,847,551)	(20,415,518)		482,686	(287,780,383)
Equipment	(121,563,672)	(156,631)	(121,720,303)	(12,208,981)		2,752,597	(131,176,687)
Software (internally generated and purchased)	(21,725,283)		(21,725,283)	(179,268)			(21,904,551)
Less accumulated amortization:							
Right-to-use buildings	(92,994)		(92,994)	(193,329)			(286,323)
Right-to-use equipment	(18,855)		(18,855)	(43,993)			(62,848)
Right-to-use SBITA			-	(2,220,183)			(2,220,183)
Total accumulated depreciation/amortization	<u>(420,135,618)</u>	<u>(306,932)</u>	<u>(420,442,550)</u>	<u>(36,003,949)</u>		<u>3,235,283</u>	<u>(453,211,216)</u>
Capital assets, net	<u>\$716,294,743</u>	<u>\$7,084,182</u>	<u>\$723,378,925</u>	<u>\$28,992,738</u>	<u>\$0</u>	<u>(\$198,544)</u>	<u>\$752,173,119</u>

The June 30, 2022, balance of capital assets has been adjusted by \$7,084,182 to reflect prior-period adjustments. Of this amount, \$4,079,627 was attributable to a change in accounting principle, GASB Statement Number 96, *Subscription-Based Information Technology Arrangements*. The other restatements resulted from the correction of prior-year errors. One building with a total carrying value of \$178,763 remains idle at June 30, 2023, because of damages from Hurricane Laura.

7. PENSION PLANS

General Information about the Pension Plans

Plan Descriptions

The System is a participating employer in two state public employee retirement systems, Louisiana State Employees' Retirement System (LASERS) and Teachers' Retirement System of Louisiana (TRSL). Both systems have separate boards of trustees and administer cost-sharing, multiple-employer defined benefit pension plans, including classes of employees with different benefits and contribution rates (sub-plans). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all sub-plans administered by these systems to the State Legislature. Each system issues a public report that includes financial statements and required supplementary information. Copies of these reports for LASERS and TRSL may be obtained at www.lasersonline.org and www.trsl.org, respectively.

TRSL also administers an optional retirement plan (ORP), which was created by Louisiana Revised Statute (R.S.) 11:921-931 for academic and administrative employees of public institutions of higher education and is considered a defined contribution plan (see note 8 below). A portion of the employer contributions for ORP plan members is dedicated to the unfunded accrued liability of the TRSL defined benefit plan.

LASERS Retirement Benefits

LASERS administers a plan to provide retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as defined in R.S. 11:411-417. Act 992 of the 2010 Regular Legislative Session closed existing sub-plans for members hired before January 1, 2011, and created new sub-plans for regular members, hazardous duty members, and judges. Act 226 of the 2014 Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. The age and years of creditable service required for a member to receive retirement benefits are established by R.S. 11:441 and vary depending on the member's hire date, employer and job classification. The computation of retirement benefits is defined in R.S. 11:444.

The substantial majority of the System's members are regular plan members. Regular plan members hired prior to July 1, 2006, may retire with full benefits at any age

upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, or at age 60 upon completing ten years of creditable service. Regular plan members hired from July 1, 2006, through June 30, 2015, may retire with full benefits at age 60 upon completing five years of creditable service. Regular plan members hired on or after July 1, 2015, may retire with full benefits at age 62 upon completing five years of creditable service. Additionally, all regular plan members may choose to retire with 20 years of creditable service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for regular plan members is equal to 2.5% of average compensation multiplied by the number of years of creditable service, generally not to exceed 100% of average compensation. Average compensation for regular plan members is defined in R.S. 11:403 as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006, or highest 60 consecutive months of employment for members employed on or after that date. A member leaving service before attaining minimum retirement age but after completing certain minimum service requirements, generally 10 years, becomes eligible for a benefit provided the member lives to the minimum service retirement age and does not withdraw the accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

Eligibility requirements and benefit computations for disability benefits are provided for in R.S. 11:461. Generally, active regular plan members with 10 or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the LASERS Board of Trustees.

Survivor benefits are provided for in R.S. 11:471-478. Under these statutes, the deceased regular plan member, hired before January 1, 2011, who was in state service at the time of death must have a minimum of five years of service, at least two of which were earned immediately prior to death, or who had a minimum of 20 years of service regardless of when earned in order for a benefit to be paid to a minor or handicapped child as defined by statute. Benefits are payable to an unmarried child until age 18 or age 23 if the child remains a full-time student. The minimum service requirement is 10 years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child. The deceased regular plan member, hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The minimum service credits for a surviving spouse include active service at the time of death and a minimum of 10 years of service credit with two years being earned immediately prior to death, or a minimum of 20 years regardless of when earned. In addition, the deceased regular plan member's spouse must have been married for at least one year before death.

TRSL Retirement Benefits

TRSL administers a plan to provide retirement, disability, and survivor benefits to

employees who meet the legal definition of a "teacher" as provided for in R.S 11:701. Statutory changes closed existing, and created new sub-plans for members hired on or after January 1, 2011. The age and years of creditable service required for a member to receive retirement benefits are established by R.S. 11:761 and vary depending on the member's hire date. The computation for retirement benefits is defined in R.S. 11:768.

Most of the TRSL members at the System are participants in the Regular Plan. In the regular plan, eligibility for retirement is determined by the date the member joined TRSL. Members hired prior to January 1, 2011, are eligible to receive retirement benefits (1) at the age of 60 with five years of service, (2) at the age of 55 with at least 25 years of service, or (3) at any age with at least 30 years of service. Members hired between January 1, 2011, and June 30, 2015, are eligible to retire at age 60 with five years of service. Members hired on or after July 1, 2015, are eligible to retire at age 62 with five years of service. All regular plan members are eligible to retire at any age with 20 years of service, but the benefit is actuarially-reduced if the member is hired on or after July 1, 1999. Retirement benefits for regular plan members are calculated by applying a percentage ranging from 2% to 2.5% of final average compensation multiplied by years of creditable service. Average compensation is defined in R.S. 11:701 as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to January 1, 2011, or highest 60 consecutive months of employment for members employed on or after that date.

Under R.S. 11:778 and 11:779, members who have a qualified disability are eligible for disability benefits if employed prior to January 1, 2011, and attained at least five years of service or if employed on or after January 1, 2011, and attained at least ten years of service. Members employed prior to January 1, 2011, receive disability benefits equal to 2.5% of average compensation multiplied by the years of service, but not more than 50% of average compensation subject to statutory minimums. Members employed on or after January 1, 2011, receive disability benefits equivalent to the regular retirement formula without reduction by reason of age.

Survivor benefits are provided for in R.S. 11:762. In order for survivor benefits to be paid to a surviving spouse with a minor child, the deceased member must have been in state service at the time of death and must have a minimum of five years of service, at least two of which were earned immediately prior to death, or must have had a minimum of 20 years of service regardless of when earned. For a surviving spouse with no minor children, the minimum service credit requirement is 10 years and the surviving spouse must have been married to the deceased member for at least one year prior to death. Surviving spouse with minor child benefits are equal to the greater of (a) 50% of the benefit to which the member would have been entitled if retired on the date of death using a factor of 2.5% regardless of years of service or age, or (b) \$600 per month. Surviving spouse without minor child benefits are equal to the greater of (a) the Option 2 equivalent of the benefit calculated at the 2.5% benefit factor for all creditable service, or (b) \$600 per month. Benefits are payable to an unmarried child until age 21, or age 23 if the child remains a full-time student. Benefits are paid for life to a qualified unmarried child with a disability.

Benefits are paid for life to a surviving spouse unless the deceased active member was not eligible for retirement at the time of death and the surviving spouse remarries before the age of 55.

DROP/IBO

Both LASERS and TRSL have established a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period up to three years. The election is irrevocable once participation begins. During participation, benefits otherwise payable are fixed and deposited in an individual DROP account. Upon leaving DROP and terminating employment, members must choose among available alternatives for the distribution of benefits that have accumulated in their DROP accounts.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement a lump-sum initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits.

Cost of Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, LASERS and TRSL allow for the payment of ad hoc permanent benefit increases, also known as cost of living adjustments (COLAs), which are funded through investment earnings when recommended by the retirement system board of trustees and approved by the Legislature. Both LASERS and TRSL have established an Experience Account to fund permanent benefit increases for retirees. These ad hoc COLAs are not considered substantively automatic.

Contributions

Employee contribution rates are established by R.S. 11:62. Employer contribution rates are established annually under R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PR SAC), taking into consideration the recommendation of the respective pension system actuary. Employer contribution rates are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Each LASERS and TRSL sub-plan pays a separate actuarially-determined employer contribution rate. However, all assets of the pension plan are used for the payment of benefits for all classes of members, regardless of their sub-plan membership. For those members participating in the TRSL defined contribution ORP, a portion of the employer contributions is used to fund the TRSL defined benefit plan's unfunded accrued liability.

Employer contributions to LASERS for fiscal year 2023 totaled \$7,765,456, with regular plan active member contributions ranging from 7.5% to 8%, and employer contributions of 40.4% of covered payroll. Employer defined benefit plan contributions to TRSL for fiscal year 2023 totaled \$41,792,679 with regular plan

active member contributions of 8%, and employer contributions of 20.8% for ORP members, and 24.1% to 24.8% for defined benefit plan members. The proportionate share of non-employer contributing entity contributions to TRSL, which are comprised of ad valorem tax revenue and state revenue sharing funds, totaled \$1,342,903 for fiscal year 2023, and were recognized as revenue in fiscal year 2023 by the System.

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

At June 30, 2023, the System reported liabilities of \$70,892,688 and \$283,436,676 under LASERS and TRSL, respectively, for its proportionate share of the collective Net Pension Liability (NPL). The NPL for LASERS and TRSL was measured as of June 30, 2022, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The System's proportions of the NPL were based on projections of the System's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. The System's projected contribution effort was calculated by multiplying the eligible annual compensation of active members in the Plan as of June 30, 2022, by the fiscal year 2023 employer actuarially required contribution rates. As of June 30, 2022, the most recent measurement date, the System's proportions and the changes in proportions from the prior measurement date were 0.93779%, or a decrease of 0.04262%, for LASERS, and 2.96877%, or a decrease of 0.10249%, for TRSL.

For the year ended June 30, 2023, the System recognized a total pension expense of \$35,469,437 for defined benefit plans, or \$5,860,910 and \$29,608,527 for LASERS and TRSL, respectively. At June 30, 2023, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>LASERS</u>	<u>TRSL</u>	<u>Total</u>	<u>LASERS</u>	<u>TRSL</u>	<u>Total</u>
Differences between expected and actual experience	\$193,334	\$4,393,169	\$4,586,503		\$817,403	\$817,403
Changes of assumptions	1,288,928	19,117,662	20,406,590			
Net difference between projected and actual earnings on pension plan investments	5,710,150	16,084,674	\$21,794,824			
Changes in proportion and differences between employer contributions and proportionate share of contributions	488,349	21,387,826	21,876,175	1,977,294	25,227,733	27,205,027
Employer contributions subsequent to the measurement date	7,765,456	41,792,679	49,558,135			
Total	<u>\$15,446,217</u>	<u>\$102,776,010</u>	<u>\$118,222,227</u>	<u>\$1,977,294</u>	<u>\$26,045,136</u>	<u>\$28,022,430</u>

Deferred outflows of resources related to pensions resulting from the System's contributions subsequent to the measurement date will be recognized as a reduction of the LASERS and TRSL NPL in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>LASERS</u>	<u>TRSL</u>	<u>Total</u>
2024	\$2,053,030	\$12,076,542	\$14,129,572
2025	1,179,873	5,060,876	\$6,240,749
2026	(1,443,930)	(10,227,201)	(\$11,671,131)
2027	3,914,495	26,919,803	\$30,834,298

Actuarial Assumptions and Methodologies

The total pension liabilities for LASERS and TRSL in the June 30, 2022, actuarial valuations were determined using the following actuarial assumptions and methodologies:

	LASERS	TRSL
Valuation Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Approach	Closed	Closed
Expected Remaining Service Lives	2 years	5 years
Investment Rate of Return (discount rate)	7.25% per annum, net of investment expenses *	7.25% per annum, net of investment expenses *
Inflation Rate	2.3% per annum	2.3% per annum
Mortality Rates	<p>General active members: RP-2014 Blue Collar Employee tables, adjusted by 0.978 for males and 1.144 for females</p> <p>General retiree/inactive members (males): RP-2014 Blue Collar Healthy Annuitant table, adjusted by 1.280</p> <p>General retiree/inactive members (females): RP-2014 White Collar Healthy Annuitant table, adjusted by 1.417</p> <p>Mortality assumptions for non-disabled members include improvement projected on a fully generational basis using the MP-2018 Mortality Improvement Scale.</p> <p>Disabled retiree members: RP-2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females, with no projection for improvement</p>	<p>Active members: 'RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females</p> <p>Non-disabled retiree/inactive members: RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females</p> <p>Disabled retiree members: RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females</p> <p>Mortality base tables were adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.</p>
Termination, Disability, Retirement	Termination, disability, and retirement assumptions were projected based on a five year (2014-2018) experience study of the plan's members.	Termination, disability, and retirement assumptions were projected based on a five year (July 1, 2012 - June 30, 2017) experience study of the plan's members.
Projected Salary Increases	Salary increases were projected based on a 2014-2018 experience study of the plan's members. The projected salary increase for regular plan members ranges from 3.0% to 12.8% depending on duration of service.	Salary increases were projected based on a July 1, 2012 to June 30, 2017 experience study of the System's members. The projected salary increase for regular plan members ranges from 3.1% to 4.6% depending on duration of service.
Cost of Living Adjustments	Not substantively automatic	Not substantively automatic
* The investment rate of return used in the actuarial valuation for funding purposes was 7.60%, recognizing an additional 35 basis points for gain sharing.		

The projected benefit payments do not include provisions for potential future increases not yet authorized by the LASERS and TRSL Boards of Trustees as these ad-hoc COLAs were deemed not to be substantively automatic. However, the LASERS and TRSL assumptions for funding purposes include an adjustment to recognize that investment earnings will be allocated to the experience account to fund potential future increases.

The June 30, 2022, valuations include the following changes in assumptions:

- The discount rate was reduced from 7.40% to 7.25% for the LASERS and the TRSL June 30, 2022 valuations.

For LASERS and TRSL, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term nominal rate of return is 8.34%, and 8.32%, for LASERS and TRSL, respectively. The target allocation and best estimates of geometric/arithmetic real rates of return for each major asset class as of June 30, 2022, are summarized for each plan in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
LASERS (geometric)		
Cash	0.00%	0.39%
Domestic equity	31.00%	4.57%
International equity	23.00%	5.76%
Domestic fixed income	3.00%	1.48%
International fixed income	17.00%	5.04%
Alternative investments	26.00%	8.30%
Total	<u>100.00%</u>	5.91%
TRSL (arithmetic)		
Domestic equity	27.00%	4.15%
International equity	19.00%	5.16%
Domestic fixed income	13.00%	0.85%
International fixed income	5.50%	-0.10%
Private Equity	25.50%	8.15%
Other Private Assets	10.00%	3.72%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.25% for both LASERS and TRSL. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially-determined rates approved by PRSAC taking into consideration the recommendation of the respective pension system's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the NPL to changes in the discount rate

The following presents the System's proportionate share of the NPL for LASERS and TRSL using the current discount rate, as well as what the System's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	<u>1.0% Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1.0% Increase</u>
	(6.25%) LASERS (6.25%) TRSL	(7.25%) LASERS (7.25%) TRSL	(8.25%) LASERS (8.25%) TRSL
LASERS	\$89,203,691	\$70,892,688	\$54,195,713
TRSL	\$389,255,928	\$283,436,676	\$187,350,093

Pension plan fiduciary net position

Detailed information about the LASERS and TRSL fiduciary net position is available in the separately-issued Annual Comprehensive Financial Reports at www.lasersonline.org and www.trsl.org, respectively.

Payables to the Pension Plan

At June 30, 2023, the System had \$1,080,587 and \$4,700,366 in payables to LASERS and TRSL, respectively, for the June 2023 employee and employer legally-required contributions.

8. OPTIONAL RETIREMENT PLAN

TRSL administers an optional retirement plan (ORP), which was created by R.S. 11:921-931 for academic and administrative employees of public institutions of higher education. The purpose of the optional retirement plan is to provide retirement and death benefits to the participants while affording the maximum portability of these benefits to the participants. The optional retirement plan is a defined contribution plan that provides for full and immediate vesting of all contributions remitted to the participating companies on behalf of the participants.

Eligible employees make an irrevocable election to participate in the optional retirement plan rather than the TRSL and purchase retirement and death benefits through fixed and/or variable annuity contracts provided by designated companies. Benefits payable to participants are not the obligation of the state of Louisiana or the TRSL. Such benefits and other rights of the ORP are the liability and responsibility solely of the designated company or companies to whom contributions have been made.

R.S. 11:927 sets the contribution requirements of the ORP plan members and the employer. Each plan member shall contribute monthly to the ORP an amount equal to the contribution rates established for the regular retirement plan of TRSL as disclosed in Note 7. Effective July 1, 2018, the portion of the employer contribution to be transferred to the ORP participants' accounts (transfer amount) for employers at higher education institutions is established by board resolution at an amount equal to or greater than 6.2%. The transfer amount for employers at non-higher education institutions is the greater of: (1) the employer normal cost contribution for the TRSL Regular Plan; or (2) 6.2%. The amount must be set as a percentage of pay.

Employer ORP contributions to TRSL for fiscal year 2023 totaled \$7,710,559, which represents pension expense for the System. Employee contributions totaled \$2,285,923. The fiscal year 2023 employee and employer contribution rates were 8% and 6.2%, respectively, with an additional employer contribution of 20.8% (shared UAL) made to the TRSL defined benefit plan described in note 7 above.

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description and Benefits Provided

The Office of Group Benefits (OGB) administers the State of Louisiana Post-Retirement Benefits Plan – a multiple-employer, defined-benefit other post-employment benefit plan that is not administered as a formal trust. The plan provides medical, prescription drug, and life insurance benefits to retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. Current employees, who participate in an OGB health plan while active, are eligible for plan benefits if they are enrolled in the OGB health plan immediately before the date of retirement and retire under one of the state-sponsored retirement systems (Louisiana State Employees' Retirement System, Teachers' Retirement System of Louisiana, Louisiana School Employees' Retirement System, or Louisiana State Police Retirement System) or they retire from a participating employer that meets the qualifications in the Louisiana Administrative Code 32:3.303. Benefit provisions are established under R.S. 42:801-883. The obligations of the plan members, employers, and other contributing entities to contribute to the plan are established or may be amended under the authority of R.S. 42:802, 42:821, and 42:851.

Premium amounts vary depending on the health plan selected and if the retired member has Medicare coverage. OGB offers several different plan options for both active and retired employees. OGB offers retirees four self-insured healthcare plans and one fully insured plan through Vantage Medical Home HMO. In addition, retired

employees who have Medicare Part A and Part B coverage also have access to six fully-insured Medicare Advantage plans through People’s Health, Humana, Vantage, and Blue Cross, and an Individual Medicare Market Exchange product through Via Benefits that provides monthly health reimbursement arrangement credits. Effective January 1, 2024, the Vantage HMO and Vantage Medicare Advantage plans will no longer be available.

Employer contributions are based on plan premiums and the employer contribution percentage. This percentage is based on the date of participation in an OGB plan (before or after January 1, 2002) and employee years of service at retirement. Employees who began participation or rejoined the plan before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 who pay approximately 25% of the active employee cost). For employees who began participation or rejoined on or after January 1, 2002, the percentage of premiums contributed by the employer and retiree is based on the following schedule:

OGB Participation	Employer Contribution Percentage	Retiree Contribution Percentage
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retirees and spouses of retirees, subject to maximum values. Employers pay approximately 50% of monthly premiums for individual retirees. The retiree is responsible for 100% of the premium for dependents. The total monthly premium for retirees in the basic or supplemental life insurance plan varies according to age group.

Employer contributions for health premiums of retired employees for the fiscal year ended June 30, 2023, totaled \$9,567,060.

OGB does not issue a publicly-available financial report. However, the entity is included in the State of Louisiana’s Annual Comprehensive Financial Report. You may obtain a copy of the report on the Office of Statewide Reporting and Accounting Policy’s website at www.doa.la.gov/osrap.

Funding Policy

During fiscal year 2023, neither the System nor the state of Louisiana made contributions to a postemployment benefits plan trust. A trust was established but was not funded and has no accumulated assets that meet the criteria of paragraph 4 of GASB Statement 75. The plan is currently financed on a pay-as-you-go basis under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments are due.

Total Collective OPEB Liability, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the System reported a liability of \$232,325,524 for its proportionate share of the total collective OPEB liability, of which \$9,567,060 is current and the remaining \$222,758,464 is noncurrent. The total collective OPEB liability was measured as of July 1, 2022, and was determined by an actuarial valuation as of that date.

The System's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability (AAL) in relation to the total OPEB AAL liability for all participating entities included in the state of Louisiana reporting entity. At July 1, 2022, the most recent measurement date, the System's current year proportion and the change in proportion from the prior measurement date was 3.4426%, or an increase of 0.0077%.

For the year ended June 30, 2023, the System recognized total OPEB expense of \$5,635,329 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$7,067,364	
Changes of assumptions or other inputs	15,933,923	\$76,343,988
Changes in employer's proportionate share	8,698,438	12,079,318
Difference between change in employer's proportionate share of benefit payments and actual benefit payments	1,709,092	2,499,238
Employer's benefit payments made subsequent to the measurement date	9,567,060	
Total	<u>\$42,975,877</u>	<u>\$90,922,544</u>

Deferred outflows of resources related to OPEB resulting from the System's benefit payments subsequent to the measurement date will be recognized as a reduction of the total collective OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	<u>Net Amount Recognized in OPEB Expense</u>
2024	(\$16,335,987)
2025	(14,097,202)
2026	(17,307,935)
2027	(9,772,576)

Actuarial Assumptions

The total collective OPEB liability in the July 1, 2022, actuarial valuation was determined using the following actuarial methods, assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2022
Actuarial Cost Method	Entry Age Normal, level percentage of pay. Service costs are attributed through all assumed ages of exit from active service. For current DROP participants, assumed exit from active service is the date at which DROP ends.
Inflation Rate	2.40%
Salary Increase Rate	Consistent with the assumptions for the pension plans disclosed in note 7.
Discount Rate	4.09% based on the June 30, 2022 S&P 20-year municipal bond index rate
Healthcare cost trend rates	7.00% for pre-Medicare eligible employees grading down by .25% each year, beginning in 2023-2024, to an ultimate rate of 4.5% in 2033 and thereafter; 5.50% for post-Medicare eligible employees grading down by .10% each year, beginning in 2023-2024, to an ultimate rate of 4.5% in 2033 and thereafter. The initial trend was developed using the actuary's National Health Care Trend Survey; the ultimate trend was developed using a building block approach which considers Consumer Price Index, Gross Domestic Product, and technology growth.
Health Care Claim Cost	Per capita costs for the self-insured plans were based on medical and prescription drug claims for retired participants for the period January 1, 2021, through December 31, 2022. The claims experience was trended to the valuation date. Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2023 premiums adjusted to the valuation date using the trend assumptions above. Per capita costs were adjusted for expected age-related differences in morbidity applicable to retirees, except for costs for the Via Benefits HRA plan, which provides a flat monthly subsidy.

Age Related Morbidity	Per capita costs (PCCs) were adjusted to reflect expected cost differences due to age and gender.
Mortality rates	Assumptions are consistent with the pension plans disclosed in note 7.

The average of the expected remaining service lives of all employees that are provided with benefits through the plan (active and inactive employees) determined at July 1, 2021, is 4.5 years.

The actuarial assumptions related to mortality, retirement, termination, disability, and salary increases are based on experience studies used in the pension valuations disclosed in Note 7. The actuarial assumption for plan election coverage is based on a review of experience for the period July 1, 2019, through June 30, 2022. Other actuarial assumptions are based on an experience study of OPEB plan experience for the period July 1, 2017, through June 30, 2020.

Changes of assumptions and other inputs from the prior valuation include the following:

- The discount rate has increased from 2.18% to 4.09%.
- Baseline per capita costs (PCCs) were updated to reflect 2022 claims and enrollment.
- Medical plan election percentages were updated based on the coverage elections of recent retirees.

Sensitivity of the proportionate share of the total collective OPEB liability to changes in the discount rate

The following chart presents the System's proportionate share of the total collective OPEB liability using the current discount rate, as well as what the System's proportionate share of the total collective OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
	3.09%	4.09%	5.09%
Proportionate Share of Total Collective OPEB Liability	<u>\$269,196,934</u>	<u>\$232,325,524</u>	<u>\$202,642,739</u>

Sensitivity of the proportionate share of the total collective OPEB liability to changes in the healthcare cost trend rates

The following chart presents the System's proportionate share of the total collective OPEB liability using the current healthcare cost trend rates, as well as what the System's proportionate share of the total collective OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current rates:

	<u>1.0% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1.0% Increase</u>
Pre- 65 Rates	(6.00% decreasing to 3.5%)	(7.00% decreasing to 4.5%)	(8.00% decreasing to 5.5%)
Post-65 Rates	<u>(4.50% decreasing to 3.5%)</u>	<u>(5.50% decreasing to 4.5%)</u>	<u>(6.50% decreasing to 5.5%)</u>
Proportionate Share of Total Collective OPEB Liability	<u>\$201,488,450</u>	<u>\$232,325,524</u>	<u>\$271,351,043</u>

Participation

Active employees who do not have current medical coverage are assumed not to participate in the medical plan as retirees. The percentage of employees and their dependents who are currently covered for medical coverage that are assumed to participate in the retiree medical plan is outlined in the table below. Active participants who have been covered continuously under the OGB medical plan since before January 1, 2002, are assumed to participate at a rate of 88%. This rate assumes that a one-time irrevocable election to participate is made at the time of retirement.

<u>Years of Service</u>	<u>Participation Percentage</u>
Under 10 years	33%
10 - 14 years	60%
15 - 19 years	80%
20+ years	88%

Future retirees are assumed to participate in the life insurance benefit at a 36% rate and elect a total of \$45,000 in basic and supplemental life insurance coverage, before any age reductions. Spouses are assumed to elect \$2,000 of coverage.

The Schedule of the System's Proportionate Share of the Total Collective OPEB Liability is presented as required supplementary information following the Notes to the Financial Statements.

10. ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable and accruals at June 30, 2023:

Accrued salaries and benefits	\$22,519,150
Travel and training	238,374
Operating services	4,534,128
Professional services	1,133,313
Supplies	812,073
Grants and public assistance	6,899,082
Other charges	1,384,637
Capital outlay	1,592,764
Accrued interest	961
	<hr/>
Total	<u>\$39,114,482</u>

11. UNEARNED REVENUES

The following is a summary of unearned revenues at June 30, 2023:

Prepaid tuition and fees	\$10,958,340
Prepaid rent	7,950
Grants and contracts	2,206,174
	<hr/>
Total	<u>\$13,172,464</u>

12. COMPENSATED ABSENCES

At June 30, 2023, employees of the System have accumulated and vested annual, sick, and compensatory leave of \$10,890,241; \$12,505,972; and \$2,773, respectively. These balances were computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements.

13. LEASE AND SBITA LIABILITIES

Lease Liability – Lessee:

The System is a lessee in lease agreements for buildings/office space and equipment. The System recognizes a lease liability and an intangible right-to-use lease asset(s) in the financial statements for those contracts deemed in-scope for recognition as a lease under GASB 87 guidance. At the commencement of the lease term, the System initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the commencement of the lease term (including incentives received), plus applicable initial direct costs. Subsequently, the lease asset is amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the underlying asset, unless the lease contains a purchase option that is determined to be reasonably certain to be exercised, in which

case the lease asset is amortized over the estimated useful life of the underlying asset. The System uses its estimated incremental borrowing rate to discount the future lease payments to present value.

The lease term includes the noncancellable period of the lease plus periods covered by renewal options that are reasonably certain to be exercised. Lease payments included in the measurement of the lease liability comprise fixed and fixed-in-substance payments, payments reasonably certain of being required, and the exercise prices/penalties of purchase options/termination options that the System is reasonably certain to exercise. The System monitors contract modifications and changes in circumstances that would require a remeasurement of lease balances and will remeasure the lease asset and liability if changes occur that are expected to significantly affect the amount of the lease liability. Leased assets are reported separately from capitalized assets and lease liabilities are reported with long-term debt on the Statement of net position.

Buildings and Office Space: The System entered into multiple lease agreements as a lessee to lease classroom/lab space. The terms of the various lease agreements are 3 years. The leases have an interest rate of 0.29%. As of June 30, 2023, the aggregate value of the lease liability was \$279,797. The value of the right-to-use assets as of June 30, 2023 was \$579,289 and had accumulated amortization of \$286,323 (See Note 6: Capital Assets).

Equipment: The System entered into multiple lease agreements as a lessee to lease copier equipment. The terms of the various lease agreements range from 5 to 6 years. The leases have an interest rate of 1.0%. As of June 30, 2023, the aggregate value of the lease liability was \$202,837. The value of the right-to-use asset as of June 30, 2023, was \$266,223 and had accumulated amortization of \$62,848 (See Note 6: Capital Assets).

The future principal and interest payments as of June 30, 2023, were as follows:

	Principal	Interest	Total
2024	\$229,296	\$2,085	\$231,381
2025	136,731	1,427	138,158
2026	43,766	955	44,721
2027	43,456	517	43,973
2028	29,385	110	29,495
Total	\$482,634	\$5,094	\$487,728

Subscription-Based Information Technology Arrangements (SBITA)

The System entered contracts/agreements that convey control of the right-to-use another party's IT software. The System recognizes an intangible subscription asset and corresponding subscription liability in the financial statements for those contracts/agreements deemed in-scope for recognition as a SBITA under GASB

Statement No. 96 guidance. At the commencement of the subscription term, the college initially measures the SBITA liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the subscription payments made.

The subscription asset is initially measured as the sum of (1) the initial subscription liability, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the subscription asset is amortized using the straight-line method over the shorter of the subscription term or the estimated useful life of the underlying asset. The System uses its estimated incremental borrowing rate to discount the future subscription payments to present value.

The subscription term includes the noncancellable period of the subscription plus periods covered by an option to extend, if it is reasonably certain that the college or SBITA vendor will exercise that option, or to terminate, if it is reasonably certain that the college or SBITA vendor will not exercise that option. Subscription assets are reported with capital assets and subscription liabilities are reported with long-term debt on the Statement of net position.

The System entered into various subscription agreements for administrative, student services, travel management, eLearning, employee onboarding, career services, curriculum scheduling, curriculum management, faculty workload, auto-proctoring and training software. The terms of the various agreements/contracts range from 18 months to 5 years. The interest rates for these agreements ranged from 0% to 0.29%. An initial subscription asset and liability was recorded as of June 30, 2022, for the aggregate amount of \$3,995,505. As of June 30, 2023, the aggregate value of the subscription liability was \$4,180,534. The value of the right-to-use subscription asset as of June 30, 2023 was \$7,307,198 and had accumulated amortization of \$2,220,183 (See Note 6: Capital Assets).

The future principal and interest payments as of June 30, 2023, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$2,131,528	\$16,106	\$2,147,634
2025	1,576,662	4,944	1,581,606
2026	285,157		285,157
2027	187,187		187,187
Total	<u>\$4,180,534</u>	<u>\$21,050</u>	<u>\$4,201,584</u>

14. LONG-TERM LIABILITIES

The following is a summary of bonds and other long-term debt transactions of the System for the year ended June 30, 2023:

	Balance June 30, 2022	Prior Period Adjustments	Restated Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Portion Due Within One Year
Bonds payable, net	\$435,127,369		\$435,127,369		(\$30,238,265)	\$404,889,104	\$26,475,000
Compensated absences payable (note 12)	23,039,867		23,039,867	\$7,254,291	(6,895,172)	23,398,986	1,810,151
Lease liability (note 13)	612,190		612,190	109,122	(238,678)	482,634	229,296
SBITA liability (note 13)		\$3,995,505	3,995,505	3,171,047	(2,986,018)	4,180,534	2,095,936
Notes payables - direct borrowings	1,792,500		1,792,500		(210,000)	1,582,500	217,500
Total long-term liabilities **	<u>\$460,571,926</u>	<u>\$3,995,505</u>	<u>\$464,567,431</u>	<u>\$10,534,460</u>	<u>(\$40,568,133)</u>	<u>\$434,533,758</u>	<u>\$30,827,883</u>

**Changes in long-term liabilities for Pensions and Other Postemployment benefits can be found in notes 7 and 9.

Details of all debt outstanding at June 30, 2023, follow:

Bonds Payable

As presented on the Statement of Net Position, at June 30, 2023, bonds payable total \$404,889,104, of which \$26,475,000 is current, and the remaining \$378,414,104 is noncurrent.

Detailed summaries, by issues, of all bonded debt outstanding at June 30, 2023, follow:

	Date of Issue	Original Issue	Outstanding June 30, 2022	Issued (Redeemed)	Outstanding June 30, 2023	Maturities	Interest Rates	Future Interest Payments June 30, 2023
BRCC Facilities Corporation:								
Series 2011 Revenue Refunding Bonds	Oct. 11, 2011	\$31,495,000	\$5,490,000	(\$2,695,000)	\$2,795,000	2024	2.0% - 4.098%	\$48,912
Series 2020 Taxable Revenue Refunding Bonds	Feb. 19, 2020	38,175,000	37,505,000	(655,000)	36,850,000	2024-2033	1.609% - 2.652%	4,982,156
Campus Facilities, Inc.:								
Series 2012 Revenue Refunding Bonds	Dec. 4, 2012	38,050,000	21,925,000	(3,250,000)	18,675,000	2024-2028	3.0% - 5.0%	2,050,250
South Louisiana Facilities Corporation:								
Series 2012 Revenue Refunding Bonds	Sept. 6, 2012	13,185,000	6,560,000	(1,015,000)	5,545,000	2024-2028	2.0%-4.0%	448,278
Delta Campus Facilities Corporation, Inc.:								
Series 2017 Revenue Refunding Bonds	Oct. 24, 2017	22,750,000	14,890,000	(2,215,000)	12,675,000	2024-2028	3.641% - 5.0%	1,931,500
LCTCS Facilities Corporation:								
Series 2017 Revenue Refunding Bonds	Oct. 24, 2017	88,590,000	79,360,000	(9,705,000)	69,655,000	2024-2029	5.00%	12,701,500
Series 2017 Revenue Bonds	Oct. 25, 2017	20,770,000	16,760,000	(2,145,000)	14,615,000	2024-2029	5.00%	2,569,250
Series 2018 Revenue Bonds	Dec. 19, 2018	66,830,000	66,830,000		66,830,000	2029-2040	5.00%	31,668,000
Series 2019 Revenue Bonds	Dec. 18, 2019	16,630,000	13,840,000	(1,805,000)	12,035,000	2024-2029	5.00%	2,040,750
Series 2021 Taxable Revenue Refunding Bonds	Sept. 1, 2021	150,770,000	150,770,000	(1,780,000)	148,990,000	2024-2040	0.426%-2.745%	45,389,615
Total		<u>\$487,245,000</u>	<u>413,930,000</u>	<u>(25,265,000)</u>	<u>388,665,000</u>			<u>\$103,830,211</u>
Net original premiums (discounts)			43,500,018		43,500,018			
Net accumulated amortization of premiums/discounts			(22,302,649)	(4,973,265)	(27,275,914)			
Bonds payable, net			<u>\$435,127,369</u>	<u>(\$30,238,265)</u>	<u>\$404,889,104</u>			

The annual requirements to amortize all bonds outstanding at June 30, 2023, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$26,475,000	\$13,979,051	\$40,454,051
2025	27,625,000	12,869,754	40,494,754
2026	28,810,000	11,691,661	40,501,661
2027	30,020,000	10,489,699	40,509,699
2028	31,285,000	9,262,333	40,547,333
2029-2033	111,585,000	29,578,117	141,163,117
2034-2038	92,140,000	14,082,196	106,222,196
2039-2043	40,725,000	1,877,400	42,602,400
Total	<u>\$388,665,000</u>	<u>\$103,830,211</u>	<u>\$492,495,211</u>

Outstanding principal of \$388,665,000 plus net unamortized premium/discount of \$16,224,104 totals \$404,889,104.

The terms specified in Article VIII, Section 8.2 of the Trust Indentures for the bonds described at Note 23 identify events of default. Upon the occurrence of an Event of Default, the Authority, the Trustee, and, the Bondholders shall have all the rights and remedies as may be allowed by law, the Indenture, or pursuant to the provisions of the Loan Agreement and/or the Facilities Lease by virtue of their assignment, including but not limited to, acceleration of the maturity of all the Bonds, or suit at law or in equity to enforce or enjoin the action or inaction of parties under the provisions.

Notes Payable – Direct Borrowings

The terms specified in the agreement to lease between the Delgado Community College Foundation (Foundation) and the Board of Supervisors of the Louisiana Community and Technical College System (Board) identify events of default. In an Event of Default, the Board acknowledges that the Facilities Lease may terminate and the Board shall immediately vacate the Facilities and deliver the Facilities to the Foundation.

The annual principal and interest requirements for notes payable outstanding at June 30, 2023, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$217,500	\$67,991	\$285,491
2025	225,000	59,395	284,395
2026	235,000	50,058	285,058
2027	245,000	40,305	285,305
2028	257,500	29,700	287,200
2029-2030	<u>402,500</u>	<u>24,188</u>	<u>426,688</u>
Total	<u>\$1,582,500</u>	<u>\$271,637</u>	<u>\$1,854,137</u>

Accrued Compensated Absences Payable

Accrued compensated absences payable at June 30, 2023, for \$23,398,986 is detailed in note 12.

15. RESTRICTED NET POSITION

The System has the following restricted net position at June 30, 2023:

Nonexpendable:	
Endowments	\$11,994,164
Phoebe Jackson Trust	<u>290,736</u>
	<u>\$12,284,900</u>
Expendable:	
Academic excellence fee	\$36,713,692
Act 397 -2023 regular session	675,000
Act 170 - 2022 regular session	1,864,684
Act 119 - 2021 regular session	32,259
Albania Plantation	289,446
Building use fee	13,487,219
Endowment earnings	3,151,442
Facilities Corporations net position	70,043,468
Governor's Emergency Education Relief Fund	1,469,331
Grants and contracts	21,376,146
Higher Education Initiatives Fund	8,220,969
Maintenance Reserve	557,590
Operational fee	1,812,482
Orleans Parish Excellence	733,360
Other restricted funds	2,831,493
Preventative maintenance	33,166
Settlement carryover fund	1,300,055
Student Government Association fees	4,693,753
Student Life Center	3,770,995
Technology fee	9,372,274
Vehicle registration fee	<u>9,538,282</u>
	<u>\$191,967,106</u>

Of the total net position reported in the Statement of Net Position for the year ended June 30, 2023, \$82,974,111 is restricted by enabling legislation (which also includes a legally-enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation).

16. RESTATEMENT OF BEGINNING NET POSITION

The beginning net position as reflected on Statement B has been restated to reflect the following adjustments:

Net position at June 30, 2022	\$33,456,734
Reclassifications and adjustments for prior-year errors:	
Cash adjustment	1,114,213
Receivables adjustment	(89,900)
Due from federal government adjustment	(362,624)
Prepaid expenses and advances adjustment	617,460
Capital assets adjustment	7,084,182
Accounts payable and accrued liabilities adjustment	(1,045,195)
Unearned revenues adjustment	60,223
Amounts held in custody for others adjustment	439,804
Current SBITA liability adjustment	(1,475,186)
Noncurrent SBITA liability Adjustment	(2,520,319)
Current liabilities adjustment	<u>(444,547)</u>
Net position at June 30, 2022, as restated	<u>\$36,834,845</u>

The restatements increased the System's beginning net position by \$3,378,111. The restatements were due to corrections of errors. Had the error corrections affecting fiscal year 2022 been included in the June 30, 2022, Statement of Revenues, Expenses, and Changes in Net Position, the previously reported change in net position of \$98,653,954 would have been \$99,702,849.

17. CONTINGENT LIABILITIES AND RISK MANAGEMENT

Losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management (ORM), the agency responsible for the state's risk management program, or by appropriation from the State's General Fund. The System is involved in one lawsuit at June 30, 2023, which is being handled by contract attorneys. In the opinion of legal counsel, the possibility that the System will incur a liability in one case is probable, with a possible loss estimated at \$4,322. All other lawsuits are handled by either the ORM or the Attorney General's office.

Also, the amount of settlements paid in the past three years did not exceed insurance coverage. For the claims and litigations not being handled by the ORM, the System's individual colleges pay for settlements out of available funds, or the individual colleges can request supplemental appropriations from the state's General Fund.

18. FOUNDATIONS

The accompanying financial statements do not include the accounts of the following foundations:

- Baton Rouge Community College Foundation, Inc.
- Bossier Parish Community College Foundation, Inc.

- CLTCC Foundation
- Delgado Community College Foundation, Inc.
- Elaine P. Nunez Community College Foundation
- LCTCS Foundation
- Fletcher Technical Community College Foundation, Inc.
- Louisiana Delta Community College Foundation
- Louisiana Technical College Tallulah Foundation
- Northshore College Enhancement Foundation
- River Parishes Community College Foundation, Inc.
- South Louisiana Community College Foundation
- SOWELA Technical Community College Foundation, Inc.

These foundations are separate corporations whose financial statements are subject to audit by independent certified public accountants.

Certain colleges of the System have contracted with their respective foundations to invest the colleges' Endowed Professorship and Endowed Scholarship Program endowment funds in accordance with the Board of Regents for Higher Education's investment policies. The Endowed Professorship Program endowment funds are established for \$100,000 each, with \$60,000 of private contributions and \$40,000 of state matching portion allocated by the Board of Regents for Higher Education. Once a college has received state match for 15 Endowed Professorship slots, that college will be eligible only for the 80% non-state/20% state ratio. The Endowed Scholarship Program endowment funds are established for \$20,000 each, with \$10,000 of private contributions and \$10,000 of state matching portion allocated by the Board of Regents for Higher Education. Also, other Endowed Scholarship Program endowment funds are established for \$40,000 each, with \$20,000 of private contributions and \$20,000 of state matching portion allocated by the Board of Regents for Higher Education. Higher levels are permitted subject to the same ratios and matching levels. At June 30, 2023, the foundations hold in custody \$8,731,311 of State Endowed Professorship and Scholarship Program funds. Amounts invested by private foundations for the System are included as investments held by private foundations in external investment pools in Note 3.

19. DONOR-RESTRICTED ENDOWMENTS

If a donor has not provided specific instructions, state law permits the System Board of Supervisors to authorize expenditure of the net appreciation (realized and unrealized) of the investments of endowment funds. Any net appreciation that is

spent is required to be spent for the purposes for which the endowment was established.

At June 30, 2023, net appreciation of \$3,099,440 is available to be spent, of which \$2,968,600 is restricted to specific purposes (net appreciation increased \$647,244 during the fiscal year). The System limits endowment spending to the income earned in a given year for purposes specified by donors. The donated portion of the endowments is reported in "restricted net position - nonexpendable" in the Statement of Net Position; the endowment income is reported in "restricted net position - expendable."

20. DEFERRED COMPENSATION PLAN

Certain employees of the System participate in the Louisiana Public Employees' Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available on the Louisiana Legislative Auditor's website at www.lla.la.gov.

21. BLENDED COMPONENT UNITS

BRCC Facilities Corporation is a nonprofit corporation formed in February 2002 to provide funds and oversee construction of the campus for Baton Rouge Community College (BRCC).

Campus Facilities, Inc., is a nonprofit organization formed in May 2001 to provide funds for and oversee construction of the campus for Bossier Parish Community College (BPCC).

Delta Campus Facilities Corporation is a nonprofit corporation formed in March 2005 to provide funds and oversee construction of the campus for Louisiana Delta Community College (LDCC).

LCTCS Facilities Corporation is a nonprofit corporation formed in August 2007 and began operations October 1, 2009, to provide funds and oversee the purchase, acquisition, construction, design, development, renovation, and equipping of land and facilities for the benefit of 12 community and technical college campuses and a statewide computer information system for the System.

The South Louisiana Facilities Corporation is a nonprofit corporation formed in December 2001 to provide funds and oversee construction for the South Louisiana Community College (SLCC) campus.

Condensed financial information for these blended component units follows:

Facilities Corporations
Condensed Statement of Net Position
For the Year Ended June 30, 2023

	BRCC Facilities Corporation	Campus Facilities Inc.*	Delta Campus Facilities Corporation*	LCTCS Facilities Corporation*	South Louisiana Facilities Corporation
Assets:					
Capital Assets	\$43,172,178	\$33,104,492	\$22,011,321	\$339,000,992	\$8,286,478
Other Assets	3,223,473	2,136,593	2,944,900	75,428,831	2,392,636
Total Assets	<u>46,395,651</u>	<u>35,241,085</u>	<u>24,956,221</u>	<u>414,429,823</u>	<u>10,679,114</u>
Liabilities:					
Current Liabilities	3,643,331	3,485,108	2,456,625	20,742,924	1,083,031
Long-Term Liabilities	36,192,755	16,660,733	11,945,508	309,074,825	4,540,283
Total Liabilities	<u>39,836,086</u>	<u>20,145,841</u>	<u>14,402,133</u>	<u>329,817,749</u>	<u>5,623,314</u>
Net Position:					
Net Investment in Capital Assets	3,919,462	13,023,759	7,974,262	24,172,711	2,743,109
Restricted Net Position - Expendable	2,640,103	2,071,485	2,579,826	60,439,363	2,312,691
Total Net Position	<u>\$6,559,565</u>	<u>\$15,095,244</u>	<u>\$10,554,088</u>	<u>\$84,612,074</u>	<u>\$5,055,800</u>

Facilities Corporations
Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2023

Depreciation Expense	\$2,330,237	\$1,495,874	\$1,064,844	\$10,588,537	\$414,438
Net Operating Loss	<u>(2,330,237)</u>	<u>(1,495,874)</u>	<u>(1,064,844)</u>	<u>(10,588,537)</u>	<u>(414,438)</u>
Nonoperating Revenues (Expenses):					
Investment Income	95,736	23,949	28,315	463,836	68,751
Interest Expense	(955,879)	(601,096)	(339,895)	(7,801,021)	(164,429)
Other (net)	(241,587)	(121,122)	(163,406)	(1,330,296)	(29,546)
Capital Appropriations	5,085,243	4,455,387	3,147,950	28,338,881	1,363,758
Capital Grants and Gifts	NONE	NONE	NONE	8,045,352	NONE
Changes in Net Position	<u>1,653,276</u>	<u>2,261,244</u>	<u>1,608,120</u>	<u>17,128,215</u>	<u>824,096</u>
Net Position, Beginning of the Year	4,906,289	12,834,000	8,945,968	67,483,859	4,231,704
Net Position, End of the Year	<u>\$6,559,565</u>	<u>\$15,095,244</u>	<u>\$10,554,088</u>	<u>\$84,612,074</u>	<u>\$5,055,800</u>

Facilities Corporations
Condensed Statement of Cash Flows
For the Year Ended June 30, 2023

Net cash flows provided (used) by:					
Noncapital Financing	(\$125,893)	(\$101,492)	(\$109,098)	(\$371,541)	NONE
Capital and Related Financing	422,820	284,736	229,500	(28,491,945)	\$148,018
Investing Activities	95,736	23,949	28,315	34,080,359	68,751
Net Increase (Decrease) in Cash	<u>392,663</u>	<u>207,193</u>	<u>148,717</u>	<u>5,216,873</u>	<u>216,769</u>
Cash, Beginning of the Year	2,398,583	1,929,400	2,583,499	38,202,776	2,138,953
Cash, End of the Year	<u>\$2,791,246</u>	<u>\$2,136,593</u>	<u>\$2,732,216</u>	<u>\$43,419,649</u>	<u>\$2,355,722</u>

*For the year ended December 31, 2022

22. RELATED-PARTY TRANSACTIONS

During 2022, the Chairman of the LCTCS Facilities Corporation was also a member of the Board of Supervisors of the Louisiana Community and Technical College System (the Board).

One law firm is serving as both the counsel to the Board and the LCTCS Facilities Corporation. In the event of a dispute between the Board and LCTCS Facilities Corporation, this law firm may face a conflict of interest and may need to resign from representing the Board and/or the LCTCS Facilities Corporation.

The Financial Advisor serving the LCTCS Facilities Corporation in connection with the issuance of the bonds, and the Program Administrator serving in connection with the implementation of the project, including matters relating to the investment and expenditure of the bond proceeds, are related and affiliated companies under common control and ownership.

Delgado Community College entered into an agreement with the Delgado Community College Foundation to finance the building of the City Park Campus Student Life Center. The terms of the agreement include a notes payable for 30 years, with interest payments that began April 1, 2000. Interest and principal payments are made semiannually, commencing October 1, 2000. The system reports this transaction as an asset and an obligation in the accompanying financial statements. The obligation (notes payable – direct borrowings) is included in Note 14.

The notes payable was refinanced on September 28, 2011 for the purpose of reducing interest rates. Refinanced interest rates range from 2.0% to 4.5%.

23. ALTERNATIVE FINANCING AGREEMENTS

Baton Rouge Community College (BRCC)

On May 16, 2002, the Louisiana State Bond Commission approved issuing up to \$65,000,000 in bonds for constructing and furnishing new campus buildings and for renovating existing buildings on property adjacent to the BRCC campus. In December 2002, the Louisiana Government Environmental Facilities and Community Development Authority issued \$55,000,000 in revenue bonds on behalf of the BRCC Facilities Corporation, a nonprofit organization. In December 2003, the Louisiana Local Government Environmental Facilities and Community Development Authority issued an additional \$10,000,000 in revenue bonds on behalf of the BRCC Facilities Corporation. In October 2011, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$31,495,000 in revenue refunding bonds on behalf of the BRCC Facilities Corporation. In April 2012, the Louisiana Local Government Environmental Facilities and Community Development Authority issued an additional \$24,125,000 in revenue refunding bonds on behalf of the BRCC Facilities Corporation. In February 2020, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$38,175,000 in taxable revenue refunding bonds on behalf of the BRCC Facilities Corporation for

the purpose of refunding certain maturities of the Series 2011 bonds and the Series 2012 bonds previously issued. Pursuant to the terms of a Ground Lease agreement, effective December 1, 2002, the corporation has leased the land from the Board of Supervisors (Board) of the System. The lease term expires on December 1, 2032. In accordance with the provisions of the facilities lease, the corporation, on behalf of the Board, is developing and constructing new facilities that are being leased back to the Board for use by the students, faculty, and staff of the community college. During the latter part of the fiscal year ended June 30, 2007, construction of a health/wellness center was started and was completed in the early part of fiscal year ended June 30, 2009.

Future monies appropriated to the System will be used to fund the annual lease payments.

Bossier Parish Community College (BPCC)

On December 13, 2001, the Louisiana State Bond Commission approved issuing up to \$45,000,000 in bonds for constructing a new BPCC campus. On April 18, 2002, the Louisiana Government Facilities and Community Development Authority issued \$45,000,000 in revenue bonds on behalf of Campus Facilities, Inc., a nonprofit organization. In June 2003, an amount of \$10,000,000 in Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds was issued to provide additional funds to complete construction. In December 2012, the Louisiana Local Government Environmental Facilities and Community Development Authority issued an additional \$38,050,000 in revenue refunding bonds on behalf of the Campus Facilities, Inc. for the purpose of refunding outstanding Series 2002 bonds previously issued. Pursuant to terms of a Ground Lease agreement, effective April 1, 2002, the corporation has leased the land from the Board of Supervisors of the System. The lease term expires on January 1, 2028. In accordance with the provisions of the facilities lease, the corporation, on behalf of the Board, has developed and constructed new facilities that are being leased back to the Board for use by the students, faculty, and staff of the community college.

Future monies appropriated to the System will be used to fund the annual lease payments.

South Louisiana Community College (SLCC)

On May 16, 2002, the Louisiana State Bond Commission approved issuing up to \$20,000,000 in bonds for constructing a new SLCC campus. On October 29, 2002, the Lafayette Public Trust Financing Authority issued \$17,840,000 in revenue bonds on behalf of the South Louisiana Facilities, Inc., a nonprofit organization. In September 2012, the Lafayette Public Trust Financing Authority issued an additional \$13,185,000 in revenue refunding bonds on behalf of the South Louisiana Facilities Corporation for the purpose of refunding outstanding Series 2002 bonds previously issued. Pursuant to terms of a Ground Lease agreement effective October 29, 2002, the corporation has leased the land from the Board of Supervisors of the System. The lease term expires on October 1, 2028. In accordance with the provisions of the

facilities lease, the corporation, on behalf of the Board, has developed and constructed new facilities that are being leased back to the Board for use by the students, faculty, and staff of the community college.

Future monies appropriated to the System will be used to fund the annual lease payments.

Louisiana Delta Community College (LDCC)

On January 22, 2008, the Louisiana State Bond Commission approved issuing up to \$45,000,000 in bonds for constructing a new LDCC campus. In November 2008, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$42,470,000 in revenue bonds on behalf of the Delta Campus Facilities Corporation, Inc., a nonprofit organization. On October 24, 2017, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$22,750,000 in revenue refunding bonds on behalf of the Delta Campus Facilities Corporation, Inc., a nonprofit organization, for the purpose of refunding outstanding Series 2008 bonds previously issued. Pursuant to terms of a Ground Lease agreement effective October 29, 2002, the corporation has leased the land from the Board of Supervisors of the System. The lease term expires on October 1, 2028. In accordance with the provisions of the facilities lease, the corporation, on behalf of the Board, will develop and construct new facilities which will be leased back to the Board for use by the students, faculty, and staff of the community college. On April 9, 2009, LDCC broke ground for construction of its new campus, which was completed in June 2010.

Future monies appropriated to the System will be used to fund the annual lease payments.

LCTCS Facilities Corporation

Act 391

During the 2007 Regular Session, the Louisiana Legislature authorized financing of \$173,700,000 for 23 capital outlay projects at 14 System locations through Act 391 (R.S. 17:3394.3). The 23 projects will be completed in three phases.

Phase 1: On October 1, 2009, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$64,570,000 in revenue bonds on behalf of the LCTCS Facilities Corporation, a nonprofit organization, for the following projects: Northwest Campus of Northwest Louisiana Technical Community College in Minden, Huey P. Long Campus of Central Louisiana Technical Community College in Winnfield, Young Memorial Campus of South Louisiana Community College in Morgan City, Shelby M. Jackson Campus of Central Louisiana Technical Community College in Ferriday, Gulf Area Campus of South Louisiana Community College in Abbeville, Elaine P. Nunez Community College in Chalmette, Statewide Information System Infrastructure and Equipment for Campuses, L.E. Fletcher Technical Community College in Houma, and Florida Parishes Campus of Northshore Technical

Community College in Greensburg. Pursuant to terms of a Ground Lease agreement effective October 1, 2009, the corporation has leased the land from the Board of Supervisors of the System. The lease term expires on October 1, 2038. In accordance with the provisions of the facilities lease, the corporation, on behalf of the Board, will develop and construct new facilities which will be leased back to the Board for use by the students, faculty, and staff of the colleges.

Phase 2: On August 31, 2010, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$64,025,000 in revenue bonds on behalf of the LCTCS Facilities Corporation, a nonprofit organization, for the following projects: Evangeline Campus of South Louisiana Community College in St. Martinville, Huey P. Long Campus of Central Louisiana Technical Community College in Winnfield, Northwest Campus of Northwest Louisiana Technical Community College in Minden, Young Memorial Campus of South Louisiana Community College in Morgan City, Florida Parishes Campus of Northshore Technical Community College in Greensburg, Westside Campus of River Parishes Community College in Plaquemine, Gulf Area Campus of South Louisiana Community College in Abbeville, Shelby M. Jackson Campus of Central Louisiana Technical Community College in Ferriday, L.E. Fletcher Technical Community College in Houma, Elaine P. Nunez Community College in Chalmette, SOWELA Technical Community College in Lake Charles, River Parishes Community College in Sorrento, Delgado Community College - New Orleans Campus in New Orleans, and Delgado Community College - Sidney N. Collier Campus in New Orleans.

Phase 3: On October 27, 2011, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$42,646,377 in revenue bonds, for a total debt service of \$51,980,000, on behalf of the LCTCS Facilities Corporation, a nonprofit organization, for the following projects: Evangeline Campus of South Louisiana Community College in St. Martinville, Elaine P. Nunez Community College in Chalmette, Delgado Community College - New Orleans Campus in New Orleans, Delgado Community College - Sidney N. Collier Campus in New Orleans, and Statewide Information System Infrastructure and Equipment for Campuses. On October 24, 2017, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$88,590,000 in revenue refunding bonds on behalf of the LCTCS Facilities Corporation, a nonprofit organization, for the purpose of refunding outstanding Series 2009B and Series 2010 bonds previously issued for Act 391.

Future monies appropriated to the System will be used to fund the annual lease payments.

Act 360

During the 2013 Regular Session, the Louisiana Legislature authorized financing of \$251,610,500 with a 12% private match for 29 capital outlay projects at 13 System locations through Act 360 (R.S. 17:3394.3). The 29 projects will be completed in multiple phases.

Phase 1: On December 18, 2014, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$128,330,000 in revenue bonds on behalf of the LCTCS Facilities Corporation, a nonprofit organization, for the following projects: New Workforce Training Center of Baton Rouge Community College in Baton Rouge; Smiley Heights Technology Center of Baton Rouge Community College in Baton Rouge; Science, Technology, Engineering, and Math (STEM) Building of Bossier Parish Community College in Bossier City; Workforce Industrial Training Campus of Central Louisiana Technical Community College in Alexandria; Training Center for Transportation, Maritime, Engineering of Delgado Community College in New Orleans; Advanced Manufacturing Center of Excellence of Delgado Community College in New Orleans; Technology and Career Program Training Center of Louisiana Delta Community College in Winnsboro; Welding, Vehicle Operation, and Industrial Training Center of Louisiana Delta Community College in Jonesboro; Training Center for Industrial Technologies of Northshore Technical Community College in Lacombe; Workforce Development Center of Northwest Louisiana Technical Community College in Minden; Center for Advanced Technology of River Parishes Community College in Gonzales; New PTech Building of River Parishes Community College in Reserve; Center for Advancement of Technical Education Building of River Parishes Community College in Reserve; Marine Operations and Industrial Safety Training Center of South Louisiana Community College in Morgan City; Allied Health and Science Training Program Building of South Louisiana Community College in Lafayette; and One Stop Shop for Student Programs and Services of SOWELA Technical Community College in Lake Charles. Pursuant to terms of a Ground Lease agreement effective December 1, 2014, the corporation has leased the land from the Board of Supervisors of the System. The lease term expires on December 1, 2039. In accordance with the provisions of the facilities lease, the corporation, on behalf of the Board, will develop and construct new facilities which will be leased back to the Board for use by the students, faculty, and staff of the colleges.

On September 1, 2021, Louisiana Local Government Environmental Facilities and Community Development Authority, on behalf of the LCTCS Facilities Corporation issued \$150,770,000 million in Series 2021 Taxable Revenue Refunding Bonds, to advance refund \$128,330,000 million of LCTCS Facilities Corporation Series 2014 Revenue Bonds to reduce total future debt service payments and related cost of issuance of the Series 2021 Bonds.

Phase 2: On October 25, 2017, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$20,770,000 in revenue bonds on behalf of the LCTCS Facilities Corporation, a nonprofit organization, for Act 360 Phase 2 for the following projects: North Baton Rouge Campus of the Baton Rouge Community College in Baton Rouge; Bossier City Campus of Bossier Parish Community College in Bossier City; Advanced Workforce Training Campus of Louisiana Delta Community College in Tallulah; Advanced Technology Center of Louisiana Delta Community College in Monroe; and the Workforce Training Center of Northshore Technical Community College in Walker.

Phase 3: On December 19, 2018, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$66,830,000 in revenue bonds on behalf of the LCTCS Facilities Corporation, a nonprofit organization, for Act 360 Phase 3 for the following projects: Delgado Charity School of Nursing and Allied Health Campus of Delgado Community College in New Orleans; Delgado Culinary Institute of Delgado Community College in New Orleans; Delgado Advanced Technology Building and Campus Expansion of Delgado Community College in New Orleans; Louisiana Delta Community College Nursing, Welding, Workforce Training Campus of Louisiana Delta Community College in Ruston; and SOWELA Technical Community College Hospitality & Tourism of SOWELA Technical Community College in Lake Charles.

Phase 4: On December 18, 2019, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$16,630,000 in revenue bonds on behalf of the LCTCS Facilities Corporation, a nonprofit organization, for Act 360 Phase 4 for the following projects: City Park Campus of Delgado Community College in New Orleans; Schriever Campus of L.E. Fletcher Technical Community College in Schriever; and Chalmette Campus of Elaine P. Nunez Community College in Chalmette.

Additional Phases: Additional phases have not been scheduled.

Future monies appropriated to the System will be used to fund the annual lease payments.

Appropriation Dependency

The Facilities Corporations are dependent upon the State Legislature appropriating funds to the System Board sufficient to make payments of base rental to the Facilities Corporations. The State, the System Board, and the Facilities Corporations entered into Cooperative Endeavor Agreements pursuant to which the Commissioner of Administration agreed to include in the Executive Budget and request that the State Legislature provide funding for the payment of Base Rental pursuant to the facilities lease without further obligations. A failure by the Legislature to appropriate sufficient funds to satisfy the obligations of the System Board under the facilities lease shall permit the System Board to terminate the facilities lease without any further obligations. Absent an appropriation by the Legislature sufficient to allow the System Board to make payments of base rental under the facilities leases, the Facilities Corporations will not be able to make payments under the Loan Agreement. The System Board is under no obligation to use any other of its funds to make payments of base rental.

24. COMMITMENTS

The LCTCS Facilities Corporation entered into contracts with a consulting firm to create and institute the program of construction projects established by Act 391, Act 360, and the CDBG CEA and provide administrative duties over the life of each program. The original contract for Act 391 was extended through May 2017 for a

monthly fee of \$28,463. The contract was amended during 2017 with monthly fees ranging from \$3,333 to \$10,000 from July 2017 through project completion. The original contract for Act 360 expired in May 2017 with monthly fees of \$64,332 payable on the first day of each month. The contract was amended during 2017 with monthly fees ranging from \$3,333 to \$30,000 from July 2017 through project completion.

The LCTCS Facilities Corporation has entered into a contract with an engineering firm to serve as the program manager for the construction projects established by Act 391 and Act 360 at the various campuses. The original Act 391 management contract expired on October 1, 2014, and was extended through December 31, 2016, for a fixed fee of \$450,750. The original contract associated with Act 360 was a fixed fee of \$11,436,840 paid in 60 equal installments beginning November 2014. The Act 360 contract was amended in 2017 with monthly fees ranging from \$45,714 to \$115,863 beginning in March 2017 through November 2019. The Act 360 contract was amended again in 2018 with monthly fees ranging from \$45,714 to \$254,684 beginning March 2018 through May 2021, and then again amended in 2022 to extend through May 2024 for additional monthly fees of \$15,678 related to additional bond funding.

From time to time, the LCTCS Facilities Corporation is involved in claims or legal proceedings arising in the ordinary course of operations. In the opinion of management, the outcome of such actions will have no material impact on the LCTCS Facilities Corporations' financial position of results of operations.

The LCTCS Facilities Corporation has active construction projects at various campuses as of December 31, 2022. The LCTCS Facilities Corporation's commitments to contractors are as follows:

<u>Project</u>	<u>Incurred-to-Date</u>	<u>Remaining Commitment</u>
ACT 360		
Louisiana Delta Community College - Ruston Nursing, Welding & Workforce Training Campus	\$5,436,402	\$2,494,909
Elaine P. Nunez Community College - Student Center	626,876	8,368,792
Delgado Community College - West Bank	1,973	25
Delgado Community College - Nursing & Allied Health	128,581	96,073
L.E. Fletcher Technical Community College Program Administration	104,130 15,678	8,472,871 266,525
	<u>\$6,313,640</u>	<u>\$19,699,195</u>

25. MAINTENANCE RESERVE REQUIREMENTS

In connection with the lease of facilities and equipment to the System under a facilities lease agreement, the terms of the cooperative endeavors call for a

maintenance reserve fund to be established and payments to be made annually. The "Maintenance Reserve Fund Requirement" requires an amount reserved annually equal to a certain percentage of the hard cost (not including professional services and fees) that are payable from the proceeds of the bonds. The maintenance reserve requirements for the Facilities Corporations are as follows:

	Maintenance Reserve Requirement per Bond Covenant	Annual Required Payment per Facilities Lease Agreement	Maintenance Reserve Balance
BRCC Facilities Corporation	1.50%	\$750,000	\$2,053,932
Campus Facilities, Inc.	0.60%	280,000	2,033,475
Delta Campus Facilities Corporation	0.60%	225,000	2,324,630
LCTCS Facilities Corporation	0.60%	2,003,343	13,211,088
South Louisiana Facilities Corporation	1.50%	141,414	2,261,000
Total		<u>\$3,399,757</u>	<u>\$21,884,125</u>

26. DEFEASEMENT OF DEBT

On September 1, 2021, Louisiana Local Government Environmental Facilities and Community Development Authority, on behalf of the LCTCS Facilities Corporation, issued \$150,770,000 of taxable revenue refunding bonds, LCTCS Taxable Revenue Refunding Series 2021, to advance refund \$128,330,000 of LCTCS Series 2014 revenue bonds to reduce total future debt service payments. The net bond proceeds were deposited in an irrevocable trust with an escrow agent pursuant to an escrow deposit agreement dated September 1, 2021, to provide resources for the purpose of generating resources for all future debt service payments of the refunded revenue bonds. As a result, these revenue bonds are considered defeased and the liability for those bonds had been removed from LCTCS Facilities Corporation's long-term debt.

Of the debt considered defeased in substance, \$128,330,000 is outstanding as of June 30, 2023.

27. INSURANCE RECOVERIES

The total amount of insurance recoveries received during fiscal year 2023 included \$3,936,532 for Hurricane damage. This amount was recorded as other nonoperating revenue on the Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2023.

28. SUBSEQUENT EVENTS

In August 2020, Hurricane Laura caused extensive damage to SOWELA Technical Community College campus in Lake Charles. Part of that damage was to a Boeing 727 aircraft, owned by SOWELA Technical Community College, which is used in the

aviation program. The damage was so severe that the cost to repair the aircraft is not fiscally feasible (approximately \$230,000). In 2022, SOWELA Technical Community College staff began to have conversations with the U.S. Air Force about the possibility of acquiring one of their JStar (Joint Surveillance Target Attack Radar System) aircraft from the fleet of JStars they were retiring in 2022. As a result of these conversations, the U.S. Air Force agreed to donate one of their JStar aircraft to SOWELA Technical Community College to replace the damaged Boeing 727. The JStar aircraft was received at SOWELA Technical Community College on September 19, 2023. The SOWELA Technical Community College proposed to have the JStar repainted like the current Boeing 727, in the traditional college colors and logo. The JStar aircraft will be used by SOWELA Technical Community College's aviation program for multiple training purposes. The JStar aircraft is valued at more than \$35 million; however, the U.S. Air Force will transfer the JStar aircraft at no cost to the SOWELA Technical Community College.

In addition to the Boeing 727 aircraft, the Calcasieu building of the SOWELA Technical Community College also sustained significant damage from Hurricane Laura. Upon extensive physical inspections, it has been determined that anticipated costs to make repairs to the structure are unfeasible. On July 11, 2023, the Louisiana Office of Facility Planning and Control (FP&C) approved demolition of the existing building. FP&C, in collaboration with the Louisiana Office of Risk Management (ORM) and the System, are working to finalize architectural drawings for a new building. Demolition of the existing building and construction of the new building will be advertised as one project for public bid in fiscal year 2024. Estimated probable costs of this project total \$12.7 million, which will be jointly funded by Federal Emergency Management Agency, ORM, and the System.

As of October 1, 2023, the System, for the use and benefit of Delgado Community College, entered into a ground lease agreement with Commcare Corporation to demolish the existing improvement, construct, and operate a nursing home on the Delgado Community College Blair Campus (Jefferson Site). The System intends the partnership will include training components to enable the Delgado Community College to offer courses in nursing and allied health on the site. The term of the agreement is for fifty-five (55) years, with the option of two renewal periods of twenty-two (22) years each, upon which the last day of the term or early termination, Commcare Corporation shall surrender the real property to the System. The agreement includes a rental component based on phases of pre-construction and construction completion. During pre-construction phase, estimated from April 1, 2024 through October 1, 2025, rent is set at \$1,000 per month, and at construction completion rent is set at \$25,000 per month paid quarterly with an annual 2% adjustment every September 1.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the System's Proportionate Share of the Net Pension Liability

Schedule 1 presents the System's Net Pension Liability.

Schedule of the System's Contributions

Schedule 2 presents the amount of contributions the System made to pension systems.

Schedule of the System's Proportionate Share of the Total Collective OPEB Liability

Schedule 3 presents the System's Other Postemployment Benefits Plan.

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**

**Schedules of Required Supplementary Information
Fiscal Year Ended June 30, 2023**

**Schedule of the System's Proportionate Share
of the Net Pension Liability** **Schedule 1**

Fiscal Year*	System's proportion of the net pension liability (asset)	System's proportionate share of the net pension liability (asset)	System's covered payroll	System's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
Louisiana State Employees' Retirement System					
2015	1.19406%	\$74,663,401	\$22,120,231	338%	65.0%
2016	1.17163%	\$79,688,458	\$22,328,326	357%	62.7%
2017	1.17685%	\$92,412,913	\$22,217,956	416%	57.7%
2018	1.12188%	\$78,967,293	\$21,418,739	369%	62.5%
2019	1.06580%	\$72,686,645	\$20,704,446	351%	64.3%
2020	1.02278%	\$74,099,235	\$20,700,390	358%	62.9%
2021	1.03721%	\$85,783,780	\$21,459,924	400%	58.0%
2022	0.98041%	\$53,960,375	\$21,863,958	247%	72.8%
2023	0.93779%	\$70,892,688	\$20,040,392	354%	63.7%
Teachers' Retirement System of Louisiana					
2015	3.03832%	\$310,559,572	\$108,071,790	287%	63.7%
2016	3.14133%	\$337,764,405	\$111,646,416	303%	62.5%
2017	3.14709%	\$369,373,656	\$114,167,862	324%	59.9%
2018	3.29149%	\$337,439,101	\$113,004,943	299%	65.6%
2019	2.92770%	\$287,734,742	\$115,804,730	248%	68.2%
2020	3.10401%	\$308,062,225	\$120,502,773	256%	68.6%
2021	3.35441%	\$373,130,153	\$137,442,266	271%	65.6%
2022	3.07126%	\$163,967,658	\$135,627,614	121%	83.9%
2023	2.96877%	\$283,436,676	\$134,293,630	211%	72.4%

*Amounts presented were determined as of the measurement date (previous fiscal year end).

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of the System's Contributions **Schedule 2**

Fiscal Year*	(a) Statutorily-required contribution	(b) Contributions in relation to the statutorily-required contribution	(a-b) Contribution deficiency (excess)	System's covered payroll	Contributions as a percentage of covered payroll
Louisiana State Employees' Retirement System					
2015	\$7,638,053	\$7,638,053		\$22,328,326	34.2%
2016	\$8,248,134	\$8,248,134		\$22,217,956	37.1%
2017	\$7,697,600	\$7,697,600		\$21,418,739	35.9%
2018	\$7,837,800	\$7,837,800		\$20,704,446	37.9%
2019	\$7,851,412	\$7,851,412		\$20,700,390	37.9%
2020	\$8,682,276	\$8,682,276		\$21,459,924	40.5%
2021	\$8,326,828	\$8,326,828		\$21,863,958	38.1%
2022	\$7,880,941	\$7,880,941		\$20,040,392	39.3%
2023	\$7,765,456	\$7,765,456		\$19,355,649	40.1%
Teachers' Retirement System of Louisiana					
2015	\$37,388,060	\$37,388,060		\$111,646,416	33.5%
2016	\$37,524,964	\$37,524,964		\$114,167,862	32.9%
2017	\$35,517,191	\$35,517,191		\$113,004,944	31.4%
2018	\$37,602,992	\$37,602,992		\$115,804,730	32.5%
2019	\$38,840,620	\$38,840,620		\$120,502,773	32.2%
2020	\$43,316,722	\$43,316,722		\$137,442,266	31.5%
2021	\$40,793,254	\$40,793,254		\$135,627,614	30.1%
2022	\$40,543,195	\$40,543,195		\$134,293,630	30.2%
2023	\$41,792,679	\$41,792,679		\$143,106,312	29.2%

*Amounts presented were determined as of the end of the fiscal year.

^ Covered payroll at June 30, 2021 was restated to include pay period 27 of calendar year 2020.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Required Supplementary Information**Changes of Benefit Terms include:****LASERS**

- 2015 (1) A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session, and
2015 (2) Improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014.
2017 (3) A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session, and
2017 (4) Added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015, by Act 648 of 2014.
2019 (5) Added survivor and disability benefits for members of the Hazardous Duty, Corrections Primary and Secondary, Wildlife, and Harbor Police sub-plans as a result of Acts 224 and 595 of the 2018 Regular Legislative Session.
2022 (6) As provided by Act 37 of the 2021 Louisiana Regular Legislative Session, a permanent benefit increase (COLA) was granted to certain retirees whose monthly benefits fell below poverty levels, effective with the June 30, 2021, valuation.
2023 (7) Act 656 of the 2022 Louisiana Regular Legislative Session provided a one-time supplemental payment to eligible retirees and beneficiaries equal to the lesser of the retiree's or beneficiary's monthly benefit, or \$2,000.

TRSL

- 2015 (1) A 1.5% COLA, effective July 1, 2014, provided by Act 204 of the 2014 Louisiana Regular Legislative Session.
2016 (2) Regular plan members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015, may retire with a 2.5% benefit factor after attaining age 62 with at least five years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age.
2017 (3) A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.
2022 (4) As provided by Act 37 of the 2021 Louisiana Regular Legislative Session, a permanent benefit increase (COLA) was granted to certain retirees whose monthly benefits fell below poverty levels, effective with the June 30, 2021, valuation.
2023 (5) Act 657 of the 2022 Louisiana Regular Legislative Session granted a 2% permanent benefit increase (COLA), effective July 1, 2022, to eligible TRSL retirees, beneficiaries and survivors calculated on the first \$68,396 of their annual benefit.

Changes of Assumptions include:**LASERS**

- 2018 (1) Effective July 1, 2017, the LASERS Board reduced the inflation assumption from 3.0% to 2.75%. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25% in the June 30, 2017, valuation.
2018 (2) Effective July 1, 2017, the projected contribution requirement includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016.
2018- (3) Effective July 1, 2017, the LASERS board adopted a plan to gradually reduce the discount rate from 7.75% to 7.50% in .05% annual
2021 increments. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017, valuation, to 7.65% for the June 30, 2018, valuation, to 7.60% for the June 30, 2019 valuation, and to 7.55% for the June 30, 2020 valuation.
2020 (4) Retirement, termination, disability, inflation, salary increase, and expected remaining service life assumptions and methods were updated with the June 30, 2019 valuation to reflect the results of the most recent experience study observed for the period July 1, 2013 - June 30, 2018.
2021 (5) Effective July 1, 2020, the LASERS Board reduced the inflation assumption from 2.5% to 2.3%. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .2% in the June 30, 2020 valuation.
2022 (6) The discount rate was reduced from 7.55% to 7.40% for the June 30, 2021 valuation.
2023 (7) The discount rate was reduced from 7.40% to 7.25% for the June 30, 2022 valuation.

TRSL

- 2018 (1) Effective July 1, 2017, the projected contribution requirement includes direct funding of administrative expenses rather than a reduction in the assumed rate of return, per Act 94 of 2016.
2) Effective July 1, 2017, the TRSL board adopted a plan to gradually reduce the discount rate from 7.75% to 7.50% in .05% annual
2018- increments. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017 valuation and to 7.65% for
2021 the June 30, 2018 valuation. The TRSL Board accelerated the plan with a .10% reduction in the discount rate for the June 30, 2019 valuation and adopted further reductions in the discount rate for the June 30, 2020 valuation. Therefore, the discount rate was reduced from 7.65% to 7.55% for the June 30, 2019 valuation and from 7.55% to 7.45% for the June 30, 2020 valuation.
2019 (3) Demographic, mortality, and salary increase assumptions were updated with the June 30, 2018, valuation to reflect the results of the most recent experience study observed for the period July 1, 2012 - June 30, 2017.
2021 (4) Effective July 1, 2020, the TRSL Board reduced the inflation assumption from 2.5% to 2.3%. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .2% in the June 30, 2020 valuation.
2022 (5) The discount rate was reduced from 7.45% to 7.40% for the June 30, 2021 valuation.
2023 (6) The discount rate was reduced from 7.40% to 7.25% for the June 30, 2022 valuation.

Changes to Covered Payroll:

- 2017 Due to the implementation of GASBS 82 in fiscal year 2017, prior amounts presented for covered payroll were restated to reflect payroll on which contributions are based.

Changes in Size or Composition of the Population:

- 2020 Beginning in fiscal year 2020, the Louisiana Community and Technical College System began expensing the retirement benefits of its deferred pay employees as wages are earned versus expensing when those employees are paid over the summer months.

**Schedule of the System's Proportionate Share
of the Total Collective OPEB Liability
Fiscal Year Ended June 30, 2023**

Fiscal Year*	System's proportion of the total collective OPEB liability	System's proportionate share of the total collective OPEB liability	System's covered-employee payroll	System's proportionate share of the total collective OPEB liability as a percentage of the covered-employee payroll
2017	3.5031%	\$317,839,787	\$119,877,258	265%
2018	3.5031%	\$304,450,972	\$116,260,468	262%
2019	3.4859%	\$297,567,369	\$119,289,652	249%
2020	3.5555%	\$274,571,389	\$125,384,115	219%
2021	3.4903%	\$289,161,669	\$135,598,470	213%
2022	3.4349%	\$314,523,731	\$128,280,184	245%
2023	3.4426%	\$232,325,524	\$131,827,208	176%

*Amounts presented were determined as of the measurement date (beginning of the fiscal year).

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Required Supplementary Information

There were no assets accumulated in a trust that meets the criteria in GASB 75 paragraph 4 to pay related benefits.

Changes of Assumptions include:

The July 1, 2017 valuation reflects an increase in the discount rate from 2.71% as of July 1, 2016, to 3.13% as of July 1, 2017.

The July 1, 2018 valuation reflects the following changes of assumptions and other inputs:

- (1) decreased the discount rate from 3.13% to 2.98%,
- (2) the baseline per capita costs were adjusted to reflect 2018 claims and enrollment, retiree contributions were updated based on 2019 premiums, and the impact of the High Cost Excise Tax was revisited, reflecting updated plan premiums, and
- (3) the percentage of future retirees assumed to elect medical coverage was adjusted based on recent plan experience.

The July 1, 2019 valuation reflects the following changes of assumptions and other inputs:

- (1) decreased the discount rate from 2.98% to 2.79%.
- (2) the baseline per capita costs were adjusted to reflect 2019 claims and enrollment, retiree contributions were updated based on 2020 premiums, and life insurance contributions were updated to reflect 2020 premium schedules.
- (3) the impact of the High Cost Excise Tax was removed because the tax was repealed in December 2019.
- (4) the demographic assumptions for the LASERS plan were revised to reflect the recent experience study reflected in the June 30, 2019, pension valuation.

The July 1, 2020 valuation reflects the following changes of assumptions and other inputs:

- (1) the discount rate decreased from 2.79% to 2.66%.
- (2) the baseline per capita costs were adjusted to reflect 2020 claims and enrollment for prescription drug costs and retiree contributions were updated based on 2021 premiums. The 2020 medical claims and enrollment experience was not included in the projection of expected 2021 plan costs due to the COVID-19 pandemic which resulted in 2020 medical claims experience which is not reflective of what is expected in future years.
- (3) the salary increase rate assumption for LASERS and TRSL pension plan members was updated consistent with the June 30, 2020, LASERS and TRSL pension valuations.
- (4) Based on a review of OPEB experience from July 1, 2017, through June 30, 2020, the percentage of future retirees assumed to be Medicare-eligible upon reaching age 65 was decreased from 100% to 99% and the percentage of current retirees under age 65 at June 30, 2017, assumed to be eligible was changed from 95% to rates ranging from 90% to 99% based on the date the retiree turns 65. Other assumptions were also updated based on the experience study, including the medical and life participation rates in the table above, the age difference between future retirees and their spouses, and medical plan election percentages.

The July 1, 2021 valuation reflects the following changes of assumptions and other inputs

- (1) decreased the discount rate from 2.66% to 2.18%.
- (2) the baseline per capita costs were adjusted to reflect 2021 claims and enrollment.
- (3) medical plan election percentages were updated based on the coverage elections of recent retirees.
- (4) the healthcare cost trend rate assumption was revised based on updated National Health Care Trend Survey information.

The July 1, 2022 valuation reflects the following changes of assumptions and other inputs

- (1) increased the discount rate from 2.18% to 4.09%.
- (2) the baseline per capita costs were updated to reflect 2022 claims and enrollment.
- (3) medical plan election percentages were updated based on the coverage elections of recent retirees and a review of the past three years of experience.

SUPPLEMENTARY INFORMATION SCHEDULES

Schedule of Per Diem Paid Board Members (Cash Basis)

Schedule 4 presents the per diem paid to board members for the year ended June 30, 2023. Louisiana Revised Statute 17:3206 provides that appointed members of the Board of Directors shall be entitled to \$50 per day for attendance at meetings of the board, meetings of committees appointed by the board on which the member serves, or while on business as assigned by and on behalf of the board.

Combining Schedule of Net Position, by College, June 30, 2023

Schedule 5 presents a combining Schedule of Net Position, by College, for the year ended June 30, 2023.

Combining Schedule of Revenues, Expenses, and Changes in Net Position, by College, For the Year Ended June 30, 2023

Schedule 6 presents a combining Schedule of Revenues, Expenses, and Changes in Net Position, by College, for the year ended June 30, 2023.

Combining Schedule of Cash Flows, by College, For the Year Ended June 30, 2023

Schedule 7 presents a combining Schedule of Cash Flows, by College, for the year ended June 30, 2023.

Combining Schedule of Net Position, by College, June 30, 2022

Schedule 8 presents a combining Schedule of Net Position, by College, for the year ended June 30, 2022.

Combining Schedule of Revenues, Expenses, and Changes in Net Position, by College, For the Year Ended June 30, 2022

Schedule 9 presents a combining Schedule of Revenues, Expenses, and Changes in Net Position, by College, for the year ended June 30, 2022.

Combining Schedule of Cash Flows, by College, For the Year Ended June 30, 2022

Schedule 10 presents a combining Schedule of Cash Flows, by College, for the year ended June 30, 2022.

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
BOARD OF SUPERVISORS**

**Schedule of Per Diem Paid Board Members (Cash Basis)
For the Fiscal Year Ended June 30, 2023**

	<u>Amount</u>
Bourque, Ellis	\$1,100
Bradford, Tari	500
Butler-Blucher, Cynthia	550
Carter, Helen	150
Durette, Matthew	850
Hardy, Rhoman	500
Hardy, Timothy	1,200
Jackson, Alterman	900
Johnson, Patrick	200
Lee, Jennifer	650
McConduit, Erika	250
Mount, Willie	1,150
Murphy, Michael	950
Payne, David	100
Price, Paul	500
Salathe, Stanton	550
Smith, Stephen	650
Spohn, Craig	300
Toups, Stephen	250
Zeringue, Jamie	100
Total	<u><u>\$11,400</u></u>

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Net Position, by College
June 30, 2023**

	Board Office	Baton Rouge Community College	Bossier Parish Community College	Central Louisiana Technical Community College	Delgado Community College
ASSETS					
Current Assets					
Cash and cash equivalents	\$31,607,575	\$41,903,469	\$19,975,121	\$8,660,703	\$23,938,371
Receivables, net	2,797,954	1,545,012	6,403,884	754,828	8,054,111
Leases receivable					44,734
Due from State Treasury	2,204,911				
Due from federal government	9,885,345	690,793	174,009	554,389	5,027,181
Due from LCTCS colleges/LCTCS	2,592,895	983,569	543,668	719,269	727,143
Inventories					
Prepaid expenses and advances	32,000	1,693,717		19,723	232,693
Other current assets			39,242		
Total current assets	49,120,680	46,816,560	27,135,924	10,708,912	38,024,233
Noncurrent Assets					
Restricted assets:					
Cash and cash equivalents				296,700	649,625
Investments		563,664	1,640,000	290,736	5,022,868
Receivables, net					
Other					
Leases receivable					67,345
Capital assets, net	3,904,937	43,888,125	21,969,935	5,966,509	73,163,680
Other noncurrent assets					27
Total noncurrent assets	3,904,937	44,451,789	23,609,935	6,553,945	78,903,545
Total Assets	53,025,617	91,268,349	50,745,859	17,262,857	116,927,778
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	8,609,922	13,283,326	10,724,391	4,426,246	26,237,279
Deferred outflows related to OPEB	2,814,950	3,346,656	6,115,338	2,281,871	9,038,535
Total deferred outflows of resources	11,424,872	16,629,982	16,839,729	6,708,117	35,275,814
LIABILITIES					
Current Liabilities					
Accounts payable and accruals	17,995,589	2,273,830	1,614,456	482,546	4,053,057
Due to federal government	95,707			7,215	
Due to LCTCS colleges/LCTCS	9,932,306	586,590	280,935	65,726	486,606
Unearned revenues		1,716,337	1,286,551	327,257	4,078,838
Amounts held in custody for others		55,280			
Compensated absences payable	158,454	221,705	191,004	74,466	357,198
Lease liability			42,900		
SBITA liability	1,090,594	75,780	195,970		187,187
Notes payable					217,500
OPEB liability	266,580	857,050	668,314	529,701	2,507,737
Bonds payable, net					
Other current liabilities	9,504		445,598	86,517	251,253
Total current liabilities	29,548,734	5,786,572	4,725,728	1,573,428	12,139,376
Noncurrent Liabilities					
Compensated absences payable	2,613,164	2,772,207	2,162,281	530,628	5,362,371
Lease liability			159,937		
SBITA liability	1,034,023	81,000	195,940		561,561
Notes payable					1,365,000
Net pension liability	27,344,683	43,176,717	32,412,844	14,015,870	83,405,818
OPEB liability	11,500,483	24,289,327	21,002,477	9,854,099	58,006,374
Bonds payable, net					
Total noncurrent liabilities	42,492,353	70,319,251	55,933,479	24,400,597	148,701,124
Total Liabilities	72,041,087	76,105,823	60,659,207	25,974,025	160,840,500
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	1,042,010	4,745,112	2,832,372	1,929,290	5,417,275
Deferred inflows related to OPEB	4,315,012	10,476,067	8,268,030	8,738,838	20,607,652
Deferred inflows related to leases					111,783
Total deferred inflows of resources	5,357,022	15,221,179	11,100,402	10,668,128	26,136,710
NET POSITION					
Net investment in capital assets	1,780,320	43,731,345	21,358,788	5,966,509	70,832,432
Restricted:					
Nonexpendable		350,000	1,640,000	580,736	2,702,375
Expendable	8,274,832	19,943,597	12,043,693	4,944,281	25,967,639
Unrestricted	(23,002,772)	(47,453,613)	(39,216,502)	(24,162,705)	(134,276,064)
Total Net Position	(\$12,947,620)	\$16,571,329	(\$4,174,021)	(\$12,671,179)	(\$34,773,618)

(Continued)

Schedule 5

Elaine P. Nunez Community College	L.E. Fletcher Technical Community College	Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical Community College	River Parishes Community College	South Louisiana Community College	SOWELA Technical Community College
\$7,239,203 1,381,248	\$12,218,937 1,364,842	\$24,924,256 1,567,221	\$12,335,153 973,538	\$5,984,289 386,462	\$12,941,740 2,297,133 7,560	\$32,882,154 1,908,050	\$16,292,126 5,124,357
1,955,765 604,023	43,462 307,851	100,195 1,709,753 14,439	74,344 1,480,376	200,520 389,666	905,785 837,184	1,291,326 1,356,333	857,622 407,931
41,395	30,045 31,911	12,500	3,772	5,527	17,768	7,294	
<u>11,221,634</u>	<u>13,997,048</u>	<u>28,328,364</u>	<u>14,867,183</u>	<u>6,966,464</u>	<u>17,007,170</u>	<u>37,445,157</u>	<u>22,682,036</u>
112,066 602,007	60,000 618,884	724,345	115,500 864,581		350,719	2,471,350	109,009 1,681,616
37,766,640	18,668,232	10,290,486	11,094,109	4,164,053	88,925 13,455,880	11,965,341	50,299,731
<u>38,480,713</u>	<u>19,347,116</u>	<u>11,014,831</u>	<u>12,074,190</u>	<u>4,164,053</u>	<u>13,895,524</u>	<u>14,436,691</u>	<u>52,090,356</u>
<u>49,702,347</u>	<u>33,344,164</u>	<u>39,343,195</u>	<u>26,941,373</u>	<u>11,130,517</u>	<u>30,902,694</u>	<u>51,881,848</u>	<u>74,772,392</u>
3,754,297 1,657,329 5,411,626	5,368,626 1,665,441 7,034,067	7,524,353 3,078,629 10,602,982	8,256,895 1,500,648 9,757,543	3,307,621 2,586,039 5,893,660	5,571,826 1,084,670 6,656,496	13,959,659 5,181,282 19,140,941	7,197,786 2,624,489 9,822,275
1,030,152	2,128,564	1,714,910	1,020,511	536,657	1,666,360	2,189,742	1,248,842
96,332 349,371	104,972 280,938 18,985	178,268 1,017,702	123,635 577,775	59,467 268,572	152,373 307,935	357,370 2,402,364 63,270	136,017 558,824 17,699
96,483	68,821 99,060 89,002	73,389	48,046	72,216	100,815	231,204 87,336 55,783	116,350
416,704	353,072	775,942	289,778	564,959	172,697	1,593,257	571,269
21,459	16	86,933	5,712	1,035	68,521		
<u>2,010,501</u>	<u>3,143,430</u>	<u>4,016,376</u>	<u>2,297,845</u>	<u>1,502,906</u>	<u>2,468,701</u>	<u>6,980,326</u>	<u>2,649,001</u>
642,451	804,064 49,638	1,129,015	1,240,141	454,074	759,501	1,912,368 43,763	1,206,570
12,174,844 8,956,207	14,111,377 8,267,675	22,057,268 15,448,791	22,836,775 9,214,287	8,519,025 7,288,613	14,592,669 7,021,972	38,360,789 28,810,000	21,320,685 13,098,159
<u>21,773,502</u>	<u>23,232,754</u>	<u>38,719,191</u>	<u>33,419,160</u>	<u>16,261,712</u>	<u>22,374,142</u>	<u>69,126,920</u>	<u>35,625,414</u>
<u>23,784,003</u>	<u>26,376,184</u>	<u>42,735,567</u>	<u>35,717,005</u>	<u>17,764,618</u>	<u>24,842,843</u>	<u>76,107,246</u>	<u>38,274,415</u>
317,792 3,652,842	317,614 2,930,218	1,637,521 5,927,246	1,569,535 3,414,687	577,338 3,687,294	705,606 2,856,088 96,299	5,621,198 11,204,518	1,309,767 4,844,052
<u>3,970,634</u>	<u>3,247,832</u>	<u>7,564,767</u>	<u>4,984,222</u>	<u>4,264,632</u>	<u>3,657,993</u>	<u>16,825,716</u>	<u>6,153,819</u>
37,766,640	18,430,532	9,915,007	10,733,764	4,164,053	13,436,405	11,654,332	50,084,575
630,000 5,290,031 (16,327,335)	590,000 5,782,543 (14,048,860)	576,511 6,709,136 (17,554,811)	920,000 5,455,193 (21,111,268)	3,267,869 (12,436,995)	350,000 7,196,610 (11,924,661)	2,360,000 12,302,039 (48,226,544)	1,585,278 4,746,175 (16,249,595)
<u>\$27,359,336</u>	<u>\$10,754,215</u>	<u>(\$354,157)</u>	<u>(\$4,002,311)</u>	<u>(\$5,005,073)</u>	<u>\$9,058,354</u>	<u>(\$21,910,173)</u>	<u>\$40,166,433</u>

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Net Position, by College
June 30, 2023**

	Facilities Corporations	System Eliminating Entries	Total Per System
ASSETS			
Current Assets			
Cash and cash equivalents			\$250,903,097
Receivables, net			34,558,640
Leases receivable			52,294
Due from State Treasury			2,204,911
Due from federal government			21,760,736
Due from LCTCS colleges/LCTCS		(\$12,659,661)	0
Inventories			14,439
Prepaid expenses and advances			2,096,434
Other current assets			71,153
Total current assets		(12,659,661)	311,661,704
Noncurrent Assets			
Restricted assets:			
Cash and cash equivalents	\$53,435,426		54,778,326
Investments	23,150,469		37,981,239
Receivables, net	5,145,346		5,145,346
Other	27,188		27,188
Leases receivable			156,270
Capital assets, net	445,575,461		752,173,119
Other noncurrent assets	4,368,004		4,368,031
Total noncurrent assets	531,701,894	0	854,629,519
Total Assets	531,701,894	(12,659,661)	1,166,291,223
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions			118,222,227
Deferred outflows related to OPEB			42,975,877
Total deferred outflows of resources	0	0	161,198,104
LIABILITIES			
Current Liabilities			
Accounts payable and accruals	1,159,266		39,114,482
Due to federal government			102,922
Due to LCTCS colleges/LCTCS	99,064	(12,659,661)	0
Unearned revenues			13,172,464
Amounts held in custody for others			155,234
Compensated absences payable			1,810,151
Lease liability			229,296
SBITA liability			2,095,936
Notes payable			217,500
OPEB liability			9,567,060
Bonds payable, net	26,475,000		26,475,000
Other current liabilities	3,677,689		4,654,237
Total current liabilities	31,411,019	(12,659,661)	97,594,282
Noncurrent Liabilities			
Compensated absences payable			21,588,835
Lease liability			253,338
SBITA liability			2,084,598
Notes payable			1,365,000
Net pension liability			354,329,364
OPEB liability			222,758,464
Bonds payable, net	378,414,104		378,414,104
Total noncurrent liabilities	378,414,104	0	980,793,703
Total Liabilities	409,825,123	(12,659,661)	1,078,387,985
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions			28,022,430
Deferred inflows related to OPEB			90,922,544
Deferred inflows related to leases			208,082
Total deferred inflows of resources	0	0	119,153,056
NET POSITION			
Net investment in capital assets	51,833,303		351,688,005
Restricted:			
Nonexpendable			12,284,900
Expendable	70,043,468		191,967,106
Unrestricted			(425,991,725)
Total Net Position	\$121,876,771	\$0	\$129,948,286

(Concluded)

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Revenues, Expenses,
and Changes in Net Position, by College
For the Year Ended June 30, 2023**

	Board Office	Baton Rouge Community College	Bossier Parish Community College	Central Louisiana Technical Community College	Delgado Community College
OPERATING REVENUES					
Student tuition and fees		\$27,518,141	\$22,735,957	\$7,071,735	\$52,213,878
Less scholarship allowances		(14,238,769)	(7,383,137)	(3,407,283)	(21,078,230)
Net student tuition and fees	0	13,279,372	15,352,820	3,664,452	31,135,648
Federal grants and contracts	\$39,312,036	5,218,983	2,330,168	2,222,243	5,638,030
State and local grants and contracts	8,281,457	900,887	1,830,178	1,316,683	2,560,260
Nongovernmental grants and contracts		14,755	20,612	900,079	2,187,863
Sales and services of educational departments			101,291	5,420	20,443
Interagency revenue	9,418,994	179,072	95,998	5,888	3,153
Auxiliary enterprise revenues		104,775			583,640
Other operating revenues	67,412	41,074	3,035	48,493	109,492
Total operating revenues	57,079,899	19,738,918	19,734,102	8,163,258	42,238,529
OPERATING EXPENSES					
Educational and general:					
Instruction		18,274,693	19,927,995	6,333,070	42,594,944
Public service			283,298		
Academic support	64,449,004	3,922,257	3,182,401	1,486,239	11,119,794
Student services	428,334	7,935,190	5,052,680	1,147,367	5,629,188
Institutional support	26,129,493	9,230,787	6,221,970	2,362,447	17,337,000
Operations and maintenance of plant	219,437	7,209,774	4,351,773	1,822,109	15,907,331
Depreciation and amortization	1,299,269	1,963,427	1,574,134	566,396	4,643,300
Scholarships and fellowships		13,274,099	11,759,316	4,215,478	34,481,916
Auxiliary enterprises			9,602		1,042,353
Interagency expense	525,791	1,330,458	1,097,272	356,007	2,257,922
Total operating expenses	93,051,328	63,140,685	53,460,441	18,289,113	135,013,748
OPERATING LOSS	(35,971,429)	(43,401,767)	(33,726,339)	(10,125,855)	(92,775,219)
NONOPERATING REVENUES (Expenses)					
State appropriations	38,763,462	17,576,911	15,763,183	5,745,754	33,493,714
Gifts				103,307	462,532
Federal nonoperating revenues		20,527,235	15,923,260	3,449,085	35,556,474
COVID-19 federal funding	2,678,728	13,917,749	3,107,816	3,732,994	25,272,061
Net investment income (loss)	1,276,871	1,654,594	480,300	83,907	893,043
Interest expense	(9,855)		(2,259)		(73,944)
Other nonoperating revenues (expenses)	213,337	2,360,603	1,810,529	3,672,917	9,584,132
Net nonoperating revenues (expenses)	42,922,543	56,037,092	37,082,829	16,787,964	105,188,012
Income (loss) before other revenues and additions	6,951,114	12,635,325	3,356,490	6,662,109	12,412,793
Capital appropriations		1,184,996	2,490,979		79,500
Capital grants and gifts					
Additions to permanent endowments			210,000	290,200	
Interagency Transfers			1,333,567	(1,709,418)	
Increase (decrease) in net position	6,951,114	13,820,321	7,391,036	5,242,891	12,492,293
NET POSITION - BEGINNING OF YEAR (restated)	(19,898,734)	2,751,008	(11,565,057)	(17,914,070)	(47,265,911)
NET POSITION - END OF YEAR	(\$12,947,620)	\$16,571,329	(\$4,174,021)	(\$12,671,179)	(\$34,773,618)

(Continued)

Schedule 6

Elaine P. Nunez Community College	L.E. Fletcher Technical Community College	Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical Community College	River Parishes Community College	South Louisiana Community College	SOWELA Technical Community College
\$7,848,495	\$8,412,874	\$15,776,603	\$13,068,674	\$4,021,619	\$9,127,972	\$27,595,218	\$13,234,157
(3,457,079)	(4,152,288)	(11,360,717)	(7,923,145)	(2,145,254)	(2,776,703)	(14,323,661)	(6,764,855)
4,391,416	4,260,586	4,415,886	5,145,529	1,876,365	6,351,269	13,271,557	6,469,302
1,009,770	1,046,449	3,235,334	2,751,222	685,739	2,590,294	4,388,187	1,154,189
544,929	874,156	2,687,495	315,161	143,506	241,637	1,358,950	105,235
68,728	115,882	32,833	1,750	7,000	37,500		
3,222						974	22,596
348,869	47,045	200,717	1,021	138	579	31,258	650
	6,228	46,953	2,805				
179,464	58,805	12,861	10,040			61,463	220,605
6,546,398	6,409,151	10,632,079	8,227,528	2,712,748	9,221,279	19,112,389	7,972,577
6,241,295	9,153,314	12,459,029	12,518,492	5,105,025	8,734,691	19,883,799	12,390,458
1,616,325	1,371,412	4,765,521	2,464,764	652,293	1,988,474	620,395	2,476,539
932,237	1,434,475	2,324,477	2,516,599	795,655	2,566,657	7,025,883	2,499,592
3,918,281	4,694,967	7,796,394	4,379,318	2,217,354	2,766,501	5,204,108	6,180,414
2,615,612	2,526,121	2,992,513	2,288,717	2,190,209	2,718,979	6,652,325	6,093,319
1,560,230	995,366	1,196,953	1,380,613	350,324	489,898	8,115,357	2,673,628
4,525,839	2,816,100	3,844,011	2,440,933	1,371,121	3,335,680	1,416,481	2,975,345
160,852	12,469	116,755	796			6,188,736	
345,451	391,448	753,572	569,632	444,955	639,260	972,359	649,255
21,916,122	23,395,672	36,249,225	28,559,864	13,126,936	23,240,140	56,079,443	35,938,550
(15,369,724)	(16,986,521)	(25,617,146)	(20,332,336)	(10,414,188)	(14,018,861)	(36,967,054)	(27,965,973)
5,614,428	5,559,438	10,181,007	9,666,676	5,471,714	6,755,444	17,537,380	11,539,598
28,950	58,453	21,550	33,644	3,280	78,958		2,126,876
6,568,599	6,106,850	11,940,964	6,650,913	2,590,085	4,130,564	15,490,438	7,165,850
3,810,550	1,146,826	6,520,864	2,854,782	2,454,504	490,416	8,049,200	2,957,781
256,340	384,902	214,497	465,735		486,241	639,481	561,096
	(563)	(3,520)	(4,844)			(1,800)	
2,514,116	3,093,973	4,739,702	2,404,394	1,969,358	1,566,503	3,407,617	3,186,101
18,792,983	16,349,879	33,615,064	22,071,300	12,488,941	13,508,126	45,122,316	27,537,302
3,423,259	(636,642)	7,997,918	1,738,964	2,074,753	(510,735)	8,155,262	(428,671)
200			5,978			410,000	421,406
20,000	80,583	11,304	100,000			190,000	56,705
							254,700
							375,851
3,443,459	(556,059)	8,009,222	1,844,942	2,074,753	(510,735)	8,755,262	679,991
23,915,877	11,310,274	(8,363,379)	(5,847,253)	(7,079,826)	9,569,089	(30,665,435)	39,486,442
\$27,359,336	\$10,754,215	(\$354,157)	(\$4,002,311)	(\$5,005,073)	\$9,058,354	(\$21,910,173)	\$40,166,433

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Revenues, Expenses,
and Changes in Net Position, by College
For the Year Ended June 30, 2023**

	Facilities Corporations	System Eliminating Entries	Total Per System
OPERATING REVENUES			
Student tuition and fees			\$208,625,323
Less scholarship allowances			(99,011,121)
Net student tuition and fees			109,614,202
Federal grants and contracts		(\$20,536,195)	51,046,449
State and local grants and contracts		(4,401,203)	16,759,331
Nongovernmental grants and contracts			3,387,002
Sales and services of educational departments			153,946
Interagency revenue		(10,333,382)	-
Auxiliary enterprise revenues			744,401
Other operating revenues			812,744
Total operating revenues		(35,270,780)	182,518,075
OPERATING EXPENSES			
Educational and general:			
Instruction			173,616,805
Public service			903,693
Academic support		(47,930,651)	58,590,255
Student services			38,466,559
Institutional support		(255,679)	99,631,572
Operations and maintenance of plant			59,051,251
Depreciation and amortization	\$15,893,930		36,003,949
Scholarships and fellowships			91,228,574
Auxiliary enterprises			1,342,827
Interagency expense		(10,333,382)	-
Total operating expenses	15,893,930	(58,519,712)	558,835,485
OPERATING LOSS	(15,893,930)	23,248,932	(376,317,410)
NONOPERATING REVENUES (Expenses)			
State appropriations			183,668,709
Gifts			2,917,550
Federal nonoperating revenues			136,100,317
COVID-19 federal funding		(2,663,228)	74,331,043
Net investment income (loss)	680,587		8,077,594
Interest expense	(9,862,320)		(9,959,105)
Other nonoperating revenues (expenses)	(1,885,957)	(20,585,704)	18,051,621
Net nonoperating revenues (expenses)	(11,067,690)	(23,248,932)	413,187,729
Income (loss) before other revenues and additions	(26,961,620)	0	36,870,319
Capital appropriations	42,391,219		46,568,300
Capital grants and gifts	8,045,352		8,518,035
Additions to permanent endowments			1,156,787
Interagency Transfers			-
Increase (decrease) in net position	23,474,951	0	93,113,441
NET POSITION - BEGINNING OF YEAR (restated)	98,401,820		36,834,845
NET POSITION - END OF YEAR	\$121,876,771	\$0	\$129,948,286

(Concluded)

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2023**

	Board Office	Baton Rouge Community College	Bossier Parish Community College	Central Louisiana Technical Community College	Delgado Community College
CASH FLOWS FROM OPERATING ACTIVITIES:					
Tuition and fees		\$13,374,391	\$13,308,915	\$3,753,572	\$30,971,736
Grants and contracts	\$46,143,852	6,466,056	3,203,713	3,841,226	11,606,103
Sales and services of educational departments			101,291	5,420	20,443
Auxiliary enterprise receipts		104,775			663,129
Payments for employee compensation	(15,003,481)	(25,229,401)	(20,762,696)	(7,531,087)	(51,941,961)
Payments for benefits	(6,404,880)	(9,716,233)	(7,964,105)	(3,171,603)	(19,820,358)
Payments for utilities		(2,894,130)	(1,285,416)	(464,607)	(4,520,431)
Payments for supplies and services	(70,050,951)	(14,123,819)	(11,448,963)	(4,833,817)	(29,406,102)
Payments for scholarships and fellowships		(13,274,099)	(11,759,316)	(4,215,478)	(34,481,916)
Other receipts (payments)	11,954,719	(1,316,399)	(594,439)	(133,431)	(2,790,441)
Net cash provided (used) by operating activities	(33,360,741)	(46,608,859)	(37,201,016)	(12,749,805)	(99,699,798)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
State appropriations	38,763,462	17,576,911	15,686,553	5,711,044	33,266,691
Gifts and grants for other than capital purposes		22,734,791	17,251,508	7,609,934	44,194,739
Private gifts for endowment purposes			210,000	290,200	
COVID-19 federal funding receipts	2,701,019	13,917,749	3,107,816	3,777,905	25,383,312
TOPS receipts		1,576,090	1,400,000	236,780	1,313,909
TOPS disbursements		(1,576,090)	(1,400,000)	(236,780)	(1,313,909)
M.J. Foster Promise Program receipts		202,687	87,473	40,705	155,063
M.J. Foster Promise Program disbursements		(194,096)	(87,473)	(40,705)	(155,063)
Direct lending receipts		24,832,253	20,753,240	2,872,931	44,486,618
Direct lending disbursements		(24,832,253)	(20,753,240)	(2,872,931)	(44,486,618)
Other receipts (payments)	104,030		279,162	(44,536)	(263,352)
Net cash provided (used) by noncapital financing activities	41,568,511	54,238,042	36,535,039	17,344,547	102,581,390
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital appropriations received					
Capital grants and gifts received					
Proceeds from sale of capital assets					
Receipts from lessor leases					45,000
Purchases of capital assets	(677,463)	(2,288,009)	(779,078)	(681,754)	(3,938,437)
Principal paid on capital debt and leases					(210,000)
Interest paid on capital debt and leases	(351)		(2,259)		(75,867)
Payments for intangible right-to-use assets	(1,132,471)		(238,443)		(846,520)
Other uses					
Net cash used by capital and related financing activities	(1,810,285)	(2,288,009)	(1,019,780)	(681,754)	(5,025,824)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturities of investments					
Interest received on investments	1,276,871	1,523,755	480,300	83,907	732,345
Purchase of investments			(210,000)	(200)	(60,000)
Net cash provided (used) by investing activities	1,276,871	1,523,755	270,300	83,707	672,345
Net Increase (decrease) in Cash and Cash Equivalents	7,674,356	6,864,929	(1,415,457)	3,996,695	(1,471,887)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Restated)	23,933,219	35,038,540	21,390,578	4,960,708	26,059,883
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$31,607,575	\$41,903,469	\$19,975,121	\$8,957,403	\$24,587,996

(Continued)

Schedule 7

Elaine P. Nunez Community College	L.E. Fletcher Technical Community College	Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical Community College	River Parishes Community College	South Louisiana Community College
\$4,373,836	\$4,200,785	\$4,653,067	\$5,285,663	\$2,138,031	\$7,028,586	\$13,326,069
972,941	1,754,051	7,692,751	2,491,718	493,362	2,011,966	5,582,416
3,222						974
	6,228	46,953	2,805			
(7,053,954)	(8,578,095)	(14,560,518)	(13,295,645)	(5,231,132)	(9,043,184)	(22,534,253)
(2,819,167)	(3,447,665)	(6,024,925)	(5,224,011)	(2,354,889)	(3,259,995)	(9,908,405)
(412,233)	(372,575)	(838,035)	(680,056)	(478,137)	(656,045)	(1,668,783)
(4,948,590)	(6,023,580)	(10,844,400)	(4,996,777)	(3,347,124)	(5,501,032)	(18,761,227)
(4,525,839)	(2,816,100)	(3,723,566)	(2,440,933)	(1,371,120)	(3,335,680)	(6,188,736)
143,120	(378,154)	(495,649)	(633,442)	(429,545)	(950,463)	(950,515)
<u>(14,266,664)</u>	<u>(15,655,105)</u>	<u>(24,094,322)</u>	<u>(19,490,678)</u>	<u>(10,580,554)</u>	<u>(13,705,847)</u>	<u>(41,102,460)</u>
5,589,916	5,530,582	10,113,473	9,179,091	5,435,142	6,714,999	17,412,158
7,528,745	7,220,400	16,101,104	8,492,079	4,442,099	5,224,426	19,123,063
20,000	60,000		100,000			190,000
3,663,579	1,148,817	7,191,167	2,938,332	2,436,232	5,021,729	12,221,333
291,450	679,151	698,871	588,375	229,125	632,194	1,420,915
(291,450)	(679,151)	(698,871)	(588,375)	(229,125)	(632,194)	(1,420,915)
47,086	40,300	156,401	8,747	18,068	10,680	217,316
(47,086)	(40,300)	(156,401)	(8,747)	(18,068)	(10,680)	(217,316)
6,138,135	5,225,176	11,642,082	5,433,827		3,840,475	15,250,386
(6,138,135)	(5,225,176)	(11,642,082)	(5,433,827)		(3,840,475)	(15,250,386)
262,361	1,960,012	188,855	65,839	17,845	405,152	125,797
<u>17,064,601</u>	<u>15,919,811</u>	<u>33,594,599</u>	<u>20,775,341</u>	<u>12,331,318</u>	<u>17,366,306</u>	<u>49,072,351</u>
		3,536		51		46,457
(2,062,983)	(581,712)	(2,826,561)	(1,035,445)	(99,332)	7,650	(1,677,663)
	(563)	(435)	(483)		(1,775,747)	(87,083)
	(169,922)	(169,847)	(506,311)			(892)
						(56,524)
<u>(2,062,983)</u>	<u>(752,197)</u>	<u>(2,993,307)</u>	<u>(1,542,239)</u>	<u>(99,281)</u>	<u>(1,768,097)</u>	<u>(1,775,705)</u>
263,923	325,189	48,275	410,594		54,320	477,537
(30,000)		170,185	(44,500)		469,441	(190,000)
					(187,500)	
<u>233,923</u>	<u>325,189</u>	<u>218,460</u>	<u>366,094</u>	<u>0</u>	<u>281,941</u>	<u>341,857</u>
968,877	(162,302)	6,725,430	108,518	1,651,483	2,174,303	6,536,043
6,382,392	12,441,239	18,198,826	12,342,135	4,332,806	10,767,437	26,346,111
<u>\$7,351,269</u>	<u>\$12,278,937</u>	<u>\$24,924,256</u>	<u>\$12,450,653</u>	<u>\$5,984,289</u>	<u>\$12,941,740</u>	<u>\$32,882,154</u>

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2023**

	SOWELA Technical Community College	Facilities Corporations	System Eliminating Entries	Total Per System
CASH FLOWS FROM OPERATING ACTIVITIES:				
Tuition and fees	\$6,488,096			\$108,902,747
Grants and contracts	1,805,967		(\$24,937,398)	69,128,724
Sales and services of educational departments	22,596			153,946
Auxiliary enterprise receipts				823,890
Payments for employee compensation	(13,825,687)			(214,591,094)
Payments for benefits	(5,554,818)			(85,671,054)
Payments for utilities	(1,217,198)			(15,487,646)
Payments for supplies and services	(10,186,134)		48,186,330	(146,286,186)
Payments for scholarships and fellowships	(2,975,345)			(91,108,128)
Other receipts (payments)	(484,979)			2,940,382
Net cash provided (used) by operating activities	(25,927,502)		23,248,932	(371,194,419)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
State appropriations	11,447,521			182,427,543
Gifts and grants for other than capital purposes	11,448,391		(20,585,704)	150,785,575
Private gifts for endowment purposes	254,700			1,124,900
COVID-19 federal funding receipts	2,548,265		(2,663,228)	83,394,027
TOPS receipts	1,465,816			10,532,676
TOPS disbursements	(1,465,816)			(10,532,676)
M.J. Foster Promise Program receipts	186,381			1,170,907
M.J. Foster Promise Program disbursements	(186,381)			(1,162,316)
Direct lending receipts				140,475,123
Direct lending disbursements				(140,475,123)
Other receipts (payments)	1,191,365	(\$708,024)		3,584,506
Net cash provided (used) by noncapital financing activities	26,890,242	(708,024)	(23,248,932)	421,325,142
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital appropriations received		42,391,219		42,391,219
Capital grants and gifts received		9,641,665		9,641,665
Proceeds from sale of capital assets				50,044
Receipts from lessor leases				52,650
Purchases of capital assets	(1,029,842)	(38,128,597)		(57,582,623)
Principal paid on capital debt and leases		(25,265,000)		(25,562,083)
Interest paid on capital debt and leases		(15,352,869)		(15,433,719)
Payments for intangible right-to-use assets				(3,120,038)
Other uses		(693,289)		(693,289)
Net cash used by capital and related financing activities	(1,029,842)	(27,406,871)	0	(50,256,174)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments		41,298,322		41,400,917
Interest received on investments	423,297	829,429		7,466,773
Purchase of investments	(491,612)	(7,830,641)		(9,044,453)
Net cash provided (used) by investing activities	(68,315)	34,297,110	0	39,823,237
Net Increase (decrease) in Cash and Cash Equivalents	(135,417)	6,182,215	0	39,697,786
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Restated)	16,536,552	47,253,211		265,983,637
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$16,401,135	\$53,435,426	\$0	\$305,681,423

(Continued)

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2023**

	Board Office	Baton Rouge Community College	Bossier Parish Community College	Central Louisiana Technical Community College	Delgado Community College
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	(\$35,971,429)	(\$43,401,767)	(\$33,726,339)	(\$10,125,855)	(\$92,775,219)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation/amortization expense	1,299,269	1,963,427	1,574,134	566,396	4,643,300
Nonemployer contributing entity revenue	109,307	153,046	123,444	57,686	299,454
Noncash capital expense					1,035,622
Noncash insurance recoveries					
Changes in assets, deferred outflows, liabilities, and deferred inflows:					
(Increase) decrease in accounts receivable, net	(3,772,203)	143,918	(3,146,065)	(273,375)	624,685
(Increase) decrease in due from other funds	(2,104,911)				
(Increase) decrease in inventories					
(Increase) decrease in prepaid expenses and advances	(31,802)	(902,417)	13,963	4,948	(195,108)
(Increase) decrease in other assets			(39,242)		
(Increase) decrease in deferred outflows related to pensions	(1,008,987)	(2,938,883)	(2,406,494)	(121,492)	(5,791,940)
(Increase) decrease in deferred outflows related to OPEB	861,465	953,689	(2,847,606)	996,983	1,765,926
Increase (decrease) in accounts payable and accrued liabilities	7,023,669	(514,412)	(229,995)	(297,481)	(1,018,951)
Increase (decrease) in unearned revenue	(18,000)	345,288	120,890	(37,212)	516,325
Increase (decrease) in amounts held in custody for others		(18,038)	(2,135)	11,310	(212,863)
Increase (decrease) in due to other funds					
Increase (decrease) in compensated absences	194,949	(199,212)	89,429	(144,785)	368,219
Increase (decrease) in net pension liability	10,310,635	15,894,288	12,408,689	5,374,077	30,561,948
Increase (decrease) in OPEB liability	(3,790,094)	(10,586,371)	(3,418,104)	(8,053,235)	(21,321,116)
Increase (decrease) in other liabilities	9,504	87,900	445,598		233,248
Increase (decrease) in deferred inflows related to pensions	(9,648,541)	(14,942,933)	(11,907,428)	(5,257,017)	(34,253,672)
Increase (decrease) in deferred inflows related to OPEB	3,176,428	7,426,825	5,746,245	4,549,247	15,820,344
Increase (decrease) in other deferred inflows		(73,207)			
Net cash provided (used) by operating activities:	<u>(\$33,360,741)</u>	<u>(\$46,608,859)</u>	<u>(\$37,201,016)</u>	<u>(\$12,749,805)</u>	<u>(\$99,699,798)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:					
Cash and cash equivalents classified as current assets	\$31,607,575	\$41,903,469	\$19,975,121	\$8,660,703	\$23,938,371
Cash and cash equivalents classified as noncurrent assets				296,700	649,625
Cash and cash equivalents at the end of the year	<u>\$31,607,575</u>	<u>\$41,903,469</u>	<u>\$19,975,121</u>	<u>\$8,957,403</u>	<u>\$24,587,996</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Noncash capital appropriation, grant, and/or gift of capital assets		\$1,184,996	\$2,409,979		\$79,500
Noncash grants and gifts					
Noncash insurance recoveries used for construction in progress					
Net gain (loss) on disposal of capital assets					(\$10,906)
Noncash transfer of operations			\$1,215,923	(\$1,577,947)	
Unrealized gain (loss) on investments		\$130,840			\$160,698
Amortization of bond premium					
Amortization of bond issuance costs					
Federal nonoperating receivables		(\$211,447)	\$93,319		\$447,654
COVID-19 federal funding receivables				\$50,432	\$2,929,748
Retainage payable					
Other nonoperating accounts and contracts payable					
Other current liabilities - interest payable					\$18,005
Noncash insurance recoveries					\$1,035,622

(Continued)

Schedule 7

Elaine P. Nunez Community College	L.E. Fletcher Technical Community College	Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical Community College	River Parishes Community College	South Louisiana Community College
(\$15,369,724)	(\$16,986,521)	(\$25,617,146)	(\$20,332,336)	(\$10,414,188)	(\$14,018,861)	(\$36,967,054)
1,560,230 51,764 350,151	995,366 56,237	1,196,953 87,936	1,380,613 88,199	350,324 31,643	489,898 57,437	1,416,481 139,918
(701,833)	(376,420)	1,868,671	(634,933)	(110,210)	(308,570)	(472,039)
68,701	27,763 (28,886)	(7,217) (12,500) 11,264	31,815			4,819
(1,002,953)	(287,434)	(1,697,478)	(1,104,779)	(1,041,295)	59,356	(915,362)
797,516	405,862	(199,202)	357,881	(714,818)	709,364	1,681,316
444,066	454,310	293,927	76,625	296,356	(425,927)	(1,890,042)
33,870	33,709	104,882	206,333	30,058	138,955	265,186
(21,967)	(26,888)	(51,425)	(26,418)			(12,835)
(45,975)	(17,503)	83,848 60,775	45,974	6,717	(15,313)	(44,813)
5,277,886	5,822,252	8,917,057	9,257,823	3,999,780	5,809,363	14,174,382
(3,954,353)	(2,936,588)	(5,005,304)	(3,181,685)	(1,684,702)	(2,972,337)	(11,080,955)
21,459			1,351		(311,894)	
(4,662,904)	(5,090,321)	(7,998,348)	(8,178,060)	(2,829,460)	(5,121,647)	(14,043,640)
2,887,402	2,299,957	3,868,985	2,520,919	1,499,241	2,204,329	6,642,178
<u>(\$14,266,664)</u>	<u>(\$15,655,105)</u>	<u>(\$24,094,322)</u>	<u>(\$19,490,678)</u>	<u>(\$10,580,554)</u>	<u>(\$13,705,847)</u>	<u>(\$41,102,460)</u>
\$7,239,203 112,066	\$12,218,937 60,000	\$24,924,256	\$12,335,153 115,500	\$5,984,289	\$12,941,740	\$32,882,154
<u>\$7,351,269</u>	<u>\$12,278,937</u>	<u>\$24,924,256</u>	<u>\$12,450,653</u>	<u>\$5,984,289</u>	<u>\$12,941,740</u>	<u>\$32,882,154</u>
\$200 \$28,750 \$71,836 (\$76,418)		(\$10,946)	\$5,978			\$410,000 (\$95,328)
(\$37,583)	\$59,713	(\$44,312)	(\$55,141)		\$16,800	\$161,944
\$1,656,645 \$182,662	\$4,659	\$509,500	\$7,127	\$297,610	\$65,992 \$204,102	\$271,457
\$321,201	\$16	(\$3,085)	(\$4,361)			

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2023**

	SOWELA Technical Community College	Facilities Corporations	System Eliminating Entries	Total Per System
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	(\$27,965,973)	(\$15,893,930)	\$23,248,932	(\$376,317,410)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization expense	2,673,628	15,893,930		36,003,949
Nonemployer contributing entity revenue	86,831			1,342,902
Noncash capital expense				1,385,773
Noncash insurance recoveries	770,393			770,393
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
(Increase) decrease in accounts receivable, net	486,433			(6,671,941)
(Increase) decrease in due from other funds				(2,104,911)
(Increase) decrease in inventories				(7,217)
(Increase) decrease in prepaid expenses and advances				(989,818)
(Increase) decrease in other assets				(56,864)
(Increase) decrease in deferred outflows related to pensions	(1,375,142)			(19,632,883)
(Increase) decrease in deferred outflows related to OPEB	84,225			4,852,601
Increase (decrease) in accounts payable and accrued liabilities	(437,887)			3,774,258
Increase (decrease) in unearned revenue	73,715			1,813,999
Increase (decrease) in amounts held in custody for others	761			(360,498)
Increase (decrease) in due to other funds				83,848
Increase (decrease) in compensated absences	60,657			359,119
Increase (decrease) in net pension liability	8,593,151			136,401,331
Increase (decrease) in OPEB liability	(4,213,363)			(82,198,207)
Increase (decrease) in other liabilities				487,166
Increase (decrease) in deferred inflows related to pensions	(8,266,080)			(132,200,051)
Increase (decrease) in deferred inflows related to OPEB	3,501,149			62,143,249
Increase (decrease) in other deferred inflows				(73,207)
Net cash provided (used) by operating activities:	<u>(\$25,927,502)</u>	<u>\$0</u>	<u>\$23,248,932</u>	<u>(\$371,194,419)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:				
Cash and cash equivalents classified as current assets	\$16,292,126			\$250,903,097
Cash and cash equivalents classified as noncurrent assets	109,009	\$53,435,426		54,778,326
Cash and cash equivalents at the end of the year	<u>\$16,401,135</u>	<u>\$53,435,426</u>	<u>\$0</u>	<u>\$305,681,423</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Noncash capital appropriation, grant, and/or gift of capital assets	\$478,111			\$4,158,764
Noncash grants and gifts				\$438,750
Noncash insurance recoveries used for construction in progress	\$1,715,729			\$1,787,565
Net gain (loss) on disposal of capital assets	(\$4,946)			(\$198,544)
Noncash transfer of operations	\$362,024			\$0
Unrealized gain (loss) on investments	\$137,799		(\$148,842)	\$381,916
Amortization of bond premium			\$4,973,265	\$4,973,265
Amortization of bond issuance costs			\$464,428	\$464,428
Federal nonoperating receivables	\$9,702			\$2,340,449
COVID-19 federal funding receivables	\$806,510			\$4,985,223
Retainage payable			\$449,402	\$449,402
Other nonoperating accounts and contracts payable			\$62,829	\$62,829
Other current liabilities - interest payable			\$3,228,287	\$3,238,862
Noncash insurance recoveries				\$1,356,823

(Concluded)

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Net Position, by College
June 30, 2022**

	Board Office	Baton Rouge Community College	Bossier Parish Community College	Central Louisiana Technical Community College	Delgado Community College
ASSETS					
Current Assets					
Cash and cash equivalents	\$23,933,219	\$35,038,540	\$21,390,578	\$4,951,478	\$25,382,650
Receivables, net	1,591,170	1,423,082	3,489,224	1,199,688	8,632,915
Leases receivable					44,605
Due from State Treasury	100,000				
Due from federal government	7,118,238	1,275,329	119,682	1,085,341	5,173,768
Due from LCTCS colleges/LCTCS	2,816,874	595,141	92,641	567,499	313,440
Inventories					
Prepaid expenses and advances	198	173,840	13,963	24,671	37,585
Other current assets					
Total current assets	35,559,699	38,505,932	25,106,088	7,828,677	39,584,963
Noncurrent Assets					
Restricted assets:					
Cash and cash equivalents				9,230	677,233
Investments		432,824	1,430,000	290,536	4,802,170
Receivables, net					
Other					
Leases receivable		71,128			112,080
Capital assets, net	1,195,037	42,309,667	18,206,441	7,448,380	72,204,681
Leased assets, net			247,368		
Other noncurrent assets					
Total noncurrent assets	1,195,037	42,813,619	19,883,809	7,748,146	77,796,164
Total Assets	36,754,736	81,319,551	44,989,897	15,576,823	117,381,127
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	7,600,935	10,344,443	8,317,897	4,304,754	20,445,339
Deferred outflows related to OPEB	3,676,415	4,300,345	3,267,732	3,278,854	10,804,461
Total deferred outflows of resources	11,277,350	14,644,788	11,585,629	7,583,608	31,249,800
LIABILITIES					
Current Liabilities					
Accounts payable and accruals	17,435,347	2,853,778	1,828,256	743,919	4,878,723
Due to federal government	890			7,215	
Due to LCTCS colleges/LCTCS	3,563,696	522,442	280,730	102,626	679,891
Unearned revenues	18,000	1,371,049	1,165,661	424,692	3,667,735
Amounts held in custody for others		64,727	2,135	75,207	212,863
Compensated absences payable	125,322	190,495	183,746	64,132	308,944
Lease liability			42,473		
Notes payable					210,000
OPEB liability	259,047	892,212	553,442	927,072	2,492,974
Bonds payable, net					
Other current liabilities					19,928
Total current liabilities	21,402,302	5,894,703	4,056,443	2,344,863	12,471,058
Noncurrent Liabilities					
Compensated absences payable	2,451,347	3,002,629	2,080,110	685,747	5,042,406
Lease liability			202,837		
Notes payable					1,582,500
Net pension liability	17,034,048	27,282,429	20,004,155	8,641,793	52,843,870
OPEB liability	15,298,110	34,840,536	24,535,453	17,509,963	79,342,253
Bonds payable, net					
Total noncurrent liabilities	34,783,505	65,125,594	46,822,555	26,837,503	138,811,029
Total Liabilities	56,185,807	71,020,297	50,878,998	29,182,366	151,282,087
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	10,690,551	19,688,045	14,739,800	7,186,307	39,670,947
Deferred inflows related to OPEB	1,138,584	3,049,242	2,521,785	4,189,591	4,787,308
Deferred inflows related to leases		73,207			156,496
Total deferred inflows of resources	11,829,135	22,810,494	17,261,585	11,375,898	44,614,751
NET POSITION					
Net investment in capital assets	1,195,037	42,309,667	18,208,499	7,448,380	70,412,181
Restricted:					
Nonexpendable		350,000	1,430,000	290,536	2,769,515
Expendable	1,315,944	16,608,119	11,880,639	4,804,320	28,739,813
Unrestricted	(22,493,837)	(57,134,238)	(43,084,195)	(29,941,069)	(149,187,420)
Total Net Position	(\$19,982,856)	\$2,133,548	(\$11,565,057)	(\$17,397,833)	(\$47,265,911)

(Continued)

Schedule 8

Elaine P. Nunez Community College	L.E. Fletcher Technical Community College	Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical Community College	River Parishes Community College	South Louisiana Community College	SOWELA Technical Community College
\$6,287,921 791,911	\$12,441,239 1,128,260	\$18,198,826 1,715,310	\$12,282,135 556,420	\$4,332,806 260,434	\$9,473,203 2,687,516 7,560	\$26,346,111 1,603,102	\$16,136,753 7,058,336
1,202,369 142,064	15,795 146,188	3,264,081 537,487 7,222	224,666 265,370	265,653 112,255	5,245,219 205,119	6,377,549 591,782	1,771,786 259,737
110,096	57,808 3,025	11,264	35,587	5,527	17,768	12,113	
<u>8,534,361</u>	<u>13,792,315</u>	<u>23,734,190</u>	<u>13,364,178</u>	<u>4,976,675</u>	<u>17,636,385</u>	<u>34,930,657</u>	<u>25,226,612</u>
94,471 579,590	538,588	717,004	60,000 764,940		180,021 146,419	2,173,727	399,799 1,052,205
35,912,905	18,661,669 161,293	7,901,619	10,605,082	4,430,871	96,485 10,707,162	11,061,299 215,880	49,177,443
<u>36,586,966</u>	<u>19,361,550</u>	<u>8,618,623</u>	<u>11,430,022</u>	<u>4,430,871</u>	<u>11,130,087</u>	<u>13,450,906</u>	<u>50,629,447</u>
<u>45,121,327</u>	<u>33,153,865</u>	<u>32,352,813</u>	<u>24,794,200</u>	<u>9,407,546</u>	<u>28,766,472</u>	<u>48,381,563</u>	<u>75,856,059</u>
2,751,344 2,454,845	5,081,192 2,071,303	5,826,875 2,879,427	7,152,116 1,858,529	2,266,326 1,871,221	5,631,182 1,794,034	13,044,297 6,862,598	5,822,644 2,708,714
<u>5,206,189</u>	<u>7,152,495</u>	<u>8,706,302</u>	<u>9,010,645</u>	<u>4,137,547</u>	<u>7,425,216</u>	<u>19,906,895</u>	<u>8,531,358</u>
579,762	1,640,244	1,326,686	924,782 8,760	297,643	1,001,698	3,937,598	1,419,022
102,656	138,982	150,435	172,418	40,802	154,649	498,648	188,568
307,551	247,229	912,820	371,442	238,514	168,980	2,137,178	485,109
21,967	45,873	51,425	26,418	1,035	375,672	76,105	16,938
108,237	66,791 99,060	93,020	66,325	56,465	79,841	187,205 87,083	94,242
373,209	330,179	768,279	286,282	576,568	193,342	1,613,728	544,025
	16						
<u>1,493,382</u>	<u>2,568,374</u>	<u>3,302,665</u>	<u>1,856,427</u>	<u>1,211,027</u>	<u>1,974,182</u>	<u>8,537,545</u>	<u>2,747,904</u>
676,672	823,597 49,638	1,048,609	1,175,888	463,108	795,788	2,001,180 131,099	1,168,021
6,896,958 12,954,055	8,289,125 11,227,156	13,140,211 20,461,758	13,578,952 12,399,468	4,519,245 8,961,706	8,783,306 9,973,664	24,186,407 39,870,484	12,727,534 17,338,766
<u>20,527,685</u>	<u>20,389,516</u>	<u>34,650,578</u>	<u>27,154,308</u>	<u>13,944,059</u>	<u>19,552,758</u>	<u>66,189,170</u>	<u>31,234,321</u>
<u>22,021,067</u>	<u>22,957,890</u>	<u>37,953,243</u>	<u>29,010,735</u>	<u>15,155,086</u>	<u>21,526,940</u>	<u>74,726,715</u>	<u>33,982,225</u>
4,980,696 765,440	5,407,935 630,261	9,635,869 2,058,261	9,747,595 893,768	3,406,798 2,188,053	5,827,253 651,759 103,952	19,664,838 4,562,340	9,575,847 1,342,903
<u>5,746,136</u>	<u>6,038,196</u>	<u>11,694,130</u>	<u>10,641,363</u>	<u>5,594,851</u>	<u>6,582,964</u>	<u>24,227,178</u>	<u>10,918,750</u>
35,912,905	18,674,264	7,901,619	10,566,643	4,415,045	10,707,162	11,058,945	49,177,443
610,000 5,370,436 (19,333,028)	509,417 6,239,774 (14,113,181)	565,206 8,408,761 (25,463,844)	820,000 5,201,695 (22,435,591)	2,335,322 (13,955,211)	350,000 8,565,148 (11,540,526)	2,170,000 12,728,940 (56,623,320)	1,330,578 8,868,147 (19,889,726)
<u>\$22,560,313</u>	<u>\$11,310,274</u>	<u>(\$8,588,258)</u>	<u>(\$5,847,253)</u>	<u>(\$7,204,844)</u>	<u>\$8,081,784</u>	<u>(\$30,665,435)</u>	<u>\$39,486,442</u>

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Net Position, by College
June 30, 2022**

	Facilities Corporations	System Eliminating Entries	Total Per System
ASSETS			
Current Assets			
Cash and cash equivalents			\$216,195,459
Receivables, net			32,137,368
Leases receivable			52,165
Due from State Treasury			100,000
Due from federal government			33,139,476
Due from LCTCS colleges/LCTCS		(\$6,645,597)	0
Inventories			7,222
Prepaid expenses and advances			489,156
Other current assets			14,289
Total current assets	0	(\$6,645,597)	282,135,135
Noncurrent Assets			
Restricted assets:			
Cash and cash equivalents	\$47,253,211		48,673,965
Investments	56,766,992		69,694,995
Receivables, net	6,741,659		6,741,659
Other	35,058		35,058
Leases receivable			279,693
Capital assets, net	425,847,946		715,670,202
Leased assets, net			624,541
Other noncurrent assets	4,833,882		4,833,882
Total noncurrent assets	541,478,748	0	846,553,995
Total Assets	541,478,748	(6,645,597)	1,128,689,130
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions			98,589,344
Deferred outflows related to OPEB			47,828,478
Total deferred outflows of resources	0	0	146,417,822
LIABILITIES			
Current Liabilities			
Accounts payable and accruals	3,310,132		42,177,590
Due to federal government			16,865
Due to LCTCS colleges/LCTCS	49,054	(6,645,597)	0
Unearned revenues			11,515,960
Amounts held in custody for others			970,365
Compensated absences payable			1,624,765
Lease liability			228,616
Notes payable			210,000
OPEB liability			9,810,359
Bonds payable, net	25,265,000		25,265,000
Other current liabilities	4,590,373		4,610,317
Total current liabilities	33,214,559	(6,645,597)	96,429,837
Noncurrent Liabilities			
Compensated absences payable			21,415,102
Lease liability			383,574
Notes payable			1,582,500
Net pension liability			217,928,033
OPEB liability			304,713,372
Bonds payable, net	409,862,369		409,862,369
Total noncurrent liabilities	409,862,369	0	955,884,950
Total Liabilities	443,076,928	(6,645,597)	1,052,314,787
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions			160,222,481
Deferred inflows related to OPEB			28,779,295
Deferred inflows related to leases			333,655
Total deferred inflows of resources	0	0	189,335,431
NET POSITION			
Net investment in capital assets	(175,201)		287,812,589
Restricted:			
Nonexpendable			11,195,252
Expendable	98,577,021		219,644,079
Unrestricted			(485,195,186)
Total Net Position	\$98,401,820	\$0	\$33,456,734

(Concluded)

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Revenues, Expenses,
and Changes in Net Position, by College
For the Year Ended June 30, 2022**

	Board Office	Baton Rouge Community College	Bossier Parish Community College	Central Louisiana Technical Community College	Delgado Community College
OPERATING REVENUES					
Student tuition and fees		\$26,209,390	\$19,792,286	\$8,187,821	\$50,519,395
Less scholarship allowances		(13,100,399)	(6,601,717)	(3,732,913)	(18,351,232)
Net student tuition and fees	0	13,108,991	13,190,569	4,454,908	32,168,163
Federal grants and contracts	\$32,783,265	4,171,552	1,647,268	2,136,236	5,585,242
State and local grants and contracts	7,506,248	961,590	2,178,165	689,204	1,961,464
Nongovernmental grants and contracts		46,638	5,616	498,996	2,323,381
Sales and services of educational departments		2,320	94,098	8,300	9,347
Interagency revenue	9,128,172	190,570	571,286	199,650	20,299
Auxiliary enterprise revenues		95,572		130	710,111
Other operating revenues	99,221	43,985	5,044	21,687	64,324
Total operating revenues	49,516,906	18,621,218	17,692,046	8,009,111	42,842,331
OPERATING EXPENSES					
Educational and general:					
Instruction		14,958,629	15,956,298	6,917,343	38,958,731
Public service			250,062		
Academic support	45,188,659	3,488,342	4,211,067	1,612,229	13,352,303
Student services	669,540	6,348,431	3,312,732	1,059,905	4,580,525
Institutional support	22,635,383	8,779,334	5,497,616	2,992,238	16,304,382
Operations and maintenance of plant	134,602	7,742,211	3,270,033	1,624,265	16,400,826
Depreciation and amortization	2,309,639	1,785,458	1,255,662	722,538	4,199,522
Scholarships and fellowships		17,197,690	18,741,927	3,857,283	34,250,338
Auxiliary enterprises					709,603
Interagency expense	1,180,077	1,473,641	926,188	349,313	2,126,356
Total operating expenses	72,117,900	61,773,736	53,421,585	19,135,114	130,882,586
OPERATING LOSS	(22,600,994)	(43,152,518)	(35,729,539)	(11,126,003)	(88,040,255)
NONOPERATING REVENUES (Expenses)					
State appropriations	19,574,830	16,016,886	13,509,882	6,774,588	29,022,698
Gifts			11,633	73,395	154,039
Federal nonoperating revenues		17,529,753	14,596,159	4,576,543	31,554,444
COVID-19 federal funding	2,991,800	18,430,110	15,382,098	3,584,786	36,661,414
Net investment income (loss)	20,122	27,519	42,494	922	(511,763)
Interest expense			(1,024)		(81,585)
Other nonoperating revenues (expenses)	108,373	2,358,423	1,459,459	1,832,545	7,656,694
Net nonoperating revenues (expenses)	22,695,125	54,362,691	45,000,701	16,842,779	104,455,941
Income (loss) before other revenues and additions	94,131	11,210,173	9,271,162	5,716,776	16,415,686
Capital appropriations		1,034,456			
Capital grants and gifts					
Additions to permanent endowments		80,000	210,000	400	60,000
Increase (decrease) in net position	94,131	12,324,629	9,481,162	5,717,176	16,475,686
NET POSITION - BEGINNING OF YEAR (restated)	(20,076,987)	(10,191,081)	(21,046,219)	(23,115,009)	(63,741,597)
NET POSITION - END OF YEAR	(\$19,982,856)	\$2,133,548	(\$11,565,057)	(\$17,397,833)	(\$47,265,911)

(Continued)

Schedule 9

Elaine P. Nunez Community College	L.E. Fletcher Technical Community College	Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical Community College	River Parishes Community College	South Louisiana Community College	SOWELA Technical Community College
\$6,624,473	\$7,131,600	\$14,014,232	\$12,021,740	\$3,536,235	\$7,678,411	\$25,914,871	\$12,131,163
<u>(3,478,408)</u>	<u>(3,182,455)</u>	<u>(10,145,269)</u>	<u>(6,635,248)</u>	<u>(2,090,855)</u>	<u>(2,063,709)</u>	<u>(12,458,545)</u>	<u>(6,258,524)</u>
3,146,065	3,949,145	3,868,963	5,386,492	1,445,380	5,614,702	13,456,326	5,872,639
444,836	989,168	5,715,047	2,181,991	1,074,620	917,926	3,824,602	1,186,215
192,715	874,513	3,076,000	656,015	128,940	375,257	1,671,742	15,492
10,500	150,000	24,265	26,000	12,625	20,716		60,000
				20		3,485	13,325
1,618	14,714	662	1,173	840		88,695	252,661
20,059	7,951	44,534	2,120		13,179		
200,032	24,312	5,688	12,041		16,541	18,908	122,984
<u>4,015,825</u>	<u>6,009,803</u>	<u>12,735,159</u>	<u>8,265,832</u>	<u>2,662,425</u>	<u>6,958,321</u>	<u>19,063,758</u>	<u>7,523,316</u>
4,583,321	7,668,936	9,682,434	10,546,758	3,454,843	6,871,087	18,041,628	11,866,163
						944,795	
2,330,065	1,967,932	4,472,101	1,967,094	366,647	2,255,929	8,209,312	2,362,515
1,417,201	1,106,760	2,131,637	2,021,565	597,227	3,407,284	4,735,031	1,882,620
2,801,997	3,567,005	9,299,696	4,059,257	1,777,651	3,862,358	6,073,531	5,111,748
1,765,780	1,780,840	2,442,279	1,925,610	1,141,039	2,663,107	6,362,691	5,030,996
1,346,559	834,438	568,287	995,013	349,242	117,816	1,191,996	2,290,795
4,098,342	4,564,275	6,956,980	6,258,507	2,728,872	5,492,694	14,130,898	6,410,194
101,551	1,703	81,696	1,143				
319,642	414,974	672,183	525,587	296,626	589,592	994,320	601,841
<u>18,764,458</u>	<u>21,906,863</u>	<u>36,307,293</u>	<u>28,300,534</u>	<u>10,712,147</u>	<u>25,259,867</u>	<u>60,684,202</u>	<u>35,556,872</u>
<u>(14,748,633)</u>	<u>(15,897,060)</u>	<u>(23,572,134)</u>	<u>(20,034,702)</u>	<u>(8,049,722)</u>	<u>(18,301,546)</u>	<u>(41,620,444)</u>	<u>(28,033,556)</u>
4,927,566	7,099,009	8,592,685	7,932,562	4,957,589	6,487,906	15,801,630	9,895,378
	154,407	32,750	22,046	12,121			1,771,303
5,271,630	4,443,884	10,452,699	5,783,457	2,453,553	3,228,256	14,127,308	6,218,893
5,405,295	5,759,392	10,787,451	9,550,321	3,059,531	10,131,711	18,807,418	7,662,487
(16,056)	(29,437)	(110,605)	(138,209)		(10,325)	(171,938)	(148,935)
	(225)					(362)	
176,147	779,835	2,689,375	750,663	889,132	742,895	1,727,585	2,505,037
<u>15,764,582</u>	<u>18,206,865</u>	<u>32,444,355</u>	<u>23,900,840</u>	<u>11,371,926</u>	<u>20,580,443</u>	<u>50,291,641</u>	<u>27,904,163</u>
<u>1,015,949</u>	<u>2,309,805</u>	<u>8,872,221</u>	<u>3,866,138</u>	<u>3,322,204</u>	<u>2,278,897</u>	<u>8,671,197</u>	<u>(129,393)</u>
147	150,000		532,551				122,590
	151,344				4,103,249	73,750	
30,000	128,000		100,000		180,000	280,000	274,250
<u>1,046,096</u>	<u>2,739,149</u>	<u>8,872,221</u>	<u>4,498,689</u>	<u>3,322,204</u>	<u>6,562,146</u>	<u>9,024,947</u>	<u>267,447</u>
21,514,217	8,571,125	(17,460,479)	(10,345,942)	(10,527,048)	1,519,638	(39,690,382)	39,218,995
<u>\$22,560,313</u>	<u>\$11,310,274</u>	<u>(\$8,588,258)</u>	<u>(\$5,847,253)</u>	<u>(\$7,204,844)</u>	<u>\$8,081,784</u>	<u>(\$30,665,435)</u>	<u>\$39,486,442</u>

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Revenues, Expenses,
and Changes in Net Position, by College
For the Year Ended June 30, 2022**

	Facilities Corporations	System Eliminating Entries	Total Per System
OPERATING REVENUES			
Student tuition and fees			\$193,761,617
Less scholarship allowances			(88,099,274)
Net student tuition and fees	0	0	105,662,343
Federal grants and contracts		(\$15,144,562)	47,513,406
State and local grants and contracts		(3,832,071)	16,455,274
Nongovernmental grants and contracts			3,178,737
Sales and services of educational departments			130,895
Interagency revenue		(10,470,340)	-
Auxiliary enterprise revenues			893,656
Other operating revenues		(10,500)	624,267
Total operating revenues	0	(29,457,473)	174,458,578
OPERATING EXPENSES			
Educational and general:			
Instruction			149,506,171
Public service			1,194,857
Academic support		(29,049,167)	62,735,028
Student services			33,270,458
Institutional support		(85,500)	92,676,696
Operations and maintenance of plant			52,284,279
Depreciation and amortization	\$15,712,649		33,679,614
Scholarships and fellowships			124,688,000
Auxiliary enterprises			895,696
Interagency expense		(10,470,340)	-
Total operating expenses	15,712,649	(39,605,007)	550,930,799
OPERATING LOSS	(15,712,649)	10,147,534	(376,472,221)
NONOPERATING REVENUES (Expenses)			
State appropriations			150,593,209
Gifts			2,231,694
Federal nonoperating revenues			120,236,579
COVID-19 federal funding		(2,790,150)	145,423,664
Net investment income (loss)	96,257		(949,954)
Interest expense	(12,548,546)		(12,631,742)
Other nonoperating revenues (expenses)	(10,763,308)	(7,357,384)	5,555,471
Net nonoperating revenues (expenses)	(23,215,597)	(10,147,534)	410,458,921
Income (loss) before other revenues and additions	(38,928,246)	0	33,986,700
Capital appropriations	44,957,407		46,797,151
Capital grants and gifts	12,199,110		16,527,453
Additions to permanent endowments			1,342,650
Increase (decrease) in net position	18,228,271	0	98,653,954
NET POSITION - BEGINNING OF YEAR (restated)	80,173,549		(65,197,220)
NET POSITION - END OF YEAR	\$98,401,820	\$0	\$33,456,734

(Concluded)

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2022**

	Board Office	Baton Rouge Community College	Bossier Parish Community College	Central Louisiana Technical Community College	Delgado Community College
CASH FLOWS FROM OPERATING ACTIVITIES:					
Tuition and fees		\$13,511,879	\$12,922,818	\$4,140,820	\$28,585,897
Grants and contracts	\$40,677,323	3,932,000	3,005,937	3,122,200	9,042,664
Sales and services of educational departments		2,320	94,098	8,300	9,347
Auxiliary enterprise receipts		95,572		130	453,660
Payments for employee compensation	(14,917,802)	(25,576,024)	(20,309,340)	(8,810,557)	(50,145,170)
Payments for benefits	(1,371,761)	(9,663,460)	(7,542,314)	(3,963,765)	(19,643,809)
Payments for utilities		(2,619,725)	(1,177,084)	(514,359)	(3,526,348)
Payments for supplies and services	(49,730,213)	(12,213,899)	(9,741,441)	(3,710,301)	(29,354,721)
Payments for scholarships and fellowships		(17,194,090)	(18,741,927)	(3,857,283)	(34,250,338)
Other receipts (payments)	5,176,687	(840,602)	(447,714)	(299,134)	(2,070,607)
Net cash provided (used) by operating activities	(20,165,766)	(50,566,029)	(41,936,967)	(13,883,949)	(100,899,425)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
State appropriations	19,574,830	16,123,111	13,563,766	6,819,606	29,203,894
Gifts and grants for other than capital purposes		19,732,584	15,551,217	5,799,107	36,648,732
Private gifts for endowment purposes				400	60,000
COVID-19 federal funding receipts	6,144,557	20,580,458	21,626,390	3,716,938	36,212,631
TOPS receipts		1,662,842	1,133,046	339,536	1,563,139
TOPS disbursements		(1,680,795)	(1,133,046)	(339,536)	(1,563,139)
Direct lending receipts		19,615,239	20,521,482	3,717,885	40,322,536
Direct lending disbursements		(19,615,239)	(20,521,482)	(3,717,885)	(40,322,536)
Other receipts (payments)	3,487		448,135	138,850	1,900,335
Net cash provided (used) by noncapital financing activities	25,722,874	56,418,200	51,189,508	16,474,901	104,025,592
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from capital debt					45,000
Capital appropriations received					
Capital grants and gifts received					
Proceeds from sale of capital assets					
Receipts from lessor leases					
Purchases of capital assets	(701,912)	(1,165,308)	(1,761,274)	(556,924)	(5,600,535)
Principal paid on capital debt and leases					(202,500)
Interest paid on capital debt and leases			(1,024)		(83,460)
Deposit with trustees					
Payments for leased assets			(20,913)		
Other uses					
Net cash used by capital and related financing activities	(701,912)	(1,165,308)	(1,783,211)	(556,924)	(5,841,495)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturities of investments					
Interest received on investments	20,122	76,353	42,494	922	314,164
Purchase of investments				(400)	(60,000)
Net cash provided (used) by investing activities	20,122	76,353	42,494	522	254,164
Net Increase (decrease) in Cash and Cash Equivalents	4,875,318	4,763,216	7,511,824	2,034,550	(2,461,164)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Restated)	19,057,901	30,275,324	13,878,754	2,926,158	28,521,047
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$23,933,219	\$35,038,540	\$21,390,578	\$4,960,708	\$26,059,883

(Continued)

Schedule 10

Elaine P. Nunez Community College	L.E. Fletcher Technical Community College	Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical Community College	River Parishes Community College	South Louisiana Community College
\$3,106,917	\$3,328,962	\$4,711,197	\$5,115,485	\$1,565,751	\$3,986,949	\$13,527,329
576,243	1,957,794	10,172,250	2,885,393	884,238	2,840,848	4,541,623
				20		3,485
20,059	7,951	44,534	2,120		13,179	
(7,311,670)	(8,610,603)	(14,183,031)	(12,464,598)	(4,979,815)	(9,050,216)	(22,797,255)
(2,671,993)	(3,299,288)	(5,722,586)	(4,758,521)	(2,310,644)	(3,127,474)	(9,856,366)
(367,058)	(369,151)	(769,896)	(485,391)	(448,580)	(583,049)	(1,487,873)
(4,237,259)	(4,612,230)	(12,751,573)	(4,313,257)	(1,948,971)	(6,243,406)	(15,209,388)
(4,098,342)	(4,561,234)	(6,956,980)	(6,258,507)	(2,728,872)	(5,492,694)	(14,130,898)
(106,292)	(335,824)	(752,035)	(535,904)	(354,116)	(348,896)	(677,276)
<u>(15,089,395)</u>	<u>(16,493,623)</u>	<u>(26,208,120)</u>	<u>(20,813,180)</u>	<u>(10,320,989)</u>	<u>(18,004,759)</u>	<u>(46,086,619)</u>
4,897,063	7,123,483	8,649,963	7,920,041	4,984,299	6,522,209	15,907,837
5,172,674	5,085,575	12,599,419	6,453,705	3,254,503	3,820,329	15,726,271
30,000	128,000		100,000		180,000	280,000
5,498,604	5,906,778	10,419,883	9,961,538	2,870,968	6,412,306	17,736,528
301,892	595,589	739,597	603,682	231,621	678,500	1,583,012
(301,892)	(595,589)	(739,597)	(603,682)	(231,621)	(678,500)	(1,583,012)
5,982,486	4,163,581	9,762,480	5,392,772		3,164,196	14,456,259
(5,982,486)	(4,163,581)	(9,762,480)	(5,392,772)		(3,164,196)	(14,456,259)
(4,774)	282,182	136,516	25,719	72,692	67,248	59,768
<u>15,593,567</u>	<u>18,526,018</u>	<u>31,805,781</u>	<u>24,461,003</u>	<u>11,182,462</u>	<u>17,002,092</u>	<u>49,710,404</u>
		356,058		134	7,650	1,580
(330,500)	(647,681)	(1,176,400)	(1,980,746)	(709,081)	(2,870,980)	(743,254)
	(209)					(43,491)
	(59,796)					(309)
<u>(330,500)</u>	<u>(707,686)</u>	<u>(820,342)</u>	<u>(1,980,746)</u>	<u>(708,947)</u>	<u>(2,863,330)</u>	<u>(785,474)</u>
31,060	19,080	3,903	28,330		26,383	85,852
(40,000)	(128,000)		(80,000)		(66,723)	28,096
<u>(8,940)</u>	<u>(108,920)</u>	<u>3,903</u>	<u>(51,670)</u>	<u>0</u>	<u>(40,340)</u>	<u>(406,052)</u>
164,732	1,215,789	4,781,222	1,615,407	152,526	(3,906,337)	2,432,259
<u>6,217,660</u>	<u>11,225,450</u>	<u>13,417,604</u>	<u>10,726,728</u>	<u>4,180,280</u>	<u>13,559,561</u>	<u>23,913,852</u>
<u>\$6,382,392</u>	<u>\$12,441,239</u>	<u>\$18,198,826</u>	<u>\$12,342,135</u>	<u>\$4,332,806</u>	<u>\$9,653,224</u>	<u>\$26,346,111</u>

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2022**

	SOWELA Technical Community College	Facilities Corporations	System Eliminating Entries	Total Per System
CASH FLOWS FROM OPERATING ACTIVITIES:				
Tuition and fees	\$5,701,277			\$100,205,281
Grants and contracts	1,234,873		(\$18,976,633)	65,896,753
Sales and services of educational departments	13,325			130,895
Auxiliary enterprise receipts				637,205
Payments for employee compensation	(12,358,240)			(211,514,321)
Payments for benefits	(5,049,064)			(78,981,045)
Payments for utilities	(997,964)			(13,346,478)
Payments for supplies and services	(8,442,365)		29,134,667	(133,374,357)
Payments for scholarships and fellowships	(6,410,194)			(124,681,359)
Other receipts (payments)	351,819		(10,500)	(1,250,394)
Net cash provided (used) by operating activities	(25,956,533)	0	10,147,534	(396,277,820)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
State appropriations	9,939,751			151,229,853
Gifts and grants for other than capital purposes	8,740,129		(10,147,534)	128,436,711
Private gifts for endowment purposes	274,250			1,052,650
COVID-19 federal funding receipts	8,086,349			155,173,928
TOPS receipts	1,743,037			11,175,493
TOPS disbursements	(1,743,037)			(11,193,446)
Direct lending receipts				127,098,916
Direct lending disbursements				(127,098,916)
Other receipts (payments)	77,507	(\$1,051,644)		2,156,021
Net cash provided (used) by noncapital financing activities	27,117,986	(1,051,644)	(10,147,534)	438,031,210
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from capital debt		150,770,000		150,770,000
Capital appropriations received		44,957,407		44,957,407
Capital grants and gifts received		7,199,110		7,199,110
Proceeds from sale of capital assets	1,059			358,831
Receipts from lessor leases				52,650
Purchases of capital assets	(1,306,854)	(20,927,679)		(40,479,128)
Principal paid on capital debt and leases		(21,920,000)		(22,165,991)
Interest paid on capital debt and leases		(19,030,880)		(19,115,882)
Deposit with trustees		(149,064,015)		(149,064,015)
Payments for leased assets				(80,709)
Other uses		(3,058,209)		(3,058,209)
Net cash used by capital and related financing activities	(1,305,795)	(11,074,266)	0	(30,625,936)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	67,433	16,206,600		16,359,885
Interest received on investments	31,309	478,941		1,101,157
Purchase of investments		(880,867)		(1,775,990)
Net cash provided (used) by investing activities	98,742	15,804,674	0	15,685,052
Net Increase (decrease) in Cash and Cash Equivalents	(45,600)	3,678,764	0	26,812,506
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Restated)	16,582,152	43,574,447		238,056,918
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$16,536,552	\$47,253,211	\$0	\$264,869,424

(Continued)

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2022**

	Board Office	Baton Rouge Community College	Bossier Parish Community College	Central Louisiana Technical Community College	Delgado Community College
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	(\$22,600,994)	(\$43,152,518)	(\$35,729,539)	(\$11,126,003)	(\$88,040,255)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation/amortization expense	2,309,639	1,785,458	1,255,662	722,538	4,199,522
Nonemployer contributing entity revenue	104,886	159,104	119,450	56,355	306,005
Noncash capital expense		41,013			
Noncash insurance recoveries					
Changes in assets, deferred outflows, liabilities, and deferred inflows:					
(Increase) decrease in accounts receivable, net	156,089	(603,397)	(948,530)	(426,731)	(5,049,766)
(Increase) decrease in due from other funds	631,281				
(Increase) decrease in inventories					
(Increase) decrease in prepaid expenses and advances	(198)	78,010	(13,963)	5,760	2,821
(Increase) decrease in other assets					
(Increase) decrease in deferred outflows related to pensions	4,607,904	6,632,090	4,878,375	3,208,416	16,092,134
(Increase) decrease in deferred outflows related to OPEB	(1,007,939)	(1,580,742)	(962,339)	(774,578)	(4,203,657)
Increase (decrease) in accounts payable and accrued liabilities	872,725	(1,950,485)	(1,063,610)	(469,961)	700,267
Increase (decrease) in unearned revenue	18,000	56,625	66,126	1,585	398,439
Increase (decrease) in amounts held in custody for others		23,180	(35,502)	20,629	(74,938)
Increase (decrease) in compensated absences	117,540	(161,893)	17,023	(74,226)	277,101
Increase (decrease) in net pension liability	(17,491,218)	(29,461,205)	(23,498,950)	(11,147,481)	(53,712,928)
Increase (decrease) in OPEB liability	2,701,214	2,856,038	2,010,876	(1,312,282)	8,178,767
Increase (decrease) in deferred inflows related to pensions	9,924,971	16,054,585	13,002,486	6,857,708	23,875,683
Increase (decrease) in deferred inflows related to OPEB	(509,666)	(1,415,099)	(1,034,532)	574,322	(3,848,620)
Increase (decrease) in other deferred inflows		73,207			
Net cash provided (used) by operating activities:	(\$20,165,766)	(\$50,566,029)	(\$41,936,967)	(\$13,883,949)	(\$100,899,425)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:					
Cash and cash equivalents classified as current assets	\$23,933,219	\$35,038,540	\$21,390,578	\$4,951,478	\$25,382,650
Cash and cash equivalents classified as noncurrent assets				9,230	677,233
Cash and cash equivalents at the end of the year	\$23,933,219	\$35,038,540	\$21,390,578	\$4,960,708	\$26,059,883
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Noncash capital appropriation, grant, and/or gift of capital assets		\$1,034,456			
Noncash grants and gifts					
Noncash insurance recoveries used for construction in progress					
Net gain (loss) on disposal of capital assets		(\$41,013)	(\$325,331)	(\$14,109)	(\$25,157)
Unrealized gain (loss) on investments		(\$48,834)			(\$825,927)
Amortization of bond premium					
Amortization of bond issuance costs					
Federal nonoperating receivables				\$587,246	\$384,850
COVID-19 federal funding receivables		\$283,132		\$76,173	\$3,040,999
Retainage payable					
Other nonoperating accounts and contracts payable		\$80,000			
Other current liabilities - interest payable					\$19,928
Loss on bond refundings					

(Continued)

Schedule 10

Elaine P. Nunez Community College	L.E. Fletcher Technical Community College	Louisiana Delta Community College	Northshore Technical Community College	Northwest Louisiana Technical Community College	River Parishes Community College	South Louisiana Community College
(\$14,748,633)	(\$15,897,060)	(\$23,572,134)	(\$20,034,702)	(\$8,049,722)	(\$18,301,546)	(\$41,620,444)
1,346,559 48,036 147	834,438 54,493	568,287 82,831	995,013 85,457	349,242 27,477	117,816 56,080	1,191,996 140,295
(136,247)	(319,332)	2,041,322	(18,613)	119,903	66,549	(1,509,798)
(85,570)	(41,257)	2,608	(25,823)		(17,198)	5,860
1,794,607 (76,846)	2,168,505 (734,828)	3,412,271 (1,018,621)	4,928,521 (297,498)	1,247,564 (445,678)	3,017,493 (4,181)	8,680,283 (619,788)
(374,355)	(234,781)	(1,235,845)	(740,506)	(252,510)	(236,306)	210,470
29,350	(336,670)	171,532	(125,621)	6,228	(176,945)	621,364
1,876	7	1,685	(13,574)	(46,347)	203,508	4,338
22,766	108,015	(19,807)	21,051	6,755	20,295	(125,042)
(7,787,723)	(7,888,166)	(15,292,614)	(15,398,768)	(5,202,404)	(9,117,265)	(30,622,381)
1,250,146	1,608,569	1,248,170	1,205,930	(429,191)	1,297,450	2,781,369
4,202,206	4,628,151	8,283,619	9,176,423	2,225,596	5,500,512	18,217,103
(575,714)	(443,707)	(870,160)	(570,470)	122,098	(431,021)	(3,442,244)
<u>(\$15,089,395)</u>	<u>(\$16,493,623)</u>	<u>(\$26,208,120)</u>	<u>(\$20,813,180)</u>	<u>(\$10,320,989)</u>	<u>(\$18,004,759)</u>	<u>(\$46,086,619)</u>
\$6,287,921 94,471	\$12,441,239	\$18,198,826	\$12,282,135 60,000	\$4,332,806	\$9,473,203 180,021	\$26,346,111
<u>\$6,382,392</u>	<u>\$12,441,239</u>	<u>\$18,198,826</u>	<u>\$12,342,135</u>	<u>\$4,332,806</u>	<u>\$9,653,224</u>	<u>\$26,346,111</u>
\$147	\$301,344		\$532,551		\$4,103,249	\$73,750
(\$191,400)	(\$15,623)		(\$2,022)			(\$13,076)
(\$87,116)	(\$48,517)	(\$114,508)	(\$166,539)		(\$36,708)	(\$200,033)
\$1,168,417 \$35,691	\$13,383 \$6,650	\$1,179,803	\$11,681 \$83,550	\$293,023	\$19,751 \$4,737,999	\$907,917 \$4,194,986
	\$16			\$15,826		

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by College
For the Year Ended June 30, 2022**

	SOWELA Technical Community College	Facilities Corporations	System Eliminating Entries	Total Per System
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	(\$28,033,556)	(\$15,712,649)	\$10,147,534	(\$376,472,221)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization expense	2,290,795	15,712,649		33,679,614
Nonemployer contributing entity revenue	84,812			1,325,281
Noncash capital expense				41,160
Noncash insurance recoveries	974,467			974,467
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
(Increase) decrease in accounts receivable, net	480,546			(6,148,005)
(Increase) decrease in due from other funds				631,281
(Increase) decrease in inventories				2,608
(Increase) decrease in prepaid expenses and advances				(91,558)
(Increase) decrease in other assets				(11,264)
(Increase) decrease in deferred outflows related to pensions	4,238,892			64,907,055
(Increase) decrease in deferred outflows related to OPEB	(804,020)			(12,530,715)
Increase (decrease) in accounts payable and accrued liabilities	235,205			(4,539,692)
Increase (decrease) in unearned revenue	(31,844)			698,169
Increase (decrease) in amounts held in custody for others	(16,509)			68,353
Increase (decrease) in compensated absences	(38,552)			171,026
Increase (decrease) in net pension liability	(14,364,797)			(240,985,900)
Increase (decrease) in OPEB liability	1,965,006			25,362,062
Increase (decrease) in deferred inflows related to pensions	7,984,079			129,933,122
Increase (decrease) in deferred inflows related to OPEB	(921,057)			(13,365,870)
Increase (decrease) in other deferred inflows				73,207
Net cash provided (used) by operating activities:	(\$25,956,533)	\$0	\$10,147,534	(\$396,277,820)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:				
Cash and cash equivalents classified as current assets	\$16,136,753			\$216,195,459
Cash and cash equivalents classified as noncurrent assets	399,799	\$47,253,211		48,673,965
Cash and cash equivalents at the end of the year	\$16,536,552	\$47,253,211	\$0	\$264,869,424
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Noncash capital appropriation, grant, and/or gift of capital assets	\$122,590			\$1,991,088
Noncash grants and gifts				\$4,176,999
Noncash insurance recoveries used for construction in progress	\$4,769,265			\$4,769,265
Net gain (loss) on disposal of capital assets	(\$2,391)			(\$630,122)
Unrealized gain (loss) on investments	(\$180,244)	(\$382,684)		(\$2,091,110)
Amortization of bond premium		\$5,823,318		\$5,823,318
Amortization of bond issuance costs		\$439,640		\$439,640
Federal nonoperating receivables				\$3,093,245
COVID-19 federal funding receivables	\$1,893,031			\$15,825,037
Retainage payable		\$849,929		\$849,929
Other nonoperating accounts and contracts payable		\$156,124		\$251,950
Other current liabilities - interest payable		\$3,740,444		\$3,760,388
Loss on bond refundings		\$7,460,372		\$7,460,372

(Concluded)

OTHER REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS

Exhibit A

The following pages contain our report on internal control over financial reporting and on compliance with laws, regulations, and other matters as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. The report is based solely on the audit of the financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses in internal control or compliance and other matters that would be material to the presented financial statements.

December 19, 2023

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*

Independent Auditor's Report

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**
Baton Rouge, Louisiana

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 (*Government Auditing Standards*), the financial statements of the business-type activities of the Louisiana Community and Technical College System (System), a component unit of the state of Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated December 19, 2023. Our report includes a reference to other auditors who audited the financial statements of the South Louisiana Facilities Corporation; the BRCC Facilities Corporation; Campus Facilities, Inc.; Delta Campus Facilities Corporation; and the LCTCS Facilities Corporation, as described in our report on the System's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Other Reports

Other external auditors audited the South Louisiana Facilities Corporation; Campus Facilities, Inc.; Delta Campus Facilities Corporation; BRCC Facilities Corporation; and the LCTCS Facilities Corporation, which are blended component units included in the System's basic financial statements for the year ended June 30, 2023. To obtain copies of those reports, refer to note 1-B to the basic financial statements for mailing addresses. These reports are also available on the Internet at www.lla.la.gov.

As a part of our audit of the System's basic financial statements for the year ended June 30, 2023, we performed certain procedures on colleges within the System. Our reports on those procedures for those colleges are listed as follows:

College	Audit Type	Issue Date	Finding Title
Baton Rouge Community College	Fiscal Year 2023 Management Letter	Pending	Pending
Bossier Parish Community College	Fiscal Year 2023 Management Letter	November 29, 2023	None
Central Louisiana Technical Community College	Fiscal Year 2023 Full Scope	Pending	Pending
Delgado Community College	Fiscal Year 2023 Management Letter	December 11, 2023	None
Elaine P. Nunez Community College	Fiscal Year 2023 Procedural Report	August 16, 2023	Inadequate Controls over Student Accounts
L. E. Fletcher Technical Community College	Fiscal Year 2023 Procedural Report	August 23, 2023	Inadequate Controls over Bank Reconciliations Weakness in Controls over Accounts Receivable and Payable
Louisiana Delta Community College	None	N/A	N/A
Northshore Technical Community College	Fiscal Year 2023 Management Letter	December 13, 2023	None
Northwest Louisiana Technical Community College	Fiscal Year 2023 Full Scope	Pending	Pending
River Parishes Community College	None	N/A	N/A
South Louisiana Community College	Fiscal Year 2023 Management Letter	Pending	Pending
SOWELA Technical Community College	Fiscal Year 2023 Management Letter	Pending	Pending

Those reports contain compliance and internal control findings, where applicable, relating to those colleges. Management's responses are also included in those reports. Management's responses are not audited. Copies of those reports are available for public inspection at the Baton Rouge office of the Legislative Auditor and can also be found on the Internet at www.la.la.gov.

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

KDN:CLL:JPT:BQD:ch

LCTCS 2023